VERIFICATION REPORT

FORTALEZA ITUXI REDD PROJECT

Document Prepared By Earthood Services Private Limited

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Summary

The REDD Project Fortaleza Ituxi registered under the VCS Project ID 1654[1] is located in the Fazenda Nossa Senhora das Cachoeiras do Ituxi, Lábrea municipality, Amazonas State, in Brazil. It was proposed to establish initiatives to reduce of CO_2 emissions in an area of 46,159 hectares of private forest, with the main objective of conserving the forests. Deforestation in the area will be controlled through measures such as sustainable forest management and the presence of workers in these management activities, which will ensure the surveillance and integrity of the Project Area.

The purpose of this audit was to conduct an independent review and determine the conformance of the project with the VCS Standard Version 4. The project corresponds to Sectorial Scope 14 of VCS: Agriculture, Forestry and Other Land Uses (AFOLU), in the category of Reducing Emissions caused by Deforestation and Forest Degradation (REDD), specifically, Avoiding Unplanned Deforestation (AUD). This is not a grouped project.

Earthood Services Private Limited (hereafter ESPL) as a part of the list of available validation/verification bodies-VVB, was hired to conduct the conformity assessment of the verification process against the indicators and requirements of the applicable Standard and VM0015 Methodology for Avoided Unplanned Deforestation, version 1.1, document review, on site visit and interviews with stakeholders and Project owner staff, that were conducted to evaluate the project activity implementation and carry out the third verification process as a third independent part of the project activities under the VCS standard v4, with an assurance level of 95% and a materiality of less than 5%. In addition, non-conformities were raised when applicable.

The purpose of the verification includes document review, an on-site visit from 01/05/2022 to 09/05/2022, institutional meetings, remeasurement of permanent plots, stakeholder interviews and consultation of secondary sources of information, findings, Monitoring report (v4.4 of 23 February 2023), feedback with the project owner, and preparation of the final report. In conducting the verification, the Verified Carbon Standard Program Guide v4.1, was considered the guidance provided in the VCS Guidance Validation and Verification Manual v3.2 was followed.

During the verification process, the ESPL audit team identified 13 nonconformities: 1 Forward Action Request (FAR), 9 Clarification Requests (CL), and 3 Corrective Action Requests (CAR) that were satisfactorily addressed by the project proponent during the

[1] https://registry.verra.org/app/projectDetail/VCS/1654

Summary
verification process to ensure that the Monitoring report (v4.4 of 23 February 2023) meets the requirements of the VCS program. Documentation review, interviews, and site visit allowed ESPL to gather sufficient evidence to fully assess the verification criteria and determine that the project is being implemented according to the Validated Project Description Document and current Monitoring report (v4.4 of 23 February 2023). GHG emission reductions were correctly calculated based on the applied methodology. In summary, the forestry project "Fortaleza Ituxi Redd Project", as described in the Monitoring Report Version 4.4 dated 23/02/2023, meets all relevant requirements of the VCS Version 4 Standard. Hence this project calculated 4,267,919 tCO_2e net emissions reductions for the entire life of project (30 years) and this audit certifies that the GHG net emission reductions of the project during the monitoring period January 01, 2020 – December 26, 2021, is 176,038 tCO_2e, which corresponds to an annual average of 88,019 tCO_2e are real.

1 INTRODUCTION

Earthood Services Private Limited (ESPL) has conducted the conformity assessment of the Validated Project description and third Monitoring Report for the Fortaleza Ituxi Redd Project in Brazil, for the period 01 January 2020 to 26 December 2021. The third-party assessment was conducted in an objective, neutral and consistent manner, in accordance with the requirements of the VCS standard V4 and rules and the approved methodological processes.

1.1 Objective

The purpose of the verification audit activity was to the conduct to the conformity assessment of the Fortaleza Ituxi Redd Project in accordance with the VCS Version 4 standard requirements. The report contains the VVB's assessment and conclusions regarding the project performance in relation to the applicable standard and methodology.

The Verification includes an assessment of:

- The project activity is implemented in accordance with the Project Description.
- Monitoring Activities are developed in accordance with the monitoring report.
- GHG emission reductions and baseline project are calculated without errors or omissions, in a conservative manner and in accordance with the methodology, procedures, and applicable environmental laws and policies.

1.2 Scope and Criteria

The scope of the verification audit is to verify the emission reductions of the proposed project activity in Brazil against the Verified Carbon Standard, relevant methodology and associated tools.

The project covers an area of 46,159 hectares of private forests during the 30 years project lifetime between December 15, 2013, and December 14, 2043. During the monitoring period from January 01, 2020, to December 26, 2021, the GHG net emission reductions of the project are 176,038 tCO_2e, which corresponds to an annual average of 88,019 tCO_2e .

The scope was defined as follows:

- The project and its baseline scenarios.
- The activities and processes of the project.
- The GHG sources, sinks, and/or reservoirs relevant to the project.
- The types of GHGs that are applicable to the project.

The VVB focused on the project activities implementation, the project monitoring activities, the non-permanence risk analysis, and buffer determination prepared for the currently monitoring period from 01 January 2020 to 26 December 2021.

All GHG reservoirs sinks, and sources were evaluated following the VCS standard and methodology requirements. The project was evaluated to a reasonable level of assurance.

The following documents were used during the assessment:

- VCS Program Guide, v4.1;
- VCS Standard, v4.2;
- AFOLU Requirements and local applicable environmental laws
- VM0015 Version 1.1, 3 December 2012 - Methodology for Avoided Unplanned Deforestation.
- AFOLU Non-Permanence Risk Tool, v4.0
- VT0001 Tool for the demonstration and assessment of additionality in VCS agriculture, forestry, and other land use (AFOLU) project activities (T-ADD), Version 3.0 1 February 2012.
- VCS Verification Report Template v4.1
- CDM – Executive Board "Tool for testing significance of GHG emissions in A/R CDM project activities (Version 01)" EB 31.

To provide a traceable and transparent verification opinion, ESPL applied a risk-based approach to the verification of the project, focusing on the significant risks to meeting the qualification criteria and the ability to generate Verified Carbon Units (VCUs).

1.3 Level of Assurance

The confidence level is at 95% of the issued verification statement agreed upon with the project proponent and the manner and timing of gathering evidence or proof to achieve a reasonable level of confidence, consistent with the provisions of the applicable requirements. Similarly, the materiality threshold for the project is less than 5%.

ESPL ensures that projects comply with the VCS Program by considering a materiality threshold of less than 5% in terms of total errors, omissions, and misrepresentations relative to total reported GHG emission reductions.

1.4 Summary Description of the Project

Table 1: Summary of the project

Project name	Fortaleza Ituxi Redd Project

Sectoral scope	14: Agriculture, forestry, and other land use (AFOLU).
AFOLU Project category	Reducing Emissions caused by Deforestation and Forest Degradation (REDD). Avoiding Unplanned Deforestation (AUD).
Project Proponent	Ricardo Stoppe Júnior Fazenda Nossa Senhora das Cachoeiras do Ituxi
Baseline and monitoring methodology	VM0015. Avoided Unplanned Deforestation. Version 1.1, of December 3, 2012
Location of the project activity	Municipality of Lábrea, Brazil
Project scale	Project
Area	46,159 hectares
Project crediting period	30 years From 15 December 2013 to 14 December 2043
Monitoring period	From 01 January 2020 to 26 December 2021
Verified emission reductions in the above monitoring period	176,038 tCO_2e

The Fortaleza Ituxi Redd Project aims to protect private forests in one of the regions with the highest rate of deforestation in the Amazon Biome in Brazil. Deforestation in this area is mainly due to the expansion of agriculture and cattle ranching and is also strongly related to the proximity of roads. This scenario has led to severe social conflicts due to land-grabbing, which has contributed to the displacement of families from the region who practice silviculture.

The project is located at the Fazenda Nossa Senhora das Cachoeiras do Ituxi, in the municipality of Lábrea, in the Brazilian state of Amazonas, on a private property, where the landowner intends to implement activities that will have a positive impact on the climate, community and biodiversity. Through measures such as sustainable forest management, which also helps to maintain the land under the supervision of operational staff, and harvesting activities, which are mainly carried out by clients who have all the necessary equipment and staff to carry out low-impact logging/harvesting activities, the surveillance and integrity of the Project Area is guaranteed.

The REDD project estimates a reduction of 4,267,919 tCO_2e which is equivalent to avoiding deforestation of 46,159 hectares over a 30 years (from December 15, 2013 to December 14, 2043). In addition, this project includes activities such as technical training on sustainable livestock and forest management, fire departments, a study for a small processing plant for non-timber products, production of Brazil nuts, a nursery for seedlings, implementation of technical training frameworks, monitoring of school attendance of young people, and commercial activities in the company “*Castanhal Fortaleza*”.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The Verification process consisted of the following four phases: i) desk review, investigation of secondary sources of applicable information, ii) on-site assessment, iii) clarification of findings, and iv) issuance of the final verification report with the conclusion. The verification process is conducted in accordance with the criteria of VCS standard v4. The verification process included the following:

- Contract with project proponent for the scope and appointment of verification team and technical review team.

- Completeness check of Monitoring Report.

- Desk review of conformance to VCS rules, Monitoring Report by the verification team and planning of onsite audit (site inspection to confirm project boundaries, check project activities and interviews with stakeholders).

- Project conformance to the applied methodology, including the procedure for the demonstration of additionality specified in the methodology.

- Physical on-site inspection by the audit team (site inspection to confirm project boundaries, check project activities and confirm stable forest area).

- Follow up activities e.g., interviews.

- Reporting and closure of findings (CARs/CLs/FARs) and preparation of draft verification report.

- Independent technical review of the draft verification report and final/revised documentation.

- Reporting and closure of TR comments/findings (CARs/CLs/FARs) and final approval for the decision made.

- Reports, calculation checks, QA / QC and resolution of findings.

- Issuance of the draft of verification report.

- Independent technical review of the project documentation to confirm if the internal procedures established and implemented by ESPL were duly complied with and if said opinion or conclusion was reached objectively and in compliance with the applicable rules and requirements. The independent technical reviewer can approve the report in the way it was presented by the lead auditor or return it, with comments or findings that must be resolved by the verification team.

- Issuance of the final verification report according to VCS Verification Report v4.1.

The sampling plan consisted of reviewing 100% of the project documentation, spreadsheets, cartographic information, all certificates of land ownership and carbon rights, and all document submitted as evidence for the third monitoring period. In addition, on-site inspections, and interviews with stakeholders, were scheduled[2].

The Monitoring Report and non-permanence risk analysis were assessed for consistency with the criteria described in Section 4.6 of this report. The audit team identified potential risks of errors, omissions, and misstatements related to the verification criteria. Based on the approach taken, the audit team considers the sample design selected to be sufficient for decision making regarding the analysis of the project and its compliance with applicable requirements.

Table 2: Verification process

Date	Activity
02/05/2022	Opening Meeting: Introduction of the lead auditor Presentation of the Audit team and Project proponent Audit objective, scope and criteria, roles, and responsibilities Schedule discussion/remarks Review of the Audit plan. General Conditions of Service, Impartiality / Confidentiality. Confirmation of schedules and dates, interviews with institutional and local actors, field check. Interview with project proponents. CLA/CAR, Technical review Questions and answers session.
02/05/2022	To Vista Alegre do Abunã municipality. on site review: Deforestation drivers Leakage area Leakage management area Reference region Project limits Perturbations Infrastructures Interviews with: Udeivde Santos de Jesús- Journalist of Punta do Abuná Ana maría da Silva -Vista alegre de abuná comunity member Josafar Novaes Maceo Gerente-IDAM- Vila extrema-AM
03-04/05/2022	Flora plots verification review: 65 40 179 198- 177 52-
05/05/2022	Interview with: Lázaro Gómez de Brito-Boca de Querequeté community member Ganette Eloi da Silva- Manager of the Farm ITUXI Sinomar Prissinoti Costa-Funcionary of Rio Negro Agroflorestal LTDA

[2] Tracks and photos were Recorded in a GIS system by the audit team and the interviews are available in ESPL´s document management

Date	Activity
	José Alvez Fereira Filho-vigia of ITUXI
06/05/2022	Interviews with Ricardo Stoppe Junior To Porto Velho
07/05/2022	Flight to Sao Paulo
09/05/2022	Audit desk-Document revision Land tenure/ Agreements Financial Legal compliance Contracts and/or agreements with participants GIS-review- classification GIS review unplanned deforestation, planned deforestation, GIS review Credited Cumulative areas (past verifications) Baseline /reference area/leakage Fire events analyse. Document management, capture, and compilation of Project information. Spreadsheet review Review of VCUs calculations in accordance with applied methodology and relevant tools. Project deviations
09/05/2022	Closing Meeting: -A general presentation of the partial conclusions and results of the audit, the CARs/CLAs/ detected. -Confirmation of dates to deliver final findings and resolution of findings.
16/05/2022	Findings report 1
23/05/2022	Project proponent response 1
01/06/2022	Review by the Audit team of the responses of the project proponent
10/06/2022	Project proponent response 2
25/06/2022	Review by the Audit team of the responses of the project proponent 2 to close all findings
14/07/2022	Writing of the draft report after the closure of all findings
18/07/2022	Internal Technical Review
21/07/2022	Project Submission of Final Verification Report

The verification team is composed of two auditors, one with extensive expertise in forestry, social, ecological and biodiversity issues in the project region, and the other a local expert who speaks the local language of the project site and has extensive experience as an auditor. Both are qualified according to VCS requirements. As below:

Bibiana Duarte: Senior Lead Auditor. Forest engineer, qualified at ISO 14064 and 14065 to lead validation and verification processes of Carbon Emission Reduction projects for VCS, SOCIALCARBON standards and others. More than 10 years of work and relevant experience in ecological, biodiversity and social aspects in forestry projects. Main auditor since 2017, successfully auditing carbon projects in Brazil, Colombia, and Peru.

