PROJECT REVIEW REPORT

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

Project ID	2365
Project Name	Integrated Project for Reforestation and Agroforestry on Degraded Lands in Nicaragua
Review Type	Verification
Program(s)	VCS
Verification Period	02 March 2021 – 31 August 2024
Project Proponent	MLR Forestal de Nicaragua S. A.
Methodology	AR-ACM0003, Afforestation and reforestation of lands except wetlands, version 2.0
VVB	Carbon Check
Assessment Criteria	VCS Standard, version 4.7
Date of First Issue	07 July 2025
Date of Second Issue	27 October 2025
Review Conclusion	Approved
Date of Final Issue	19 December 2025

FINDINGS

#	Finding Description	VVB Response	Status
1	**Overlap monitoring period**		
	Issue There is an overlap between the previous monitoring period and the current monitoring period. (see Background) Action Required 1. The VVB must ensure that there is no overlap between the previous and current monitoring periods. 2. If any changes are made, the VVB must review and update all relevant sections and project documents, including the Emission Reductions/Removals (ERRs) calculation spreadsheet. Program Rule(s) *VCS Standard, v4.7*, Sections 3.5.6-3.5.7 Background Section 1.2 of the monitoring report (MR) defines the current monitoring period as 01 July 2016 to 31 August 2024. This overlaps with the previous monitoring period of 01 July 2016 to 01 March 2021, which is inconsistent with Section 1.1 of the MR. Section 1.1 states that the actual monitoring period is from 01 July 2021 to 31 August 2024.	**Round 1** VVB Response The MR and VR has been revised. The current monitoring period has been adjusted to span from 02 March 2021 to 31 August 2024, ensuring there is no overlap with the previous period, which ended on 01 March 2021. All associated project documentation including the Monitoring Report and Ex-post ER calculation spreadsheet has been updated to reflect this correction. The VVB confirms that the revised documentation is internally consistent and compliant with program requirements. Supporting documentation provided by PP: - **VCS MR 2365 02Mar2021-31Aug2024 v8** - **VCS 2365 ER sheet 2024_Ex_Post 20250812** Verra Response The MR and VR have been updated to reflect the monitoring period from 02 March 2021 to 31 August 2024. However, this finding cannot be closed. Issue The EP_Total tab of the ERRs spreadsheet shows a gap in the monitoring period between 31 December 2020 and 2 March 2021 (cells B31–B32). Action Required 1. The VVB must ensure that no gaps exist between the previous and current monitoring periods across all project documents, including the ERRs spreadsheet 2. The VVB must review the updates and provide a clear	Closed

		and sufficient assessment and conclusion in the VR. **Round 2** VVB Response In response to Verra's observation regarding a potential gap in the monitoring period, the VVB confirms that the matter has been fully addressed. The ERRs spreadsheet has been revised to demonstrate complete continuity of the monitoring period. - The vintage period for the current monitoring cycle is correctly aligned and presented alongside the previous monitoring period. - The previous monitoring period, already issued, is noted as 01/07/2016 – 01/03/2021. - The current monitoring period has been appropriately demonstrated on a year-wise basis, ensuring clarity and consistency. Following a detailed review of the revised ERRs spreadsheet, the VVB confirms that no gaps exist between the previous and current monitoring periods across any project documentation. Documentation provided: - **VCS 2365 ER sheet 2024_Ex_Post 20251203** Verra Response The ERR calculation spreadsheet has been updated, ensuring no gaps in the monitoring period. This finding is closed, and no further action is required.	

2	**Clarification is needed on the labor and work**		
	Issue All identified risks under Section 2.3.1 of the MR will be mitigated and measured in accordance with ILO conventions,	**Round 1** VVB Response PP has updated section 2.3.1 of the MR to reflect relevant ILO	Closed

	except for the risk of sexual harassment. It is unclear why the project does not address this risk under ILO Convention No. 190, which specifically covers violence and harassment in the workplace. Action Required 1. The VVB must ensure the project proponent clarifies why the risk of sexual harassment is not addressed under ILO Convention No. 190. 2. The VVB must review the clarification and provide a sufficient conclusion in Section 4.2.7.1 of the verification report (VR) Program Rule(s) *VCS Standard, v4.7*, Section 3.19.11	conventions. Following an independent review[1], VVB confirmed that Nicaragua has not ratified ILO Convention No. 190. Accordingly, PP has justified its exclusion from the project's policy framework. However, ILO 190 (Violence and Harassment Convention, 2019) is indirectly supported through FSC's broader requirements, which include respecting workers' rights and dignity, preventing discrimination and abuse, and ensuring a safe and healthy working environmentthe project maintains FSC certification for the 2018–2023 period. As part of the review, VVB examined FSC audit reports, including Section 3.2 of the *Reporte de Auditoría FSC 2022 – MLR*, which cites Nicaragua's adherence to the "Convention on the Elimination of All Forms of Discrimination Against Women" as a signed international treaty. Additionally, the document *GRH INS02 Instructivo para denunciar Acoso* was reviewed. It outlines MLR Forestal's harassment reporting procedures, applicable to all stakeholders. The protocol defines workplace and sexual harassment, provides verbal and digital channels for reporting, emphasizes confidentiality, and offers access to internal and national support services. VVB has accordingly revised section 4.2.7.1 of verification report based on the updated MR. Supporting documentation provided by PP: - **VCS MR 2365 02Mar2021-31Aug2024 v8** Verra Response The project proponent has updated Section 2.3.1 of the MR to clarify the risk of sexual harassment and the applicable laws and regulations. The VVB has updated Section 4.2.7.1 of the VR to provide the corresponding assessment. This finding is closed,	

[1] Up-to-date Conventions not ratified by Nicaragua

		and no further action is required.	

3	Insufficient assessment in stakeholder consultation		
	Issue The VVB has not provided a sufficient assessment of ongoing stakeholder consultations conducted prior to verification for the current monitoring periods (2022, 2023, and 2024), nor clarified whether these consultations comply with the VCS Program requirements. Action Required 1. The VVB must assess the ongoing stakeholder consultations conducted during the current monitoring period, verify that they comply with the stakeholder engagement and consultation requirements of the VCS Program, and document its conclusion in Section 4.2.2 of the VR. Program Rule(s) *VCS Standard, v4.7*, Section 3.18.6 *VCS Verification Report Template, v4.4,* Section 4.2.2	**Round 1** VVB Response The VVB has reviewed the stakeholder consultation processes conducted during the current monitoring periods (2022, 2023, and 2024) and confirms that they align with the stakeholder engagement requirements outlined in the VCS Standard v4.7, Section 3.18.6. The consultations included both formal and informal mechanisms of outreach involving relevant stakeholder groups and were executed in accordance with the modalities prescribed under the project's stakeholder engagement plan. Documentation reviewed during the verification process included community meeting minutes, local authority correspondence, and feedback logs, which collectively demonstrate continued and inclusive engagement throughout the monitored periods. No grievances or outstanding issues requiring resolution were identified. Based on this assessment, the VVB concludes that the stakeholder consultations comply with the VCS Program requirements and have been sufficiently documented for verification purposes. Section 4.2.2 is now revised with assessment for ongoing communications and compliance with the VCS Program requirements. Verra Response The VVB has updated Section 4.2.2 of the VR to describe the steps taken to assess the ongoing stakeholder consultations and has provided supporting evidence confirming compliance with the stakeholder engagement and consultation requirements of the VCS Program. This finding is closed, and no further action is required.	Closed