Marcelo Sebben: Brazilian, Senior Auditor: Beng Chemical Engineer, MSc Sustainable Energy Systems, qualified as lead auditor under ISO 9001, 14001 and 14064/5 standards. More than 14 years of professional technical experience, including chemical processes, QMS, EMS, Renewable Energy and GHG validation and verification processes. Lead auditor since 2014, auditing more than 100 GHG Projects (validations and verifications) in Brazil and Latin America.

Table 3 Audit Team

Name	Role
Bibiana Duarte	Lead Auditor/Sectorial Specialist/technical expert
Marcelo Sebben	Auditor/Local expert

Table 4 Technical reviewer.

Name	Role
Pablo Rodríguez	Technical reviewer and technical expert

The project was assessed for conformance to the criteria described in this report.

2.2 Document Review

The document review was conducted from May 25 to 29, 2022 based on information provided by the Project Proponent prior to the site visit. The auditor scrutinized all project documentation and ensured that it met the requirements of the VCS program. The desk review included an examination of the project details, data, and parameters, as well as quantification of GHG reductions. The verification team conducted a desk review that included the following:

- A review of the data and information submitted to verify its integrity.

- A review of the Monitoring Report, details of the information, monitored data, appropriate use of factors, equations and results obtained.

- Monitoring the implementation of project activities.

- An evaluation of compliance with the applicable regulations to verify the regularity of the activity.

- An evaluation of documents proving the land tenure and / or carbon rights of the project.

- An evaluation of the controls envisaged to guarantee the quality of the information and the documentary control of the project.

- Other supporting documents (cartography, spreadsheets, etc.).

As part of the desk review, an office audit (lead auditor and audited team) was conducted on key project issues requiring attention.

The revised documents provided by the project are described in Appendix 1.

The project has provided all information necessary for an accurate understanding of the project activities, which was considered sufficient by the audit team for the purposes of this review.

2.3 Interviews

During the site inspections, several interviews were conducted that were deemed relevant to compliance with the legal requirements and technical aspects of the project. The group of people for the interviews was selected based on their role in the project, their influence on the development of the project at the local or regional level, and their location in the project area. Accordingly, the interviewees were individuals from local environmental institutions, local residents, and employees of the farms:

Table 5: Interviews

Name	Roles	Relevance to Audit	Comments	Location
Udeivide Santos de Jesus	Local News reporter	Knows the project land and have done reports on project activity	Lives in Vista Alegre do Abunã since 2004 Came from State of Bahia Works with social media since 2017 His job is related to development and infrastructure news in the city. Visited the project area in 2021 were carried out a report related to the Project activity. Has an internet channel called Ponta do Abunã (https://extrema24horas.com/) Have attended to a lecture related to health, which has been hold by project proponents. Knows about the REDD project. He is aware about the staples distribution in the city in the 1st semester of 2021. Have been informed about the project after the embargo at the farm carried out by IBAMA due to the invasion. Believes that Livestock is the major responsible factor for deforestation in the region (more than 80%) The main economic activities of the city are lumber companies, Brazilian Nuts extraction, açaí. The large scale agriculture and livestock are growing fast. He claims more access to information about the project and is aware that there are close from 15 to 20 families working at the project activity.	Vista Alegre do Abunã City
Ana Maria da Silva	Resident of Vista Alegre do Abunã City.	Lives in the city which is closed to the project activity, and it is where the activities with local communities occur.	Lives in the city since 1990 Works as housekeeper but is currently away from activities. Lives with husband and three sons Have participated from lecture regarding breast and prostate cancer and have been personally invited to the lectures, closed to 50 people attended the lecture, which occurred in 2021. The lecture has been placed at the farm head office. Have been benefited with food staples from project activity. Informed than more than 100 people have received this benefit. Informed that the project activity has carried out research regarding the community needs. She knows some people who works at the farm (ms Ganete).	Vista Alegre do Abunã City

Name	Roles	Relevance to Audit	Comments	Location
			About the activities of the project, is aware that it is related to reforestation.	
Josafar Novaes Macedo	Manager of Institute of Environment from State of Amazonas (IDAM).	The project land is located in State of Amazonas and therefore, this institute is responsible for administrative issues related to the Farm.	Works in the IDAM since 18/07/2011 The institute is responsible for State registration, Rural producer registration, familiar agriculture, provide advisement for agricultural activities. Moreover, it is also responsible for the simplified management plan (the complete management plan, which comprehend use of machinery is responsibility of IPAAM) Have been to the farm in 2019 and knows the landowner. He is aware about some activities carried out with the communities such as donation of food staples, families who live from extractivism of açaí, copaiba oil and Brazilian Nuts. IDAM has partnership with the ITUXI Farm in activities related to Cocoa, Mandiroba and Açaí. Have not received any formal complaint related to the project activity. He is aware that there is not mining activities in the area. He states that the lack of land documents is the main driver of deforestation. He is aware that there are 700 ha of livestock in the project land. He considers that the chain of exploration of Brazilian Nuts needs more support. He considers the project activity important as it is a reference of REDD projects in Brazil.	Vila Extrema City
Lazaro Gomes de Brito	Resident of Bôca do Curuquetê.	People from this community is allowed to extract some products from the project land as it is located closed to the project activity	Lives in Boca do Curuquetê for 38 years. Lives with his family. His main activities are agriculture (manioc, banana) and fishing (self-consumption) He sells agricultural products Met the project owner 5 years ago, who have invited his community for extract Brazilian Nuts and Copaiba oil. The extraction period is 3 months in summer for Nuts and 3 months in winter for Oil. They are not allowed for hunting in the propriety but can fish for self-consumption. He is not aware of invaders in the land Stated that one year ago the project participants have contact them. He enjoys work at the region.	Ituxi Farm
Ganete Eloi da Silva	Resident of Vista Alegre do Abunã and employee of Ituxi Farm.	She is employee of the farm as workers administrator and provides goods (food, supplies) to the farm workers	Lives in Vista Alegre do Abunã. She has a food and supplies distribution company. Is responsible for these provisions to the farm and administrative issues also at the farm Have worked in ITUXI from 2014 to 2016 and from 2017 to current. In the project land subsistence agriculture and small livestock can be found. Stated that the project activity comprehends environmental conservation and source of natural resources. She is aware that there are external pressure from invaders.	Ituxi Farm

Name	Roles	Relevance to Audit	Comments	Location
			Lumber companies are also source of external pressure. She told us that there has been a fire event in the project area in 2021 generated by land owner of neighbour land. An incident report has been registered at the Police station. She stated that there is a verbal agreement with residents of Boca do Curuquetê for extracting the natural resources. The land owner provide fuel and food to the residents in exchange for part of their extraction. Carbonext (consultancy company) requested to the land owner to provide some sort of capacitation to the farm workers, related to health, personal hygiene, breast/prostate cancer and Covid-19. She considers the project activity positive for the land as it searches improvements to the farm.	
Sinomar Prissinoti Costa	Employee (forestry technician) of Rio Negro Company	The company is responsible for georeferencing, topography, forestry inventory for the REDD project.	He knows the farm since 2009 He started to work at the farm in 2014. The jobs carried out are georeferencing, topography, forestry inventory for the REDD project. For carrying out the inventory, he received a capacitation for 10 days. They used 5 teams to carry out the forestry inventory. He is not aware of fire events but is aware that the farm has issues with invaders. They are not allowed to hunt in the land but are allowed to fish for self-consumption. He has participated of lectures related to the REDD project. His impression is that the project has improved the life quality of the surrounding population. Have received capacitation in sustainable livestock and forestry management. Have a great relationship with community from Boca do Curuquetê. The project is helping the forest maintenance, but the livestock is the main deforestation driver in the region.	Ituxi Farm
José Alves Ferreira Filho	Employee of Ituxi Farm	He is responsible for security of Farm boundaries	He was born inside the ITUXI farm (Labrea). Responsible for security of farm against invaders. Works at the farm since 2018. He is aware of invasions occurred in 2004 and in 2020. The invaders were searching for wood REDD project had start in 2013 and since then, no logging has been observed in the farm. He knows the people from Boca do Curuquetê community. They are collectors of Nuts, Copaiba Oil and açaí. The landowner has purchased all goods extracted in his land at good prices. They are not allowed to hunt. And fishing only for self-consumption. He has received Fire brigade capacitation in 2018. Has participated from forestry inventory and have received capacitation about it.	Ituxi Farm

Name	Roles	Relevance to Audit	Comments	Location
			Has helped in the Fauna monitoring carried out in February 2022. Is aware of the REDD project and of its relation with increase of carbon credits with keeping forest alive. Met the landowner in 2013.	
Ricardo Stoppe Junior	Landowner	Landowner	His agreement with project developer (Carbonext) started in 2011. He has intention of carry out other REDD project in another land. He had obtained licensing for Forestry management in 2021 but has not carried it out due to weather conditions. He will carry it out this year. Mention that there are invaders in the land searching for wood, land, gold and diamonds. The main deforestation drivers is soya and livestock. Is not aware of any fire event in the propriety His relationship with the FLONA (National Forest) is not the best: he has sued the FLONA due to Illegal wood logging in Flona Area (which belongs to him). He has good relationship with his neighbors. He has an agreement with residents of Boca do Curuquetê community related to exchange of products He does not allow hunting in the propriety and only fishing for self-consumption. He has 700 ha of livestock. He founds the project activity as a motivation for keep the forest alive. He himself carries out lectures related to health (he is a doctor). He stated that the company Rio Negro is responsible for forest management services and fauna monitoring. The farm resident also works at the farm.	Porto Velho City

From the interviews, the community is aware of the implementation of the project activities, the benefits, the impact on the community, the involvement of women, the trainings, etc. However, the project has opportunities to improve communication with the different stakeholders so that information is understood by all who have a clear understanding of their roles or involvement in the project.

2.4 Site Inspections

As part of the project verification process, the project area was visited on site during the days from 01/05/2022 to 09/05/2022. The review consisted of:

- Ensuring that the geographical area of the project corresponds to the information provide in the Project Description, Monitoring Report, and annexes (GIS). This was also confirmed using the Avenza maps® on site[3].

[3] Tracks and photos were Recorded in a GIS system by the audit team and the interviews are available in ESPL´s document management

- Monitoring the Implementation status of the project and forestry activities.

- Conduct a risk-based review of the project area to cover the project boundaries.

- Verifying potential significant discrepancies between activities described in the monitoring plan and those implemented on site.

- Conduct a risk-based review of the project area to ensure that the project complies with the eligibility requirements of the VCS rules and the applicability conditions of the methodology.

- Confirmed that quality control and quality assurance procedures were in place. Confirmed by the audit team with the project proponent.

The visit began with the opening meeting and subsequent site inspections with the audit team and the project proponent team. The activities, boundaries of the project, monitoring and all aspects to safeguard the information provided by the project proponent were reviewed. Confirmation of the boundaries and activities was verified on site (orange line), as described below:

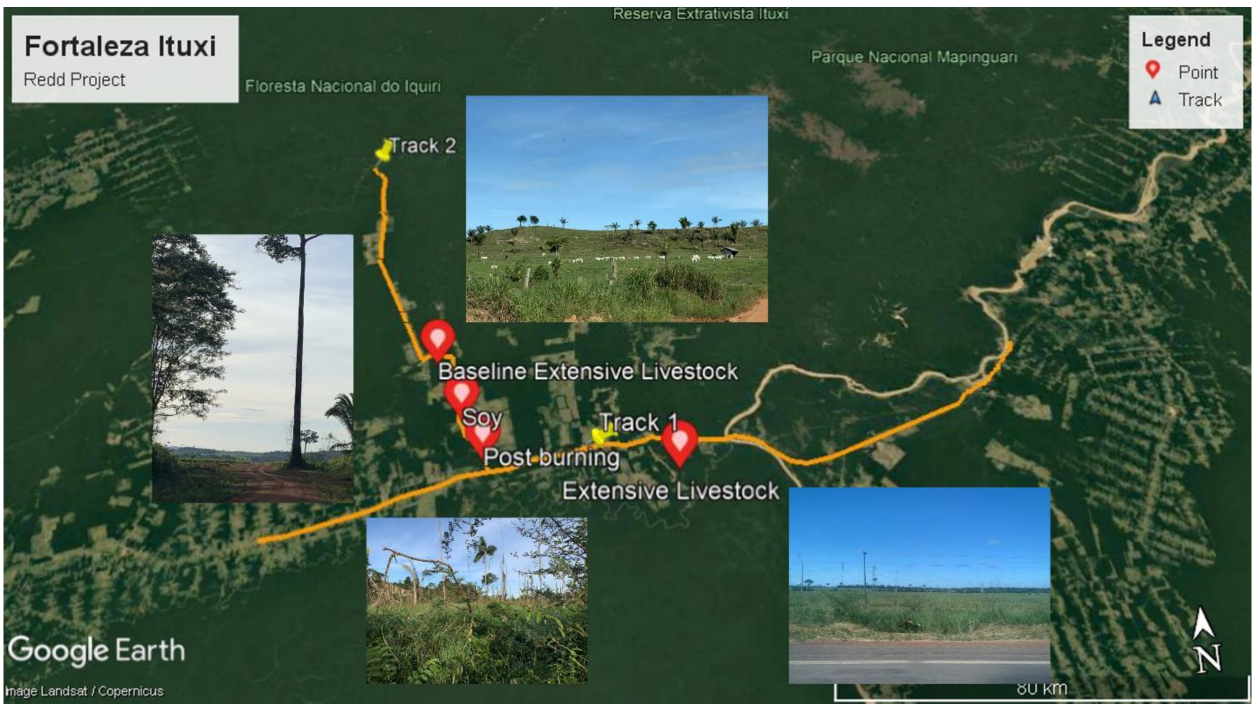

Figure 1 Site inspection[4].

[4] Tracks and photos were recorded in a GIS system by the audit team, and they are available in the document management of ESPL

Figure 2 Site inspection[5].

Figure 3 Site inspection[6].

[5] Tracks and photos were recorded in a GIS system by the audit team, and they are available in the document management of ESPL

[6] Tracks and photos were recorded in a GIS system by the audit team, and they are available in the document management of ESPL

The audit team collected GPS tracking data and waypoints and took photos during the site visit. The lead auditor used *Avenza maps®* to correlate the tracks and observations with map data provided by the project proponent in a GeoPDF file.

Table 6: Check points

Site	Coordinate		Photo
	Latitude	Longitude	
House	8°50'22.72"S	66° 8'52.76"W	
Farmer Entrance	8°56'23.66"S	69° 5'29.62"W	
Baseline Extensive Livestock	9°15'19.97"S	66° 5'18.01"W	
Extensive Livestock	8°53'23.86"S	69°16'22.31"W	

Site	Coordinate		Photo
	Latitude	Longitude	
Baseline Extensive Livestock	9°23'51.92"S	66° 1'1.80"W	
LMA Livestock	9°24'36.85"S	65°59'9.42"W	
Gate	8°55'43.68"S	66° 7'33.28"W	
Post burning	9°38'1.39"S	65°56'5.42"W	

Site	Coordinate		Photo
	Latitude	Longitude	
Soy	8°46'14.18"S	69° 6'39.99"W	
Denuded land	9°24'16.70"S	66° 2'44.76"W	
Preservation Ambiental area	8°49'31.92"S	66° 3'28.86"W	
LMA Aircraft runway	8°54'59.36"S	66°7'52.80"W	

Site	Coordinate		Photo
	Latitude	Longitude	
Plot measured P40	8°58'11.14"S	66°14'33.15"W	
Plot measured P65	8°52'39.11"S	66° 6'1.86"W	
Plot measured P177	8°51'0.23"S	65°55'29.54"W	
Plot measured P179	8°51'39.25"S	65°54'53.34"W	

2.5 Resolution of Findings

The identification of the findings was determined after reviewing the documentation and the results of the on-site inspections. The findings relate to non-compliance with the requirements of the VCS standards, non-compliance with local environmental laws and regulations, non-compliance with general principles and approved methodological procedures. Project information must meet the requirements of the standards by presenting the correct evidence and be based on relevant, verifiable, and internationally recognized sources.

The on-site inspections made it possible to verify the relevance, reliability, and transparency of the procedures for obtaining information and data for the project. The audit sampling effort ensured that the relative importance did not exceed 5%, which was agreed with the project proponent. The information and data were verified to ensure that the information was free of errors, omissions, or misrepresentations.

A Corrective Action Request (CAR) shall be raised if one of the following situations occurs:

- Non-compliance with monitoring or if the evidence provided to demonstrate compliance is insufficient.
- Modifications to the implementation, operation and monitoring of the registered project activity has not been sufficiently documented by the project participants.
- Mistakes have been made in applying assumptions, data or calculations of emission reductions which will impact the quantity of emission reductions.

A Clarification Request (CL) shall be raised if information is insufficient or not clear enough to determine whether the applicable VCS requirements have been met.

A Forward Action Request (FAR) is issued for actions if the monitoring and reporting require attention and/or adjustment for the next verification period.

The findings detected were 1 Forward Action Request (FAR), 9 Clarification Request (CL) and 3 Corrective Action Request (CAR). All finding included the issues raised, the responses provided by the project proponent and the final conclusions are contained in Appendix 2.

In summary, the project proponent presented the clarifications and supports for closing the findings related to land use change and planned deforestation, land ownership, management of quality documents, monitoring period, selection of variables and parameters to be monitored, monitoring frequency, verification of project area, reference region and leakage belt area, notifications to Verra, soil and forest information, plot measurements, stakeholder consultation, compliance with SDGs, legal compliance and update of the AFOLU Non-Permanence Risk Tool v4.0. In conclusion, the findings were successfully closed in compliance with applicable requirements.

2.5.1 Forward Action Requests

There were no FARs generated during the verification of this project. However, there is 1 FAR generated from the first monitoring period (See Appendix 2):

FAR 01: Conversion of a forested area to another land use within the project area in 2018 resulted in planned deforestation of a portion of the project area after the project start date but outside the monitoring period covered by this verification. This activity generated emissions attributable to the project proponent and shall be accounted for in the future in ex-post estimates covered by subsequent verifications.

2.6 Eligibility for Validation Activities

Earthood Services Private Limited is accredited for the validation and verification projects for the scope 14 AFOLU sector as well as by the VERRA board.

Validation activities are not applicable to this verification.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The project is not registered or seeking registration in any other GHG program, other than VCS.

3.2 Methodology Deviations

This project activity does not apply any methodology deviations.

3.3 Project Description Deviations

The following deviations from the Project Description presented for the current monitoring period (described in Section 3.2.2 of the MR) were validated by the audit team:

Analysis of Landsat 8 satellite imagery from July 17, 2013, identified the presence of rocky outcrops previously classified as the Project Area totalling 328.8 ha. These areas were detected as non-forest in this Monitoring Report and discounted from the overall result. ESPL reviewed the imagery and polygons of the outcrops, provided as evidence. ESPL verified through Landsat imagery the PA boundary encompassed areas that had no forest cover, and the Project Area were validated concerns areas deforested before the start date in the region along the Ramal do Boi. Similarly, were detected areas that had no forest cover in the region of the property headquarters.

ESPL has validated through a methodological review the value determined in the root to shoot ratio and will the correct value from this Monitoring period (0.37). Likewise, it has been validated that the biomass stock indicator will be excluded from the project from this monitoring period.

Finally, the VVB verified through on-site inspections and document reviews that these changes in no way affect the management and governance process of the project and that they do not affect the additionality or applicability of the project or the validity of the baseline scenario.

The audit team agrees with justifications and laudable assumptions. The deviations were reported and clearly justified by the project proponent, and the audit team confirmed that the deviations had no impact on the applicable methodology, baseline, and additionality.

3.4 Grouped Project

Not applicable. This is not a grouped project.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The audit team verified the following:

Table 7: Evaluation of the project implementation

Item	Verification
Presence of any material discrepancies between project implementation and the project description.	There are no material discrepancies between project implementation and the project description.
Implementation status of the monitoring plan and the completeness of monitoring, including the suitability of the implemented monitoring system.	The audit team carried out the interviews and observations on the site and confirms that the monitoring is in accordance with the processes of the validated monitoring plan.
The existence of any material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description and the applied methodology.	There are no material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description and the applied methodology.
Whether the GHG emission reductions or removals generated by the project have become included in an emissions trading program or any other mechanism that includes GHG allowance trading.	The project is registered in the VCS program standard, complying with the requirements of the program and the standard. The project is not registered under another GHG program. There is no risk of double counting.
Whether the project has received or sought any other form of environmental credit or has become eligible to do so since validation or previous verification.	The project has not received or sought any other form of environmental credit.
Whether the project has participated or been rejected under any other GHG programs since validation or previous verification.	The project has not participated or been rejected by any other GHG programs.
Sustainable development contributions	The audit team carried out the documentary review and observations on the site and confirms that the project contributes to the UN sustainable development goals.

Based on field observations, interviews, and review of documents, the audit team did not identify any material discrepancies between project implementation and the validated project description. In summary the project was implemented as described in the validated project description.

4.2 Safeguards

4.2.1 No Net Harm

ESPL has verified that the project activities potential negative impacts on local stakeholders. The project does not result in net negative impacts on the wellbeing of other stakeholder groups. In addition, during the office audit and site visits the audit team understood how communication between the project proponent and the stakeholders works. To understand the needs of the community, the Project proponent has established a direct communication channel through WhatsApp for stakeholders to voice their concerns and resolve potential conflicts and complaints that may arise during the project.

The effectiveness of communication was verified on site through the desk audit on document management and interviews with stakeholders.

For monitoring activities of the working conditions are being carried out on a bimonthly basis and will be thoroughly evaluated, which are described in item 3.1 and 4.3 Monitoring plan.

In conclusion, through site visit observations, interviews, and through document assessment, the audit team concludes that reasonable steps have been taken to mitigate the identified risks.

4.2.2 Local Stakeholder Consultation

ESPL verified that the project proponent carries out the consultation and maintains communication with the stakeholders (Lábrea City Hall, Porto Velho City Hall (districts of Nova Califórnia and Extrema), Municipal Secretariat of Education of Lábrea, Municipal Secretariat of Education of Porto Velho (districts of Nova Califórnia and Extrema), SEMA - AM (Amazonas State Secretariat of Environment), Extractive Reserve (RESEX) of “Ituxi”, National Forest (FLONA) of “Iquiri”, National Park (PARNA) of “Mapinguari”, Community leaders of Kaxarari Indigenous Land, IFAM (Federal Institute of Science and Technology; Campus Lábrea) through mechanisms such as consultation activities and with communication channel.

ESPL evidenced in the office audit and on-site inspections that the project proponent is strengthening communication with stakeholders through activities such as registering established consultations and communications established, improving in the ombudsman channel dissemination process, and formalizing and tracking processes. The VVB evaluated the evidence and confirms that the communication of the audit process was carried out by digital means and meetings between the project proponents.

Based on field observations and interviews, the audit team concludes that during the monitoring period the project communicated the necessary relevant information on project implementation, risks, costs and benefits, relevant laws and regulations, and the VCS Program verification process.

4.3 AFOLU-Specific Safeguards

ESPL verified in on-site inspections that to mitigate the risks to the local stakeholders, the project proponent implements the following measures:

- The project proponent maintains continuous contact with neighbouring landowners in order to encourage them to avoid deforestation and implement sustainable practices.
- The project proponent created of the Unitor REDD+ Project during the monitoring period which aims to protect approximately 100,000 hectares of forests in the Reference Region of Fortaleza Ituxi Project, currently in the final approval phases by VERRA.
- After the dispute with the Brazilian government over the use rights to part of the Ituxi property, in December 2021, the Brazilian court decided to return all rights of use to the proponent, performing its activities in accordance with environmental legislation over the use rights to part of the Ituxi property, failing to consider this situation as a possible risk of non-permanence.
- The project proponent communicated with other stakeholders to present the main results and to request contributions and there were no responses that could constitute conflicts or negative impacts.

The audit team carried out the documentary review on land tenure and concluded that there is regularity of the property, and there is no burden, encumbrance, or limitation to the full use of it, nor is there any obstacle to the realization of the Fortaleza Ituxi Project. The project area is owned by the project proponent. The audit team verified that the project proponent communicated the necessary relevant information to local stakeholders during the monitoring period.

Through site visit observations, documentary review and interviews, the audit team concludes that the project proponent has taken the appropriate measures to mitigate the negative impacts on local stakeholders, doesn't generate negative impacts in land use rights and maintains communication with stakeholders about relevant project information.

4.4 Accuracy of GHG Emission Reduction and Removal Calculations

ESPL was able to confirm that the equations, sources, assumptions, parameters, and statistical procedures met the methodological and standard requirements. The procedures for quantifying baseline emissions, the project emissions, leakage, and emission reductions were performed in accordance with the applied methodology.

Table 8: Data and Parameters Available at Validation

Parameter	Description	Value applied	Verification
CF	Default value of carbon fraction in biomass	0.5	This parameter is reviewed with bibliographic reference.
44/12	Carbon mass to CO2e mass conversion factor	44/12	This parameter is reviewed with bibliographic reference.
R	Root to shoot ratio appropriate to species or forest type / biome;note that as defined here, root to shoot ratio is applied as belowground	0.37	This parameter is reviewed with bibliographic reference.

Parameter	Description	Value applied	Verification
	biomass per unit area: aboveground biomass per unit area (not on a per stem basis).		
BEF	Biomass Expansion Factor	1.66	This parameter is reviewed with bibliographic reference.
Cabicl	Average carbon stock per hectare in the aboveground biomasspool of initial forest class icl	575	This parameter is reviewed with bibliographic reference.
Cbbicl	Average carbon stock per hectare in the belowground biomasspool of initial forest class icl	213	This parameter is reviewed with bibliographic reference.
Cabfcl	Average carbon stock per hectare in the aboveground biomasspool of post-deforestation class fcl	Baseline: 15.6 Project emissions: 7.1	This parameter is reviewed in the IPCC.
Cbbfcl	Average carbon stock per hectare in the belowground biomasspool of post-deforestation class fcl	Baseline: 25.0 Project emissions: 11.3	This parameter is reviewed in the IPCC.
EI	Ex ante estimated effectiveness index	0.9	This parameter is reviewed from local assessment.
DLF	Displacement Leakage Factor	0.05	This parameter is reviewed from local assessment.
Deforestation	Maps of forest cover areas converted into non-forest areas	Yearly variable: deforestation values are presented for the Reference Region, Leakage Belt and Project Area (projections) in the VCS-PD	This parameter is verified with remote sensing and GIS.