4	Unclear and inconsistent description in the project area		
	Issue	**Round 1**	Closed

	1. There is an inconsistency in the project area reported in Section 3.2.2 of the MR. (see Background) 2. It is unclear when the project proponent transferred 39 ha of land to indigenous communities and whether this area is excluded from the total project area of 2,232.9 ha. In addition, there is no assessment or confirmation of how the project proponent complies with Section 3.2.18 of the *VCS Standard v4.7* when an instance exits a grouped project. <u>Action Required</u> 1. The VVB must ensure that the project area is consistent across all project documents. If any changes are made, the VVB must ensure that the ERR calculation spreadsheet reflects the current and correct project area. 2. The VVB must confirm when the 39 ha of land was transferred to indigenous communities and whether this area has been excluded from the total project area of 2,232.9 ha. 3. The VVB must describe the steps taken to assess whether the removal of the 39 ha complies with the Program rules. 4. The VVB must ensure that the project proponent submits an updated KML file to Verra and complies with the Program rules. 5. The VVB must review the updates and provide a sufficient conclusion in Section 3.2 of the VR accordingly. <u>Program Rule(s)</u> *VCS Standard, v4.7,* Sections 3.2.18, 3.11.1, and 3.11.2	Verra Response The VVB has reviewed the updated KML files, ER calculation sheets, and revised Monitoring Report. It confirms that the total project area of 2,232.9 ha is consistent throughout all documentation. The KML file explicitly identifies Miranda Farm as the area transferred to indigenous communities in May 2023, and this 39-ha portion has been excluded from the reported project area. To ensure compliance with Section 3.2.18 of the VCS Standard v4.7, the VVB has assessed the implications of this land transfer and confirms that: • No emission reductions or removals from Miranda Farm were previously verified. • Therefore, no credits need to be returned, and the removal is deemed conservative and compliant. Additionally, the transfer resulted in spatial reallocation: • A total of 39 hectares corresponding to the Miranda Farm have been excluded from the current project boundary following its voluntary transfer to a neighbouring indigenous community in May 2023. Of this, 18.9 hectares had previously been designated as Protection Area in the PDD and now represent a net reduction in the conservation strata. To ensure transparent demonstration of this exclusion, the revised KML file explicitly delineates the full footprint of the Miranda Farm, to visually confirm the revised project boundary and associated land cover reclassification. • An increase of 28.9 ha into the protection area from land previously planned for teak planting but later deemed unsuitable. The VVB confirms that the provided KML files meet the requirements of Sections 3.11.1 and 3.11.2 of the VCS Standard. Section 3.2 of the Verification Report has been updated accordingly to reflect these developments and affirm	

	Background **Issue #1** Section 3.2.2 of the MR states that "Currently, 2,232.9 ha are being managed from the 2016-2020 period: **386.3 ha being pure teak**, 379.9 ha teak mixed with cacao and 1,466.7 ha of Protection area." Table 5 shows the adjusted **teak plantation (I) as 439.7 ha**.	compliance. Supporting documentation provided by PP: - **VCS MR 2365 02Mar2021-31Aug2024 v8** **- PA_MLR Nicaragua with Miranda** Verra Response The VVB has confirmed that the project proponent complies with Section 3.2.18 of the *VCS Standard v4.7*. However, this finding cannot be closed. Issue It remains unclear whether the project has removed the 39 hectares corresponding to the Miranda Farm from both the KML file and the ERR calculation spreadsheet, given the inconsistency in the reported project area across project documents (see Finding #9). Action Required 1. The VVB must ensure that the 39 ha of Miranda Farm are removed from the KML file and the ERR calculation spreadsheet, if applicable. 2. The VVB must ensure consistency of the project area across all project documents. (see Finding #9) **Round 2** VVB Response VVB confirms that Miranda farm area has been excluded from project and this change is reflected in MR, ER sheet and KML files. VVB confirms the following: - A revised GIS (KML) file has been submitted, explicitly excluding the Miranda Farm area. This ensures spatial alignment with the eligible project boundary. - The ERR calculation spreadsheet, KML file and MR are made consistent to reflect the removal of the 39 ha.	

		- The areas are consistent in the KML, MR, and ER. VVB confirms following areas, - Pure teak: 439.7 ha - Teak + Cocoa: 379.9 ha - Protection area: 1466 ha The VVB has reviewed these updates and confirms that the project area is now consistent across all documentation, including the KML file, ERR spreadsheet, and Verification report. Documentation provided: - **VCS 2365 ER sheet 2024_Ex_Post 20251203** - **Area_Cacao_2016-2020_VCS** - **Area_Protection-Teca_VCS** - **VCS MR 2365 02Mar2021-31Aug2024 v9**	
		Verra Response The project area of the grouped project at this monitoring period has been updated and is consistent between the KML file, the ERR calculation spreadsheet, and the MR. The VVB has been confirmed in Section 3.2 of the VR that the actual managed area is 2,286.3 ha. This finding is closed, and no further action is required.	

5	Lack of assessment and inconsistency in stratification		
	Issue 1. There is an inconsistency in the stratification data across the MR, the KML file (*MLR stratification KML.kml*), and the ERR calculation spreadsheet. (see background) 2. There is no assessment of how natural or anthropogenic factors may have influenced the pattern of biomass distribution during the current monitoring period. Action Required 1. The VVB must ensure that stratification data is	**Round 1** VVB Response 1: Inconsistency in Stratification Data The stratification data across documents that represent different scopes and temporal boundaries is now revised: • Monitoring Report (Section 3.2.2) presents stratification specific to conservation areas as defined up to 2024. • ERR Calculation Spreadsheet and KML File (MLR Stratification KML.kml) includes stratification across the entire project area based on the revised baseline map.. The VVB confirms that stratification data has been consistently applied within each relevant document.	Closed

	presented consistently across the project documents, including the KML file and the ERR calculation spreadsheet. 2. If any changes are made, the VVB must ensure that the project proponent updates the ERR calculation spreadsheet using the correct stratification data and ensures that all relevant sections related to GHG emissions are updated accordingly. 3. The VVB must provide a sufficient assessment of natural and/or anthropogenic factors that may have influenced the distribution of biomass during the monitoring period in Section 4.3 of the VR. Program Rule(s) *AR-ACM0003, v02.0*, Paragraph 12(b) Background Section 3.2.2 of the MR presents three strata: 1. Grassland – 467.77 ha 2. Tacotales – 337.13 ha 3. Forest – 619.66 ha The KML file includes four strata: 1. Forest – 649.28 ha 2. Grassland – 1,152.63 ha 3. Old cacao – 130.52 ha 4. Tacotales – 353.89 ha The ERR calculation spreadsheet (Areas sheet, cells A22–A24 and A40–A42) shows: 1. Grassland – 847.2 ha 2. Tacotales – 298.9 ha 3. Forest – 910.7 ha	2: Influence of Natural and Anthropogenic Factors Section 4.3 of the VR has been revised to include an assessment of natural and anthropogenic influences on biomass distribution patterns during the current monitoring period including deviations. Furthermore, detailed analysis for natural and anthropogenic factors is provided in section 4.5 NPRT of VR. Supporting documentation provided by PP: - **VCS MR 2365 02Mar2021-31Aug2024 v8** **- PA_MLR Nicaragua with Miranda** Verra Response This finding cannot be closed. Issue There are inconsistencies in the stratification area of the protection activity between the MR, KML file, and ERR calculation spreadsheet (see Background). Action Required 1. The VVB must ensure that the stratification area of the protection activity is consistent across all project documents (see also Finding #9). 2. The VVB must ensure that the project proponent provides a clear and complete description of stratification in Section 5.2.1 of the MR, including details such as planting location, planting design, planting year, and land use prior to the project start date. 3. If changes are made, the VVB must review the updates and provide a sufficient assessment and conclusion in the VR. Background The stratification area for the protection activity is reported	

inconsistently in project documents up to the year 2024.