Table 9: Data and Parameters Monitored

Parameter	Description	Value monitored	Verification
ACPAt	Annual area within the Project Area affected by catastrophic events at year t	0	This parameter is verified with remote sensing, GIS and supervisor reports.

Parameter	Description	Value monitored	Verification
ABSLLKt	Annual area of deforestation within the leakage belt at year t	2020: ex-post recorded: 9,875.7 ha. Actual leakage: 0 ha 2021: ex-post recorded: 7,893.9 ha. Actual leakage: 0 ha	This parameter is verified with remote sensing and GIS
ABSLPAt	Annual area of deforestation in the project area at year t	2020: 43.8 ha. 2021: 26.5 ha.	This parameter is verified with remote sensing and GIS.
ΔCADLKt	Total decrease in carbon stocks due to displaced deforestation at year t	2020: 0 tCO_{2e} 2021: 0 tCO_{2e}	This parameter is verified with remote sensing and GIS.
ΔCPLdPAt	Total decrease in carbon stock due to all planned activities at year t in the project area	2020: 0 tCO_{2e} 2021: 0 tCO_{2e}	This parameter is verified with remote sensing, GIS and documents.
ΔCPSLKt	Total annual carbon stock change in leakage management areasin the project case	0	This parameter is verified with remote sensing and GIS.
ΔCUDdPAt	Total actual carbon stock change due to unavoided unplanned deforestation at year t in the project area	2020: 32,365 tCo_2e 2021: 19,611 tCo_2e	This parameter is verified with remote sensing and GIS.
$EBBPSPA_t$	Sum of (or total) actual non-CO_2 emissions from forest fire at year t in the project area	2020: 1,408 $tCO_{2\text{-}e}$ 2021: 853 $tCO_{2\text{-}e}$	This parameter is verified with remote sensing and GIS.
EADLKt	Total ex post increase in GHG emissions due to displaced forestfires at year t	2020: 0 tCO_2e 2021: 0 tCO_2e	This parameter is verified with remote sensing and GIS.
RFt	Risk factor used to calculate VCS buffer credits	10	This parameter is verified with remote sensing, GIS, VCS Non-Permanence Risk Report (v3.1) and supervisor report.
Deforestation in the project area and leakage belt	Forest cover areas converted into non-forest areas inside the Project Area and Leakage Belt	Project Area: 2020: 43.8 ha 2021: 26,5 ha Leakage Belt: 2020: 9,875.7 ha 2021: 7,893.9 ha	This parameter is verified with remote sensing images.

Parameter	Description	Value monitored	Verification
ΔCabBSLLKt	Total carbon stock changes in the leakage belt area	2020: 0 tCO_2e 2021: 0 tCO_2e	This parameter is verified with calculations.

The audit team reviewed the quantification of GHG emission reductions in accordance with VM0015 methodology:

- Baseline emissions were estimated according to the VM0015 v.1.1. The quantification of baseline emissions was verified by reviewing the baseline carbon stocks in the project area.

- Quantification of project emissions were verified by the VVB by reviewing the decrease in carbon stock due to unplanned deforestation in the Project Area through recalculations, spreadsheets review, inventories, and geographic information. Likewise, despite the approval and logging permit, the Project Proponent did not conduct any logging during this monitoring period.

During field inspections, the VVB verified that there was no significant and unplanned reduction in carbon stock during the monitoring period in the monitored area, for example, due to uncontrolled forest fires and other catastrophic events. The deforestation within the Project Area, in this monitoring period, was due to the opening of roads that were created up to the management yards for the transport and work with timber.

-The quantification of leakage due to displacement activity was verified by independence analysis of the externalities from the project area's activities, accounting for the unusual increase in deforestation in Lábrea Municipality, which also affected the Leakage Belt and cannot be attributed to this Project Activity.

- The increase in carbon stocks following planned logging activities in the project area was also estimated. Secondary data from WEST et al. (2014)[7] used by the project proponent were validated in the PD. These data point to an annual increase of 3.03 tCO_2 per hectare per year due to the regeneration of vegetation after logging.

The VVB replicated the quantification and confirms the accuracy of GHG emission reductions, including accuracy of spreadsheet formulae, conversions and aggregations, externality analysis and consistent use of the data and parameters. The VVB found no manual transposition errors between data sets. In conclusion, GHG emission reductions have been quantified correctly in accordance with the monitoring plan and applied methodology for this verification period.

4.5 Quality of Evidence to Determine GHG Emission Reductions and Removals

The evidence used to determine the GHG reductions of GEI was of sufficient quantity and appropriate quality. The audit team took the following steps to assess the quantity and quality of the evidence for emission reductions:

[7] West et al. 2014. Forest Ecology and Management 314 (2014) 59–63.

- Recalculation and assurance of areas from project shapefiles.

- Recalculation and assurance of the of GHG emission reductions considering parameters, area, equations, etc.

- Comparison of what was recalculated with what was presented by the project proponent in its spreadsheet and the monitoring report.

The GHG emission reductions ex-post estimates were determined by the project proponent using sufficient quantitative evidence and properly qualitative evidence, as it was verified by the audit team.

4.6 Non-Permanence Risk Analysis

The project proponent uses the VCS non-permanence risk report to identify risks and mitigation measures to the project aspects. Justifications and mitigation measures were provided to calculate the total score, fulfilling the objectives of the VCS tool.

Table 10: Evaluation of the project risks

Risk	Assessment of rationale, assumptions, and justification	Assessment of quality of documentation and data provided	Conclusion
Internal risks Risk rating= 7			
Project management Risk rating= -4	The audit team evaluated the actions to mitigate the risk within the project area related to management plan for restricting invasions and risks of fire.	The documentation provided is the description of activities of mitigation such as: Adaptative management plan in place and the experience of management team that allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate. The VVB finds that the mitigation measures are appropriate to cover risk.
Financial viability Risk rating= 0	The audit team evaluated the justification for rating the risks on project cash flow breakeven point, where the initial investment has already paid off.	The documentation provided is a financial analysis allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Opportunity cost Risk rating= -4	The audit team evaluated the justification for rating the risk through a new opportunity cost analysis was carried out for the pasture activity to the Fortaleza Ituxi project area.	The documentation provided is the description related to opportunity cost and profitability analysis and calculated of NPV allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Project longevity Risk rating= 15	The audit team evaluated the justification for rating the risk and the mitigation on legal agreement/documentation or requirement to continue the management practice.	The documentation provided is the description and supports Operation License approved in the State of Amazonas and the registration in property deed in the Real Estate Registry Office allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
External risks			

Risk	Assessment of rationale, assumptions, and justification	Assessment of quality of documentation and data provided	Conclusion
Risk rating= 0			
Land Tenure and Resource Access/Impacts Risk rating= 0	The audit team evaluated the justification for rating the risk and the mitigation since the project is legally protected.	The documentation provided is the description and supports on forest and land tenure regulations that allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Community Engagement Risk rating= 0	The audit team evaluated the justification and the actions to mitigate the risk for the risk rating on the consult to the households that depend on the project area.	The documentation provided related to the information given by the owner farm workers and the partial consult to the households that depend on the project area allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Political risk Risk rating= 0	The audit team evaluated the justification for rating the governance risk and the mitigation on Country implementing REDD+ Readiness or other activities.	The documentation provided is a description of the participation of Brazil in REDD+ activities and Governance scores that allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Natural risks Risk rating= 2.5			
Fire Risk rating= 0,5	The audit team evaluated the justification for rating the fire risk and the actions of mitigation.	The documentation provided is the description of significance through an assessment forest fire occurrence and actions to mitigate this risk, which allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate. The VVB finds that the mitigation measures are appropriate to cover risk.
Extreme Weather Risk rating= 2	The audit team evaluated the justification for rating the fire risk.	The documentation provided is the description of significance of the risk that allowed for assessment by the audit team and is therefore of good quality.	Risk rating is appropriate.
Overall Risk Rating (a + b + c)			10[8]

The audit team performed a complete review of the risk analysis against the requirements of the AFOLU Non-Permanent Risk Tool. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool.

[8] Rounded value. See VCS-Non-Permanence-Risk-Report-Fortaleza Ituxi MR3.2.2

5 VERIFICATION CONCLUSION

The project complies with the verification criteria for projects set out in VCS. The project has been implemented in accordance with the validated project description and the deviations were justified.

The audit team concludes that the climate benefits achieved by the project during the project implementation period are positive and that the project has achieved, its stated climate objectives.

The audit team concludes, with reasonable assurance, that the quantification of the net GHG emission reductions, during the verification period, is free of material misstatement and complies with the verification criteria.

Monitoring period: From 01/Jan/2020 to 26/Dec/2021.

The audit team confirms, with reasonable assurance, that the project generates a net reduction of GHG emissions of 176,038 tCO2e and 155,433 tCO_2e tradable credits (VCUs) applying a buffer of 10%[9].

Verified GHG emission reductions in the above verification period:

Table 11: Verified GHG emission reductions in the above verification period.

Year	Baseline emissions or removals (tCO_2e)	Project emissions or removals (tCO_2e)	Leakage emissions (tCO_2e)	Net GHG emission reductions or removals (tCO_2e)	Buffer pool allocation	VCUs eligible for issuance
2020	42,663	19,401	0	23,262	2,467	20,795
2021	194,643	6,289	0	152,776	18,138	134,638
Total	237,306	25,690	0	176,038	20,605	155,433

Approved by

Dr. Kaviraj Singh

Managing Director **Date: 01/03/2023**

Earthood Services Privated Limited **Place: Gurgaon, Haryana**

[9] See VCS-Non-Permanence-Risk-Report-Fortaleza Ituxi MR3.2.2

APPENDIX 1: DOCUMENTATION PROVIDED BY THE PROJECT

<table>
<tr><th>Folder</th><th colspan="4">File name</th></tr>
<tr><td colspan="5">VCS-Monitoring-Report MR3-ITUXI-v4.4.pdf</td></tr>
<tr><td colspan="5">VM0015_CALCULATION_v4.4_MR3_17_02_2023.pdf</td></tr>
<tr><td colspan="5">PA_MR3_21.11.22.kmz</td></tr>
<tr><td rowspan="3">Campo</td><td colspan="4">2.AREAS_Audit.kmz</td></tr>
<tr><td colspan="4">5. Inv_Parcels_Audit.kmz</td></tr>
<tr><td colspan="4">Assessment Contracto of REDD Project management.docx</td></tr>
<tr><td rowspan="18">Información del Proyecto</td><td rowspan="18">Validation an previous MRs</td><td rowspan="2">Documents MR1</td><td colspan="2">MONIT_REP_1654_15DEC2013_TO_14DEC2015(1).pdf</td></tr>
<tr><td colspan="2">MR_CALCULATION_27_07_2017.xlsx</td></tr>
<tr><td rowspan="16">Documents MR2</td><td rowspan="3">Fire Brigade 2019</td><td>BRIGADA DE INCENDIO FLORESTAL (2).pdf</td></tr>
<tr><td>EQUIPAMENTO DE TREINAMENTO BRIGADA DE INCENDIO.jpg</td></tr>
<tr><td>PARTICIPANTES DO CURSO BRIGADA DE INCENDIO.jpg</td></tr>
<tr><td rowspan="13">Forest inventory</td><td>EQUATIONS – 3 documents (.pdf) and 1 document (.docx)</td></tr>
<tr><td>Excel and sheets – 2 documents (.xlsx) and 1 document (.pdf)</td></tr>
<tr><td>Fotos_IF – 40 photos (.jpeg)</td></tr>
<tr><td>VIDEOS PARCELAS – apresentacoes - 9 videos (.mp4)</td></tr>
<tr><td>VIDEOS PARCELAS – OneDrive_3_29-4-2022 – 3 videos (.mp4)</td></tr>
<tr><td>Ficha de campo IF_PROCESSAMENTO DADOS_CORRIGIDA.xlsx</td></tr>
<tr><td>Inventário Florestal Parcelas em UPF.pdf</td></tr>
<tr><td>Mapa Levantamento Florístico_us built.pdf</td></tr>
<tr><td>METODOLOGIA DO LEVANTAMENTO FLORÍSTICO.docx</td></tr>
<tr><td>Parcelas_carbono.kmz</td></tr>
<tr><td>PROCEDIMENTO PARA LEVANTAMENTO DE CAMPO DE INVENTÁRIO FLORESTAL E LEVANTAMENTO DE FAUNA_Rev1.pdf</td></tr>
<tr><td>Projeto Biomassa mapa_A2_rev3.pdf</td></tr>
<tr><td>Proposta 49 – Levantamento e Relatorio de Fauna Lábrea_Rio Negro.pdf</td></tr>
</table>

Folder	File name			
			!CALCULATION_MR2_01_04_2021.xlsx	
			!ITUXI_Monitoring Report2_06_01_2021 (1).pdf	
		Documents PD	Biomass Estimates	BIOMASS ESTIMATE – REFERENCES – 1 document (.docx), 5 documents (.pdf) and 2 photos (.BMP)
				BIOMASS ESTIMATE - !!BIOMASS REPORT.docx
				BIOMASS ESTIMATE – memoria_biomassa.xlsx
				PASTURE CARBON POOL – 1 document (.pdf)
				WP CARBON POOL – 2 documents (.pdf)
			Farm documents	!CERT.INTERNO TEOR (MAT. 1285 – LV.2 - E).pdf
				!LO Ricardo_SEGUNDO MAIOR DA AMAZONIA.pdf
				AREA FAZENDA FORTALEZA DO ITUXI_LAND SAT.pdf
				CAR RICARDO STOPPE.pdf
				CERTIDAO DE INTERIRO TEOR Agosto de 2011 II.pdf
				Mapa Ituxi Março 2014 (1).pdf
			Financial	FINANCEIRO.xlsx
			GIS and Modeling	base_cartografica_FINAL – biofísicos – 7 files (.shp)
				base_cartografica_FINAL – fundario – 4 files (.shp)
				base_cartografica_FINAL – limites_AP_RR_LB – 3 files (.shp)
				base_cartografica_FINAL – mfs – 6 files (.shp)
				base_cartografica_FINAL – PCH – 1 file (.shp)
				base_cartografica_FINAL – uso_solo_PRODES – 3 files (.shp)
				Imagens_Labrea_2005 – 2 images (.tif) and 1 file (.img)
				Imagens_Labrea_2009 – 2 images (.tif)
				Imagens_Labrea_2013 –1 file (.img)
				Imagens_Labrea_2013 –1 file (.img)
				Raster_ModeloLábrea_LCM_2013-2043.zip
				Referencias bibliográficas – ANEXO III – 23 documents (.pdf) and 1 document (.xlsx)
				REDD_Ituxi_LB_analises_Modelo_15_10_2015_FINAL.xlsx

Folder	File name			
				REDD_Ituxi_LB_rel_vs3_FINAL_15_10_2025.pdf
			PD and Calculation	!!FORTALEZA ITUXI REDD_18_09_2015.docx
				CALCULATION_18_09_2015.xls
			Farm documents	MACOSX – 6 documents (.pdf)
				Farm documents – 6 documents (.pdf)
			Mapa de exploração.pdf	
			PROJ_DESC_1654_01JUL2019.pdf	
	Verification 2022	1.7 Project Location	Leakage_Belt.shp	
			Project_Area.shp	
			Reference_Region.shp	
		3. Implementatio Status	3.1 Implementations status	Biodiversity – 2020 – 1 folder called: Wildlife and 2 documents (.xlsx)
				Boat – 2 images (.jfif)
				Employees – Ganete – 1 image (.jfif)
				Employees – José Alves – 1 document (.pdf)
				Employees – Lindomar – 1 image (.jfif)
				Employees – Lucimar - 1 image (.jfif)
				Health and Security internal audits – 07.2021 – 1 document (.pdf)
				IPAAM – 3 documents (.pdf) and 1 image (.jfif)
				Nutricional e Care Advising – 01.11.2021 – 1 document (.pdf), 2 images (.jfif), 3 photos (.jpg) and 17 videos (.mp4)
				Nutricional e Care Advising – 02.04.2021 – 1 photo (.jpg)
				Nutricional e Care Advising – 08.07.2021 – 1 folder called: Midia and 3 documents (.pdf)
				Nutricional e Care Advising – 10.11.2020 – 4 documents (.pdf)
				Nutricional e Care Advising – 17.04.2020 – 2 documents (.docx) and 2 photos (.jpg)
				Occurrence report – 05.12.2021 Illegal fishing and hunting – 10 images (.jfif)
				Other actions – Donation of food_10.2021 – 2 images (.jfif), 3 photos (.jpg) and 1 document (.txt)

Folder	File name			
				Other actions – Gardens_07.21 – 1 image (.jfif), 4 photos (.jpg) and 1 video (.mp4)
				Plane – Beech Aircraft – 12 images (.jfif), 3 documents (.pdf) and 2 videos (.mp4)
				Plane – Certificado ANAC – 3 photos (.jpeg)
				Plane – Petrel Ls Anfibio Aircraft – 1 folder callded: Inspeção and 7 images (.jfif)
				Surveillance – 1 folder called: 2020 and 1 folder called: 2021.
				Vehicle Maintenance – 3 images (.jfif)
			3.2 Desviations	SIG – 1 document (.pptx) and 3 files (.shp)
		4. Data and Parameters	4.3 NPRR	Expropriation of private areas – 2 documents (.pdf)
				Fires – 2 images (.png), 4 files (.zip), 2 documents (.docx) and 1 document (.qgz)
				Project Management – item D – 1 document (.docx) and 1 document (.pdf)
				WGI – 2 documents (,xlsx)
				VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3
			@Chave de ifentificacao (interpretacao visual).pptx	
		5. Quantification of GHG Emission	5.2 Wood management	Autorizacao Sinaflor_LO 080.2021_UPF-4_NSCItuxi.pdf
				e-mail manejo florestal Ricardo Stoppe.pdf
				Licença_Operação_080.2021_1Alteração_Faz Nossa Senhora Cachoeira_Processo 0912.2021.pdf
			5.3 Project Emissions	GIS data – 1 folder called: Landsat 8 imagery, 1 folder called: RADAR imagery, 2 documents (.xlsx), 1 document (.docx) and 12 files (.shp)
				Estradas.png
				ITUXIMR#3_Deforestation Values.V2
	VCS.VER.21.225_Service Contract_Fortaleza – Ituxi			
	VCS-Monitoring-Report-ITUXI-v2			
	VCS-Monitoring-Report-ITUXI-v3			
Revisión	Hallazgos	2 rodada	CAR 05	3.1 Implementation Status – Biodiversity – 2020 – 1 folder called: Wildlife and 2 documents (.xlsx)

Folder	File name			
				4 – 5 – 5 documents (.xlsx)
			CAR 11	01.Reunião 17.04.2020 – 2 images (.jpg) and 2 documents (.docx)
				02.Reunião 10.11.2020 – 4 documents (.pdf)
				03.Reunião 02.04.2021 – 1 photo (.jpg)
				04.Rreunião 08.07.2021 – 1 folder called: Fotos and 1 folder called: Videos and 3 documents (.pdf)
				05.Reunião 01.11.2021 – 1 folder called: Mídia, 1 image (.jfif) and 1 document (.pdf)
				CAR 11_Atividades desenvolvidas.docx
			CL 02	2.PA + FLONA.jpg
				Relatório Processual-Manifesto.pdf
			CL 03	KMLs – 4 files (.kmz)
				KMZ – 2 files (.kmz)
				E-mail thread_CCB Removal.pdf
				Official letter_REDD ITUXI.pdf
				PHOTO-2022-06-23-09-28-04.jpg
			CL 14	IDESAM_Pecuaria_Aamazonas_2015.pdf
				NPV_OPORTUNITY_COST_BAU_ITUXI_MR3.xlsx
				VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2.docx
				VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2.pdf
				VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2_track changes.docx
				VCS-Risk-Report-Calculation-Tool-v4.0.xlsx
			OneDrive_1_21-6-2022	CDM.F28W. 1 Ass. Audit Findings ITUXI1_v.2.docx
				PD_ITUXI_07_06_2022.docx
				PD_ITUXI_07_06_2022_track changes.docx
				VCS-Monitoring-Report-ITUXI-v5.3.docx
				VCS-Monitoring-Report-ITUXI-v5.3_track changes.docx

Folder	File name
	CDM.F28W. Audit Findings ITUXI
Verra findings round 2 Folder 24022023	VCS-Monitoring-Report MR3-ITUXI-v4.3.docx
	VCS-Monitoring-Report MR3-ITUXI-v4.3.pdf
	VCS-Non-Permanence-Risk-Report-Fortaleza Ituxi MR3_2.2.docx
	VCS-Non-Permanence-Risk-Report-Fortaleza Ituxi MR3_2.2.pdf
	VM0015_CALCULATION_v4.4_MR3_17_02_2023.pdf

APPENDIX 2: FINDINGS

Remaining FAR from first verification

FAR ID	01	Date: 22/02/2019
Description of FAR		
The project proponent converted a forested area into another land use within the project area during the year 2018, thereby resulting in planned deforestation of a portion of the project area after the project start date but outside the monitoring period covered by this verification. Such activity incurred emissions attributable to the project proponent and shall be accounted for in the future in ex-post estimates covered by subsequent verifications. The audit team evaluated this recent deforestation primarily through satellite imagery in the office (ref. 36) and then in the field, through direct observation and interviews with employees of the farm on location, in order to evaluate the history of the area. The project proponent shall implement corrective actions to demonstrate compliance with the mentioned requirement until the next verification event. Note: Effective corrective actions focus on the specific occurrence approach described in the above evidence, as well as its root cause, in order to eliminate and prevent recurrence of nonconformity. The audit team evaluated the following project documentation for issuance of this NCR: - Ref.: 36, GIS data collected in the field by the audit team;		
Project participant response		Date: 23/05/2022
The citation above is from the MR1 FVR: Fortaleza Ituxi VCS Verif 18_EN, which refers to (FAR#19-3). All planned deforestation in 2018 was monitored in Monitoring Report 2, according to Section 4.2 Data and Parameters Monitored, parameter: ΔCPLdPAt "Total decrease in carbon stock due to all planned activities at year t in the project area". Emissions related to the parameter totaled 182,930 tCO_2e in 2018 and were accounted in ex-post estimates for MR2. Thus, the FAR is considered resolved, although the audit process did duly mention FAR#19-3 is it should have.		
Documentation provided by project participant		
Folder: FAR 01 - Monitoring Report 02 *File: !ITUXI_Monitoring Report2_06_01_2021*		
DOE 1st assessment		Date: 06/06/2022
The project proponent has implemented the corrective action since 2nd verification to demonstrate compliance with the requirements in the second monitoring report, but also for the next verifications. The function of the monitored parameter ΔCPLdPAt is to estimate, through remote sensing and GIS, the carbon stock due to the planned activities in the project area and to include it in the final estimated.		
FINDING CLOSED SUCCESSFULLY		

CL ID	02	Date: 16/05/2022
Description of CL		
The following issues were found in when checking the documents related to land propriety. *1) It has been received the real estate record issued by the Real Estate Registry Office of Lábrea - AM related to this property, owned by Nossa Senhora das Cachoeiras do Ituxi LTDA dated on 31/03/2021. According to this title the property contains 133,107.4146 hectares. Nevertheless, updated record is required to attest the current validity of the title (maximum 6 months old).* *2) In the title mentioned above, there is a possible condominum civil mentioned in register number 05 and 06 of this title with Mr. Joaquim Braz Gomes Rosa and his wife. According to the information contained in this title, it is not possible to locate or quantify the exact area of this civil condominium.* *3) The CAR register has been provided to the verification team. Nevertheless, its situation is current Suspended. Therefore, justification on this suspension is being required*		

CL ID	02	Date: 16/05/2022
Description of CL		

4) *According to the interviews carried out during the audit process, a Repossession Process (reintegração de Posse) has been given by Supreme Court in favour of Mr. Ricardo Stoppe Junior. The verification team is requesting the document that evidence the outcome of this process.*
5) *Apart from que clarifications required above, the following documents are being requested*
    a) *Current CCIR (Rural Property Registry)*
    b) *Rural Real Property Tax (ITR) Return and proof of payment of ITR for the last 5 years exercises*
    c) *Clearance Certificate issued by the competent State Environmental Authority. Depending on the jurisdiction, the Certificate issued by SEFAZ may cover environmental fines"*
    d) *Certificates issued by the Federal and State Prosecutors Office - Attorneys / Environmental Attorneys indicating the (in)existence of procedures involving the Property or activities developed in developed, or yet, existence of environmental damages subject to indemnification or recovery measures.*
    e) *Certificates issued by the State Court of Justice, of the location of the Property(s) and the domicile of the Owner(s), covering a period of 10 (ten) years.*

Project participant response — **Date : 23/05/2022**

1) The registration has been updated proving the validity of the title and is available as evidence.
2) According to item (i) R6 of the registration, dated 11.14.2006, the property of 110,372HA had 2/3 of its area sold to Ricardo Stoppe, totalling 73,581.3320HA. Thus, 1/3 of the property remained in the possession of Mr. Joaquin; and (ii) AV11 of the registration, dated 10.23.2013, the last georeferencing process (of 2/3 of the property) now represents 133,107.4146HA, with specific coordinates and boundaries. Note, therefore, that the 1/3 was not georeferenced, so that it is not possible to state its real size or location today. That said, Mr. Ricardo Stoppe's area is precisely and accurately specified, which does not conflict with 1/3 of Mr. Joaquin. It is a pro-division condominium (*condomínio pró-diviso*), where each owner holds a specific and delimited fraction of the rural property.
3) The suspension of the CAR (provided for in Resolution No. 3 of 27.08.2018) may be associated with the property by judicial decision or administrative decision of the competent body, duly justified. Through the CAR existence of an embargo can be deduced, as well as a conservation unit (FLONA do Iquiri). In addition, we had access to a decision rendered within the scope of the TRF of the 1st Region (Process n° 1039737-27.2020.4.01.0000) by which the owner (ITUXI EMPREENDIMENTOS LTDA) "maintains the exercise of the right to own, use, etc., carrying out its activities in accordance with environmental legislation, with the issuance of carbon credits". ICMBIO appealed against this decision, as it understands that allowing the regular and ordinary use, enjoyment and fruition of a property subject to special environmental preservation by the owner allows irreversible damage to the FLONA area, but a new decision has not yet been issued.
4) According to searches carried out before the Superior Courts of Brazil, at the Federal level (STF and STJ), it was observed that there are no actions dealing with repossession. The only action mentioned within the scope of the STJ is in relation to the discussion of the applicable index for readjustment of investment via savings. There were also no repossession actions found in searches at the Federal Regional Court of the State where the property was located (AM), as well as at the State Court of Justice of the State where the property was located (AM). Documents are presented as evidence in the folder.
5) All the most up-to-date versions of required documents are available in the folder. It is worth mentioning that the most recent CCIR is for 2021, since Mr. Ricardo Stoppe claimed that the system has not yet issued the 2022 one (usualy available after half of the year).