Section 3.2.2 of the MR.

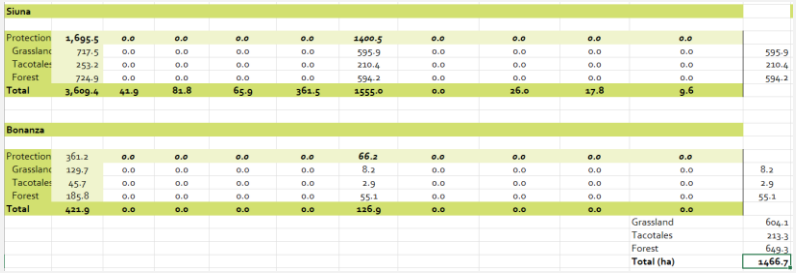
This gives an area redistribution of the project protection area as follows (up to 2024):

Category	Ha
Grassland	467.77
Tacotales	337.13
Forest	619.66

The KML file (*PA_MLR Nicaragua with Miranda.kml*)

Z	AA	AB	AC	AD	AE	AF
Grassland	Tacotales	Forest	Pastuars	Bosque re	Tacotal	Total
604.09	213.31	649.28	2.39	5.63	10.80	1485.50

The ERR calculation spreadsheet (*VCS 2365 ER sheet 2024_Ex_Post 20250812.xlsx),* Areas tab presents stratification areas for protection as grassland, tacotales, and forest, while the EP_Protection and Data Protection tabs include only grassland and tacotales.



Round 2

VVB Response

The stratification presented in MR revised and made consistent with ER sheet, KML files. The project is stratified by reforestation typology,

planting year, density, and region. Protection areas are stratified by baseline vegetation strata and year of inclusion to improve biomass precision. The VVB has confirmed that the protection area stratification has been updated. The revised stratification now encompasses pasturelands, Tacotales, and remnant forest. Project documents have been updated accordingly to reflect these changes.

I. Teak Plantation
- 625 trees/ha, Siuna — 2016, 2017
- 500 trees/ha, Siuna — 2020, 2022
- 312 trees/ha, Siuna — 2019, 2020

II. Agroforestry Teak with Cacao
- Old cacao, Siuna — single row, 156 trees/ha, 2019
- Old cacao, Bonanza — single row, 156 trees/ha, 2020
- New cacao, Siuna — single row, 156 trees/ha, 2017, 2019, 2020
- New cacao, Siuna — double row, 312 trees/ha, 2018

III. Protection Area (from 2020)
- Pasture land — Siuna, Bonanza
- Tacotales — Siuna, Bonanza
- Remnant forest — Siuna, Bonanza

Furthermore, based on revised KML file, VVB verified area reported by PP and confirms that stratification of the areas reported is consistent with KML files.

Stratum	Area
Teak Plantation	
625 trees/ha, Siuna	106.91 ha
500 trees/ha, Siuna	58.21 ha
312 trees/ha, Siuna	274.58 ha

		Total "Pure teak"	439.7 ha	
		Agroforestry Teak with Cacao		
		Old cacao, Siuna — single row, 156 trees/ha, 2019	69.78 ha	
		Old cacao, Bonanza — single row, 156 trees/ha, 2020	60.73 ha	
		New cacao, Siuna — single row, 156 trees/ha, 2017, 2019, 2020	183.52 ha	
		New cacao, Siuna — double row, 312 trees/ha, 2018	65.87 ha	
		Total "Teak + Cocoa Agroforestry"	379.9 ha	
		Protection Area		
		Pastureland — Siuna, Bonanza	604.094 ha	
		Tacotales (shrubland) — Siuna, Bonanza	213.309 ha	
		Remnant forest — Siuna, Bonanza	649.27 ha	
		Total "Protection area"	1466.7 ha	
		VVB confirms that these changes are reflected in section 5.2.1 of revised MR. The ER sheet calculations exclude the forest stratum from the protection activity, aligning with the current scope of emission reduction calculations. Only pasturelands and tacotales strata are		