Documentation provided by project participant

Folder
CL02
The Portuguese version of the response above is available in the CL 02 folder
Sub-folder "Documentos proprietário":
IBAMA Débitos - Stoope LTDA.
IBAMA Embargos (positiva) - Stoope LTDA.
MPAM - Stoppe LTDA.
MPF - Stoppe LTDA.
SEFAZ AM - STOOFE LTDA.
TJAM Cível - Stoppe LTDA.
TRF Cível - Stoope LTDA.
TRF Criminal - Stoope LTDA.
Sub-folder "Documentos Imóvel":
CAR - Ituxi.
CCIR - Ituxi.
CND ITR - Stoope.
Decisão Judicial - 1039737-27.2020.4.01.0000_178560541
ICMBio parecer decisão judicial- 1039737-27.2020.4.01.0000 - pet

CL ID	02	Date: 16/05/2022
Description of CL		
Matrícula		
DOE 1st assessment		Date: 07/06/2022

1) An updated *real estate record issued by the Real Estate Registry Office of Lábrea – AM has been received being dated on 16/05/2022 owned by Nossa Senhora das Cachoeiras do Ituxi LTDA, Therefore, it could be confirmed the land propriety.* **Issue is closed**
2) Although there is a possible condominium civil mentioned, it is confirmed that it does not represent a lack of propriety proof. Therefore property can be presumed. **. Issue is closed**

3)
   a. The CAR suspension does not represent lack of propriety proof. By checking the documents provided, property can be presumed**. Nevertheless, it is still not clear by checking the provided documents, whether the FLONA area overlaps the project area. Therefore, it is being requested evidence (maps, georeferenced, etc) of the project area and FLONA limits.** PENDING
   b. Moreover, related to the Legal Action and on the exercise of possession, it was assumed, including by virtue of the aforementioned judicial decision, that the possession over the area of this property is exercised by the Owner. Notwithstanding, the possession exercise may be revised to the extent that, under the terms of the judicial discussion, ICMBio, or the possible new dealership of this Conservation Unit, may be considered the holder of possession over this property, in case it promotes its effective expropriation, or even, if the ownership of the Federal Government over this property is recognized, in the exact terms of Art. 4 and 5 of the Decree creating this Conservation Unit. For this reason, it is being requested an **updated report of this action signed by the lawyer who sponsors such action with the summary and status of the case, including its object in relation to the possession specific area of this project, the prospects / chances of success of this case.** PENDING

4) We received the positive Certificate of embargo issued by the Ministry of the Environment - IBAMA, with attest an Embargo related to Notice of Infraction No. LN2QUS0Z dated on 04/08/2021 referring to possible environmental damage (Destroy or damage forests or other forms of vegetation, in areas of special preservation) of 4.6 hectares. Nevertheless, this embargo reinforce the acknowledgment of land propriety**. Issue is closed**
5) The following files have been received and therefore it could be concluded that **this issue is closed**:
   a. *Current CCIR (Rural Property Registry) from 21/12/2021*
   b. *Rural Real Property Tax (ITR) Return and proof of payment of ITR for the last 5 years exercises issued on 17/05/2022*
   c. *Clearance Certificate issued by the competent State Environmental Authority. Depending on the jurisdiction, the Certificate issued by SEFAZ may cover environmental fines"*
   d. *All the certificates received were negative, indicating that there are no proceedings involving these Property.*
   e. *According to the analysis of these certificates, except for the process nº 1007306-74.2019.4.01.3200 filed by the owner on 09/03/2019 (declaratory action for forfeiture of this Conservation Unit Decree creation) against the Federal Government and ICMBio mentioned above, there are no lawsuits regarding the location of the property and the owner's domicile, with implications related to this property.*

Project participant response	Date : 10/06/2022

3)
a.
- In order to prove that the FLONA area does not overlap with the project area a map of the project area and FLONA limits has been provided ("2. PA + FLONA"). The source utilized for it was: Ministério do Meio Ambiente (MMA), 2021, disponível em export download de dados | cem (usp.br)
- It is worth mentioning that INCRA certified the geodetic survey of the property which can be consulted in the real estate record ("matricula") already made available in the previous round of findings, in which the FLONA is mentioned as sharing a boundary ("fronteira") with the property but not overlapping with it.

b. A comprehensive legal report from the lawyer of Mr Ricardo Stoppe has been provided ("Relatório Processual-Manifesto") in order to substantiate, among other arguments, that:
- The legal decision establishes Stoppe Ltda. as the unequivocal owner of the Fazenda Nossa Senhora das Cachoeiras do Ituxi,
- this possession is highly unlikely to be reallocated to ICMbio the Federal Government, or any other possible new management of the Conservation Unit.

Documentation provided by project participant

- Map: "2. PA + FLONA"
- Legal report: "Relatório Processual-Manifesto"

CL ID	02	Date: 16/05/2022
Description of CL		
DOE 2nd assessment		Date: 23/06/2022
Considering the Map that indicates the non-overlapping of the area of this project with the Flona and the report of the lawyer who sponsors the action, we can assume and conclude by proving the Ownership of the Project area. FINDING CLOSED SUCCESSFULLY		

CL ID	03	Date: 16/05/2022
Description of CL		
Quality document management: 1.The final versions of the documents are not presented; highlighted texts are shown. 2.The associated Bibliography is not presented. 3.Public comment period dates are not mentioned in 3rd MR. 4.There is no kml file of the Project registered on the Verra website. The PP is called to update the kml file on the verra website.		
Project participant response		**Date:** 23/05/2022
All highlighted texts were removed from the MR3 file. The bibliographies have been reviewed and are presented in the Audit Drive. Information about the public comment period held in the project validation stage was cited in the MR3. On the Verra platform there is a public comment period with the dates 06/04/2020 to 06/05/2020, which is due a former version of the CCB PD of the project which has been discontinued, the removal of which has been requested from VERRA.		
Documentation provided by project participant		
Folder: CL 03 *Files:* *-BrownGillespieetal1989;* *-Cummings et al 2022;* *-GPG_LULUCF_FULL_Chapter 3;* *-GPG_LULUCF_FULL;* *-Mais fogo e menos água;* *- Nogueira_E M 2008_WOOD_DENSITY_ALLOMETRY_AND_CARBON_IN_BRAZIL;* *-Queimadas e desmatamento_G1;* *-SYR_AR5_Fifth Report IPCC_Synthesis Report;* *-V4_04_Ch4_Forest_Land;* *-V4_06_Ch6_Grassland;* *-Quem é o Brasil da COP 26_ _ Portal FGV_files;* *-A Amazônia no Antropoceno;* *-Desenvolvimento de Compósitos Poliméricos com Fibras;* *-HCVCommonGuide_portuguese_IFL2018;* *-Idesam_Cop26_Entre erros e acertos;* *-plano_manejo_flona_do_iquiri;* *-INPE DATABASE;* *-LB_ITUXI.kml;* *-LMA_ITUXI.kml;* *-PA_ITUXI.kml;* *-RR_ITUXI.kml;* *-Emails_Verra_Status.*		
DOE 1st assessment		Date: 01/06/2022
1.Although “*All highlighted texts were removed from the MR3 file*” the Project Proponent is required to submit final versions of all documents. OK 2.The associated bibliography is submitted. OK 3. The dates for the public comment period are now mentioned in 3rd MR as follows “*The public comment period was held in 2019 for the validation of the project. The comments and responses are available in the Project Description Section 5.4 Public Comments*”, whereas the Verra website stated “*This project was open for public comment from 06/04/2020 to 06/05/2020*”. The Project proponent argues that “*...the removal of which has been requested from VERRA*”. However, this assertion is not substantiated in the project´s management system or in the documents submitted for this review. **PENDING** 4.There is no kml file of the Project registered on the Verra website. The Project Proponent is requested to update the kml file on the Verra website. No action has yet been taken on this finding. **PENDING**		

CL ID	03	Date: 16/05/2022
Project participant response		Date: 10/06/2022
3. An e-mail thread conversation between a Verra representative and Carbonext is provided in the "E-mail thread_CCB Removal"document. In it, it is clarified that a signed handwritten letter must be sent. This was duly carried out (see "*Official letter_REDD ITUXI*") and sent to Verra on 09/06/22. It is understood that these actions on behalf of Carbonext are sufficient for the CCB PD in question to be removed by Verra. 4.The Google Earth KMZ file of the PA has been sent to the responsible parties at Verra, who are processing it. It is understood that these actions on behalf of Carbonext are sufficient for the KMX file to be updated by Verra.		
Documentation provided by project participant		
- KMZ: PA_Ituxi - E-mail thread_CCB Removal - Official letter_REDD ITUXI		
DOE 2nd assessment		Date: 23/06/2022
3. The project proponent has provided sufficient support to clarify the situation regarding the exclusion of the CCB portion of the project 4. The project proponent has provided a screen shot of the uploaded information supporting the request and clarifying the lack.		
FINDING CLOSED SUCCESSFULLY		

CL ID	04	Date: 16/05/2022
Description of CL		
Monitoring period There is no clear why the crediting period ends on December 31, 2021, if the image used to analyse the cover changes in the GIS system corresponds to a different date.		
Project participant response		Date: 23/05/2022
The date of the image used to analyze the change in coverage is December 26, 2021. Therefore, the Monitoring Report and calculation tables were corrected for the period from January 1, 2020 to December 26, 2021.		
Documentation provided by project participant		
DOE 1st assessment		Date: 01/06/2022
The project proponent adjusted the monitoring period "…*from January 1, 2020 to December 26, 2021*" it is consistent between the image used, the monitoring report and the associated documentation.		
FINDING CLOSED SUCCESSFULLY		

CAR ID	05	Date: 16/05/2022
Description of CAR		
In the Project document description 8th version of 01 July 2019 is not clear what is the relation between the numeral 4.3.4 *Initial plan for selecting community and biodiversity variables to be monitored "Biodiversity" b) data to be collected* with table 41 *Biodiversity parameters to be monitored- Activities dependent on carbon credits sales*. The Project Proponent is requested to clarify why those activities *depends on the carbon credits sales* and why the carbon stock is an indicator of "*Biodiversity parameters to be monitored*" It is not clear why the monitoring frequency of Carbon stocks is five years. The Project Proponent is requested to clarify the pertinence of this indicator on this numeral and demonstrate the effectiveness of carrying out the carbon monitoring every five years (include biography/supports that corroborates said statement). There is not clear why the Project proponent used their own parameter to calculate the Aboveground biomass from "primary information" as a result of the monitoring inventory if this was not validated as a "*Data and Parameters Available at Validation*" nor a "*Data and Parameters Monitored*" in Validated Project description. The Project Proponent used their own parameters of Aboveground biomass as a result of the monitoring inventory even if there is no presented/validated as a Project description deviation in 2nd verification report of 12 April 2021 nor in this 3rd verification. There is in 1st verification report of 25 April 2019, numeral 2.5.1 …*the project proponent to be implementing the monitoring tasks related to the carbon stocks increase and decreasing, over the course of the subsequent monitoring periods*… however, this FAR wasn't solved in 2nd verification period. The Project Proponent made a change in the related aspect, but there it is not presented as a PD deviation, nor is in the monitored parameters, even the change in table 4.1 of Modified PD v8.0 the requested was no fulfilled as		

CAR ID	05	Date: 16/05/2022
requested by the FAR of 1st monitoring "*monitoring tasks related to the carbon stocks increase and decreasing, over the course of the subsequent monitoring periods*"		
Project participant response		**Date:** 23/05/2022
The activities listed in table 41 as dependent on the carbon credits sales require significant financial contributions. The project scenario without income from carbon credits is not financially viable. Therefore, these activities were listed as dependent on the carbon credits sales. The Project Developer understands that the carbon stock is not an indicator of "Biodiversity parameters to be monitored". Therefore, this indicator is being excluded from the Monitoring Report, as described in Section 3.2.2 Project Description Deviations. The parameter is also being excluded from table 41 of the Project Description. Since the carbon stock indicator is not related to the biodiversity parameter and is being excluded, the claim that we will be monitoring this parameter every 5 years, or any other interval, is no longer valid. The Project Developer understands that the aboveground biomass parameters from the monitoring inventory have not been validated and are not parameters monitored by the project, so they are being excluded from this Monitoring Report. For calculating VCUs, the Project Developer assumes the value of Average carbon stock per hectare in the aboveground biomass pool of initial forest class icl (Cab_{icl}) of 575 tCO_2/ha, according to the parameter validated in the Project Description, described in section 3.1 Data and Parameters Available at Validation. In response to the FAR presented in the 1st verification report of 25 April 2019, it is clarified that the decrease in biomass in the Project Area due to forest management activities is controlled by the volume of wood removed, as provided for in the management plan and required by legislation. All wood removed must be accompanied by a Document of Forest Origin (DOF), which attests to the legality and volume of the wood. The carbon stock lost given this activity is discounted from the total biomass of the project, in accordance with table 25b of VM0015 (carbon stock decrease due to planned logging activities in the project area). Thus, the issue of removal of biomass due to management activities is already discounted in the calculations of the Monitoring Reports, and is a separate issue to the carbon stock per hectare.		
Documentation provided by project participant		
-		
DOE 1st assessment		**Date:** 01/06/2022
1.The Project proponent has assumed that carbon stock is not an indicator of the "Biodiversity parameters to be monitored". Therefore, this indicator was removed from the Monitoring Report and the Project Description document. The Project proponent has provided a laudable justification for this deviation in the Project but also must demonstrate that all deviations are in conformance with the requirements of the standard and describe in MIR whether each deviation affects the applicability of the methodology, the additionality, or the relevance of the baseline scenario. **PENDING** Some changes have been made to the Project design document, but the version and date have not yet been updated in the document. **PENDING** 2.The Project proponent is requested to clarify whether the activities listed in Tables 40 and 41 of the PD 8th versions dated July 1, 2019 are part of the project objectives and whether the implementation of the activities is dependent on the sale of carbon credits or if it is just a baseline scenario in case this REDD project did not exist in the project area. Considering that the project activities are part of meeting the standard requirements, compliance with SGDs and Cancun Safeguards. It is understood that the responsibilities lie on the project proponent, regardless of the negotiation of carbon sales. **PENDING** 3.The Project Proponent has clarified that the carbon stock indicator in Table 41 of PDD is no longer a biodiversity parameter, which is presented as a Project deviation in Section 3.2.2.3 of PD. **OK** 4-5. The Project proponent has clarified the situation and used the parameter to calculate the validated aboveground biomass as follows, "*For calculating VCUs, the Project Developer assumes the value of Average carbon stock per hectare in the aboveground biomass pool of initial forest class icl (Cab_{icl}) of 575 tCO_2/ha, according to the parameter validated in the Project Description…*". The Project proponent is requested to provide to this audit team the historical ex-post calculations of Net GHG reductions and VCUs from the start date to this monitoring period, in order to support the application of the validated parameter. **PENDING** 6-7. The remaining FAR from the first verification process dated April 25, 2019, has been resolved during this verification period and can be consulted in this report (ID FAR1). **OK**		
Project participant response		**Date:** 10/06/2022
1. *"But also must demonstrate that all deviations are in conformance with the requirements of the standard and describe in MIR whether each deviation affects the applicability of the methodology, the additionality, or the relevance of the baseline scenario"* It is understood that the methodology deviation related in Section 3.2.1 of MR v.5.3 is justified and does not affect the validity of the calculations. This methodology deviation maintains the original methodology deviation, relating to use of published study data for biomass values, as described in section 2.6 of the VCS PD. In it, the following justifications are presented: greater conservativeness of older inventories; large sample set of the inventory used,		

CAR ID	05	Date: 16/05/2022

located very close to the Project Area; and the same forest type. It is argued that the same justification is applicable now in MR3 as was the case at validation.

Regarding section 3.2.2., the Project Description Deviation relating to not performing a self-conducted inventory is now clarified. The reasons for which this does not impact the applicability of the methodology or validity of the baseline scenario are justified by the explanations presented in 3.2.1, which are, in summary: greater conservativeness of older inventories; large sample set of the inventory used, located very close to the Project Area; and the same forest type.

"Some changes have been made to the Project design document, but the version and date have not yet been updated in the document."

Project Description "PD_ITUXI _07_06_2022" has the date and version number updated.

2.

"Whether the activities listed in Tables 40 and 41 of the PD 8th version dated July 1, 2019 are part of the project objectives and whether the implementation of the activities is dependent on the sale of carbon credits or if it is just a baseline scenario in case this REDD project did not exist in the project area. Considering that the project activities are part of meeting the standard requirements, compliance with SGDs and Cancun Safeguards."

In the updated version of the PD (PD_ITUXI _07_06_2022) the two categories "Activities dependent on the completion of the validation process"; and "activities dependent on carbon credit sales", have been removed from tables 40 table 41, as this distinction is no longer considered relevant, given the explanation below.

Regarding whether the activities listed in section 4.3 of the PD (PD_ITUXI _07_06_2022) are part of the project objectives, yes, they are in line with the aims of the REDD project as a whole. Tables 40 and 41 in Section 4.3 of the VCS PD and paragraphs added at the end of Section 1.1.3 now make this explicit by linking specific SDGs and/ or Cancun Safeguards with activities in the tables. The aforementioned section added at the end of Section 1.13 of the PD provides more detailed explanation of compliance with the two frameworks.

None of the activities in table 41 would have occurred in the baseline scenario. This is largely because activities in line with the Cancun Safeguards and ODSs are not part of the reality of large landowners in the region. These activities are only justifiable, in the mind of the project owner, in a with-REDD scenario. This is true of both formerly included categories ("activities dependent on the completion of the validation process; and activities dependent on carbon credit sales"): they would only be carried out in the context of the REDD project.

Within this monitoring period, the following activities were carried out (see Section *3.1 Implementation Status of the Project Activity* of the MR), and the location of the relevant receipts are summarized in the table below:

Activities	Folder
Health and Security internal audits	Health and Security Internal audits
Advice on nutritional aspects	Nutritional e Care Advising
Advice on nutritional aspects and Health internal audits	Nutritional e Care Advising
Health internal audits and Advice on personal care and hygiene	Health and Security Internal audits Nutricional e Care Advising
Health internal audits and Advice on personal care and hygiene	Nutritional e Care Advising
Fauna Inventory	Wildlife
Donation of basic food kits	Other Actions

4-5. The historical ex-post calculations of Net GHG reductions and VCUs from the start date to this monitoring period are presented in folder "4 – 5":

- The file *"!MR1_CALCULATION_05_10_2018"* presents the original an unaltered calculation for MR1 period (2013 – 2015).
- The file *"!MR2_CALCULATION_01_04_2021_original"* presents the original calculation for MR2 period (2016 – 2019).
- The file *"!MR2_CALCULATION_09_06_2022_updated"* presents the updated calculation for MR2 period (2016 – 2019) considering the aboveground biomass pool of initial forest class icl (Cabicl) of 575 tCO_2/ha,

CAR ID	05	Date: 16/05/2022

according to the parameter validated in the Project Description. The update is on “Carbon stocks PA LK est” sheet.

- The difference of original and updated versions of MR2 calculations resulted in a lack of 6,852.31 tCO2e in net GHG emission reductions, as demonstrated in file “*CORRECTION RELATED TO BIOMASS STOCK*”.
- The file “*VM0015_CALCULATION_v3_MR3_3_09_06_2022”* presents the calculation for MR3 period (2020 – 2021) considering a discount of 6,852.31 tCO2e in net GHG emission reductions for the year 2021, to correct the difference. The update is on “Net GHG reductions and VCU” sheet.

Corrections were made in Section 5.5 of Monitoring Report 3 (VCS-Monitoring-Report-ITUXI-v5.3), which resulted in a reduction of 6,852.31 tCO2e in net GHG emission reductions for the year 2021.

Documentation provided by project participant

2.

- *3.1 Implementations Status* in folder CAR 05: All evidence of the actions taken in the field, such as those cited in the table in response to this item above, are available in this folder
- PD_ITUXI _07_06_2022

FOLDER 4 – 5:

- !MR1_CALCULATION_05_10_2018
- !MR2_CALCULATION_01_04_2021_original
- !MR2_CALCULATION_09_06_2022_updated
- CORRECTION RELATED TO BIOMASS STOCK
- VM0015_CALCULATION_v3_MR3_3_09_06_2022

DOE 2nd assessment	Date: 23/06/2022

1.The Project proponent has provided a commendable rationale for the proposed deviation in the Project design in section 2.6 of PD. It is pertinent and meets the requirements of the standard and describes in section 3.2.1 MIR the applicability of the methodology, additionality, or relevance of the baseline scenario.
Some changes have been made to the Project design document, and the version and date have been updated.
2. The Project proponent has clarified that the implementation of the activities does not dependent on the sale of carbon credits and was removed from the Project Document Description. It has also provided more detailed clarification in Section 1.13 regarding compliance with specific SDGs and/ or Cancun Safeguards in the activities attributable to the project proponent. In addition, the PP has provided supports for the status of implementation during this monitoring period.
4-5. The Project proponent updated the historical ex-post calculations of Net GHG reductions and VCUs from the start date to this monitoring period, consistent with the application of the validated parameters and in accordance with the general principles of the VCS standard.

FINDING CLOSED SUCCESSFULLY

CL ID	06	Date: 16/05/2022

Description of CL

Project Area is different between the SIG system (47,106.687 ha), Monitoring report (46,592 ha) and the calculus tablet (46,728 ha) the Project Proponent is also requested to verify the areas of the reference region and leakage belt area.

There is no evidence in the attached Project design document v8.0, regarding the percentage of similarity of the Project area with the reference area specially the urban areas.

Project participant response	Date: 23/05/2022

CL ID	06	Date: 16/05/2022
Description of CL		
The correct values were verified in the GIS system and all corrections were made in Monitoring Report 3 and in calculation table (VM0015_CALCULATION_v3_MR3_2), as follows: Project Area: 46,592 hectares; Leakage Belt Area: 857,513.31 hectares; Reference Region: 1,437,660.84 hectares. The definition of the Reference Region met all the criteria of VM0015 (item 1.1.1) in terms of similarity with the Project Area, in regards to factors such as agents and drivers of deforestation, landscape configuration, ecological conditions and socio-economic and cultural conditions. The so-called urban areas were not excluded from the current Reference Region as the values evaluated for comparison with the project area met the methodological specifications. In addition, it is noted that these areas undergo deforestation processes, as do other areas of the Reference Region, as they concentrate a large part of the population that operates economically in the region, thus concentrating the main agents of deforestation. Still, socio-economic and cultural factors are equivalent to those expected for the project area, such as land tenure, legal status, regulations and others.		
Documentation provided by project participant		
Folder: CL 06 - KML files *Files: LB_ITUXI; PA_ITUXI; RR_ITUXI*		
DOE 1st assessment		Date: 01/06/2022
1.Project area was clarified by the project proponent and verified by this audit team. 2. The project proponent clarified the aspects considered to delineate the reference region since the project was designed in the 2013, due the significance changes that this audit team observed during on site visit.		
FINDING CLOSED SUCCESSFULLY		

CL ID	07	Date: 16/05/2022
Description of CL		
Section 3.2.15 of the *VCS standard* states “*Where an event occurs that is likely to qualify as a loss event (see the VCS Program document Program Definitions for the definition of loss event), the project proponent shall notify Verra within 30 days of discovering the likely loss event*” Due to fire events occurred in the project area, described in “Relatório de incendio - fazenda Ituxi”; the project proponent is requested to clarify if Verra was notified of the fire event as per the requirements of Section 3.2.15 of the VCS standard.		
Project participant response		Date: 23/05/2022
As mentioned in the Fire Report, no fire events caused damage to forest cover that was detectable by GIS. This is the primary reason for which Verra was not notified of the fire event as this was not considered a loss event as defined in the VCS Program document Program Definitions. Furthermore, as demonstrated in the Fire Report, the August 2021 fire event, of under one hectare, which was only detectable by field observation (reported by the field team), did not result in a loss of more than five percent of previously verified emission reductions and removals.		
Documentation provided by project participant		
Folder: CL 07 - Fire Report *File: Fire Report*		
DOE 1st assessment		Date: 01/06/2022
The project proponent has provided a report with its GIS supports on the fire events during the monitoring period, which clarifies that less than 1 hectare was lost in the event, representing 0.06% of the carbon stock. Based on the definitions of the VCS standard, the project proponent should not report the event as is not considered significant.		

CL ID	07	Date: 16/05/2022
FINDING CLOSED SUCCESSFULLY		

CL ID	08	Date: 16/05/2022
Description of CL		
According to the Applicability conditions of the VM0015 methodology. The project area can include forested wetlands (such as bottomland forests, floodplain forests, mangrove forests) as long as they do not grow on peat. Peat shall be defined as organic soils with at least 65% organic matter and a minimum thickness of 50 cm. If the project area includes a forested wetlands growing on peat (e.g peat swamp forests), this methodology is not applicable. There is no objective evidence, either in the PD/MRs or its annexes, that the project is not located in a wetland or/ and that the forests do not grow up on peat according to the applied methodology		
Project participant response		**Date: 23/05/2022**
According to the VM0015 methodology, peat is defined as organic soil with at least 65% organic matter and a minimum thickness of 50 cm. And if the project area includes a forest wetland that grows on peat, this methodology is not applicable. In the case of the ITUXI Project, we found within the Project Area according to GeoInfo data, two main formations of soil types, which are: LVAd3 (Dystrophic Red-Yellow Latosols + Dystrophic Red Latosols) and PVAd9 (Dystrophic Red-Yellow Ultisols + Dystrophic Tb Haplic Cambisols). This is then conclusive evidence that the project forests are not located in a peatland region.		
Documentation provided by project participant		
Folder: *CL 08* *CL 08/ shape* File: *-Solos_PA_Ituxi.pdf;* *-Solos_PA_Ituxi.png;* *-Shapefiles in folder shape.*		
DOE 1st assessment		**Date: 01/06/2022**
The project provided information on the type of soils in the project area, and based on the official information, concludes that the area is not located in a peat region, which confirms the correct application of the methodology.		
FINDING CLOSED SUCCESSFULLY		

CAR ID	09	Date: 16/05/2022
Description of CAR		
In the document "PROCEDIMENTO PARA LEVANTAMENTO DE CAMPO DE INVENTÁRIO FLORESTAL E LEVANTAMENTO DE FAUNA _Rev1.pdf" numeral 5.3 Inventário florestal (IF) stays "*Os CAPs serão tomados pelos mensuradores com auxílio de fita métrica. O ponto de medição do diâmetro será determinado pelo próprio mensurador obedecendo as regras indicadas em treinamento para as diversas circunstâncias comuns em florestas tropicais, conforme figura abaixo. A cada tomada de medida o mensurador deverá falar claramente e em bom tom a medição observada. O anotador deverá coordenar as medições e executar as anotações*" However said procedure could not be confirmed on field by this audit team, the procedure was different, the measure (CAP) was taken randomly depending on each functionary/worker, it can even be confirmed in videos (VIDEOS PARCELAS) The number of trees in each plot was higher in all cases (two times or more) compared to the file "Ficha de campo IF_PROCESSAMENTO DADOS_CORRIGIDA" and 1/3 of the plots scheduled for review were not found in the coordinates given to this audit team. Compromising the material discrepancy of the Project.		
Project participant response		**Date: 23/05/2022**

CAR ID	09	Date: 16/05/2022
The Project Developer agrees that the primary biomass data is compromised and that the indicator is not suitable as a biodiversity parameter, as foreseen in the Project Description. Therefore, this indicator is being excluded from the Monitoring Report, as described in Section 3.2.2 Project Description Deviations. The parameter is also being excluded from table 41 of the Project Description. For calculating VCUs, the Project Developer assumes the value of average carbon stock per hectare in the aboveground biomass pool of initial forest class icl (Cabicl) of 575 tCO2/ha, according to the parameter validated in the Project Description, described in section 3.1 Data and Parameters Available at Validation.		
Documentation provided by project participant		
-		
DOE 1st assessment		Date: 01/06/2022
The project proponent made a project deviation related to this finding, and the result of the flora monitoring parameter is no longer used in the calculations to estimate avoided deforestation. Refers to CAR05		
FINDING CLOSED SUCCESSFULLY		

CAR ID	11	Date: 16/05/2022
Description of CAR		
Stakeholder consultation There is no consistent what stayed in section 2.3 Local Stakeholder Consultation. Table 2 Public consultation activities - *Visit to the traditional community of Boca do Querequete* – and Figure 4 of 3rd MR with said in the logistic meeting with this audit team, about the non-participation of this community in the Project. Some of the activities described as a part of the project have as evidence lists of "presencia", however any report on the subject, objectives among other relevant information that responds to the compliance with the numeral. The Project proponent is requested to demonstrate how the project has communicated the verification process and the VVB onsite visit. There is no evidenced of the Effectiveness of resolution of conflicts and communication with stakeholders (especially with the community).		
Project participant response		Date: 23/05/2022
Regarding "Figure 4 of 3rd MR", as discussed during audit meetings, it has been decided that the traditional community of Boca do Querequete community will be included in the project. In the folder *\CAR 11\Campo 2021 - Boca do Q* the field notes by project agents Jessica Guin and David Swallow are presented, conducted on 13/10/2021, along with the formal interviews with the three heads of family of the community. During this meeting it was identified that conflicts have existed in the past, particularly with respect to the illegal trespassing that they report in the nearby RESEX (which is near their community, outside the Project Area), and also regarding trespassers into the nearby Unitor REDD+ project, who had previously evicted them from the area. These conflicts were registered during the October 2021 visit, and acknowledged by the project proponent. The remaining steps of the conflict resolution process are: • Continued monitoring of the situation by the Project Proponent; • Reporting of renewed occurrences of the problem by the community to the Project Secretary, Ms Ganete Eloi, via the project WhatsApp (informed to the community during the October 2021 visit); • Reporting of the problem to the project owner Dr Ricardo, who can then either alert the relevant authorities or deal with the problem internally, by for example dispatching Project Agents to the reported site. Regarding communication of the verification process and VVB visit for the communities, WhatsApp audio messages from project field agent José A. F. Filho, informing about the visit three days prior to the verification visit, and the response from the Boca do Quererquetê residents, confirming their participation, are provided in the *\CAR 11\ Informações sobre VVB_comunidades* folder. The *CAR 11_Relatório Consulta Comunitária* document describes the Other requirements for community communication with the project management, especifically, the communcation channel of the ITUXI REDD+ Project, which is via Whatsapp and in person, managed by Sra. Ganete Eloi da Silva, Project Secretary..The "Julho de 2021" folder contains screenshot evidence of the communication channel being put into use. In addition, communication to the institutional public about the ITUXI REDD+ Project is done via e-mail and evidenced in the folder: *\CAR 11\Institutional Public Consultation*. The institutional stakeholders were also communicated about the audit via e-mail, as evidenced in the folder "Institutional VVB information". The description of the process is presented in document CAR 11_Institutional Consultation Report presented for the audit.		
Documentation provided by project participant		

CAR ID	11	Date: 16/05/2022
• \CAR 11\Consulta comunitária_Canal de Comunicação • \CAR 11\Informações sobre VVB • \CAR 11\Campo 2021 - Boca do Q • \CAR 11_Relatório Consulta Comunitária		
DOE assessment		Date: 01/06/2022
1.The project proponent clarifies that the traditional community of Boca do Querequete has been involved in the project as stakeholder and has provided some information about the activities with them related to the REDD project. The project developer is recommended to identify separately the activities for each project (ITUXI and Unitor) and not to mix them and to include in the project activities the theme REDD+ capabilities in accordance with the Cancun safeguards. OK 2.Some of the activities described as part of the project have as evidence lists of “presencia”, however any report on the subject, objectives among other relevant information that responds to the compliance with the numeral is missing. PENDING 3.The Project proponent provided evidence to show to this audit team how the project communicated the verification process and the VVB site visit. OK 4. The project proponent has not outlined how it has measured the effectiveness of conflict resolution with the community or other actors, but has provided evidence of stakeholder contact, procedures, methods, etc. This is sufficient as a minimum requirement for compliance with the standard. OK		
Project participant response		Date: 10/06/2022
2. A report explaining the socio-economic activities carried out during the present Monitoring PEriod(*CAR 11_Atividades desenvolvidas*) was presented in the folder for the VVB, along with the other evidence for each of the activities (such as photos, videos, and documents). This report describes how various activities that are expected in the PD were carried out, including: - Health internal audits; and - Advice on nutritional aspects. These activities are consistent with Table 5 of the MR document and Table 40 of the VCS PD. It is important to mention that some pieces of evidence appear to relate to the nearby Unitor REDD project (owned by the same project proponent) , however they do indeed relate to the Ituxi project. In this sense, the Visit to the traditional community of Boca do Querequete - October/2021, mentioned in the *CAR 11_Atividades desenvolvidas* report, had as one of its objectives to determine whether the community would be part of the Ituxi or Unitor project, and it was decided in favour of the former. Regarding certain action, for example that presented in the photo (\ 03. Reunião 02.04.2021) the participants of both projects were gathered on the same day, as described under *3. Advice on nutritional aspects and Health internal audits - April/2021* of the *CAR 11_Atividades desenvolvidas* report. Furthermore, regarding Stakeholder consultation, through the following pieces of evidence it is argued that the requirements of *VCS Standard v.4.2* regarding have been met, in the following ways: - Item 3.17.3 of VCS-Standard_v4.2: the local stakeholder activities were conducted prior to validation; - 3.17.4: the mechanism for ongoing communication with local stakeholders has been established, through in-person contact with the agent, and Whatsapp, as well telephone (see *CAR 11_Relatório Consulta Comunitária*, shared during May 2022 findings). - *(see CAR 11_Relatório Consulta Comunitária*, shared during May 2022 findings): the communities are given advance notice of the stakeholder meetings; - 3.17.5: as also related in the *CAR 11_Relatório Consulta Comunitária* report, the needs communicated by the community have been attended to during this monitoring period, including installation of modems for internet, supplying of medicines, and structures for houses). Please see the previously shared folder: Consulta comunitária_Canal de Comunicação		
Documentation provided by project participant		
Folder: *CAR 11* *Document:* • *CAR 11\CAR 11_Atividades desenvolvidas* *Subfolders:* • *CAR 11\ 01. Reunião 17.04.2020* • *CAR 11\ 02. Reunião 10.11.2020* • *CAR 11\ 03. Reunião 02.04.2021* • *CAR 11\ 04. Reunião 08.07.2021*		

CAR ID	11	Date: 16/05/2022
• *CAR 11\ 05. Reunião 01.11.2021* Please see also the previously shared folder*: Findings 17.05.22\CAR 11 - Comunicação com comunidades*		
DOE 2nd assessment		Date: 25/06/2022
2. The project proponent provided to this audit team with more information on project activities during the monitoring period. It is recommended to the PP that for future verifications that the photos are dated and not combine the activities with other REDD projects.		
FINDING CLOSED SUCCESSFULLY		

CL ID	12	Date: 16/05/2022
Description of CL		
Section 3.16 of the VCS-Standard, v4.2 SDGs Compliance *"Describe how the project contributes to achieving any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same."* It is not clear how the SDGs were monitored and what were the specific results for the current monitoring period of the project's contributions to the sustainable development goals.		
Project participant response		Date: 23/05/2022
Section 1.11 Sustainable Development Contributions of the Monitoring Report was updated with the results of actions contributing to the UN Sustainable Development Goals adopted by Brazil, thus clarifying this point. The Ituxi REDD+ project is in the planning stage for the next MRs to monitor new indicators and contribute to the achievement of other Sustainable Development Goals.		
Documentation provided by project participant		
Folder: CL12 Study on monthly food subsidies: 202112cestabasica		
DOE assessment		Date: 01/06/2022
Section 1.11 has been updated by the project proponent explaining the contributions of this project to the SDGs and will continue to measure them to demonstrate the results attributable to the REDD Project ITUXI		
FINDING CLOSED SUCCESSFULLY		

CL ID	13	Date: 16/05/2022
Description of CL		
Legal compliance: There is no documental evidence of compliance with all legislation applicable to the project (environmental and social).		
Project participant response		Date : 23/05/2022
The "Compliance with laws" file presents the applicable legislation, as well as a summary of how the project complies.		
Documentation provided by project participant		
Folder: CL 13 - Legal Compliance *Files:* - *Compliance with laws;* - *CAR – Ituxi.;* - *Licença_Operação_080.2021_Fazenda_Nossa_Senhora_Cachoeira_Processo_0912.2021;* - *Autorizacao_UPF4_Ituxi_POA_14062021;* - *Decisão Judicial - 1039737-27.2020.4.01.0000_178560541;*		

CL ID	13	Date: 16/05/2022
DOE assessment		Date: 01/06/2022
The project proponent has provided full evidence of compliance with the environmental regulations applicable to the project.		
FINDING CLOSED SUCCESSFULLY		

CL ID	14	Date: 16/05/2022
Description of CL		
- AFOLU-Non-Permanence-Risk-Tool-v4.0 The PP is requested to update at least the Opportunity cost source and the NPV.		
Project participant response		Date: 23/05/2022
The financial data on the Business as Usual scenario of cattle raising, is presented in the “CASHFLOW 30 years” tab of the “!!FINANCEIRO SENSITIVITY_Unitor - BAU_v.Ituxi” spreadsheet. The data is in accordance with the “VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3”, applying a 12% discount rate and resulting in NPV value would be -R$ 97.98 / hectare.		
Documentation provided by project participant		
!!FINANCEIRO SENSITIVITY_Unitor - BAU_v.Ituxi		
DOE assessment		Date: 01/06/2022
The Project proponent has updated the opportunity cost, but it is not clear if the file corresponds to the project “UNITOR”, considering that there are separate projects. No updated risk tool found in the folder “CL 14 - Non-Permanence”		
Project participant response		Date: 10/06/2022
The Opportunity Cost was updated in “VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2” document.with a NPV obtained by a new analysis carried out for the pasture activity to the Fortaleza Ituxi project area, calculated in “NPV_OPORTUNITY_COST_BAU_ITUXI_MR3” document. No new changes in VCS-Risk-Report-Calculation-Tool-v4.0 were necessary.		
Documentation provided by project participant		
Folder: CL14 **Files:** *VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2* *NPV_OPORTUNITY_COST_BAU_ITUXI_MR3* *IDESAM_Pecuaria_Amazonas_2015*		
DOE assessment		Date: 25/06/2022
The Project Proponent updated the report “*VCS-Non-Permanence-Risk-Report-Fortaliza Ituxi MR3.2_track changes”-Opportunity Cost* section. It is consistent with the information identified during the on-site review and document review.		
FINDING CLOSED SUCCESSFULLY		