		included in the calculation for protected area. To explain this exclusion PP has taken deviation from project description and appropriately justified in section 3.2.2 of revised MR. The VVB has reviewed all updated documents and confirms that the stratification areas for the protection activity are now consistent across the MR, KML file, and ERR spreadsheet. The Verification report has been updated to reflect this assessment and conclusion.	
		Verra Response The description of the stratification has been updated in Sections 3.2.2 and 5.2.1 of the MR. The KML file and the ERR calculation spreadsheet have been updated the stratification accordingly to the MR. This finding is closed, and no further action is required.	

6	Unclear assessment of the supply chain emissions double claiming		
	Issue It is unclear how the VVB assessed and confirmed that the project does not affect the emissions footprint of products in the supply chain, considering that the project involves timber harvesting activities. Action Required 1. The VVB must describe the steps taken to assess whether the project affects the emissions footprint of products in a supply chain and identify the independent evidence reviewed to support this conclusion. 2. If applicable, the VVB must ensure that the project proponent publishes the statement on their website in accordance with the VCS Standard requirement. Program Rule(s) *VCS Standard, v4.7*, Section 3.27.7	**Round 1** **VVB Response** The VVB confirms that the project does not affect the emissions footprint of products in the supply chain, including those associated with timber harvesting activities. This conclusion was drawn based on a review of the supply chain emissions statement published by the PP, which is available at "MLR Forestal y la importancia de la certificación Verified Carbon Standard (VCS) - MLR" . The statement outlines the PP's assessment of upstream and downstream emissions impacts and indicates no material change attributable to the project activities. The PP has published the statement in accordance with VCS Standard v4.7, Section 3.24.7, Furthermore, same has been updated in revised verification report. Supporting documentation provided by PP: - **VCS MR 2365 02Mar2021-31Aug2024 v8** Verra Response The VVB has provided supporting evidence to confirm that the project does not affect the emissions footprint of products in the	Closed

		supply chain. This finding is closed, and further action is required.	

7	**Missing the calculation of the long-term average (LTA)**		
	Issue The ERR calculation spreadsheet does not include the calculation for the ex-post LTA. Action Required 1. The VVB must ensure that the project proponent provides a complete LTA calculation that the reader can reproduce. 2. The VVB must assess the updates and provide a clear and sufficient conclusion in the VR accordingly. Program Rule(s) *VCS Standard, v4.7,* Sections 3.2.28-3.2.30	**Round 1** VVB Response The VVB has reviewed the revised ER calculation spreadsheet submitted by the PP. The updated sheet now includes calculation for the ex-post Long-Term Average. Based on this review, the VVB confirms that the LTA calculations have been appropriately updated. This conclusion is reflected accordingly in the Verification Report. Supporting documentation provided by PP: - **VCS 2365 ER sheet 2024_Ex_Post 20250812** Verra Response The ERR calculation spreadsheet file *VCS 2365 ER sheet 2024_Ex_Post 20250812*.xlsx has included the LTA estimation. However, this finding cannot be closed. Issue 1. *EP_Total tab:* It is unclear how the VVB assessed and confirmed the calculation per vintage for the current monitoring period (02 March 2021 to 31 August 2024), given that: a. Cells N11 and N33 present only 38 months. b. Cell M12 presents the start date of current monitoring as 01 July 2022. c. Cells M17-M23 and M28-M34 do not present the correct monitoring period. 2. *LTA_Calclation tab:* The net GHG ERRs for the previous monitoring period (2016–2021) in cells K5–K10 differ from those in the approved verification report for the same period.	Closed

		Action Required 1. The VVB must ensure that the monitoring periods and related calculations are correctly reflected in the EP_Total tab of the ERR calculation spreadsheet, consistent with the current monitoring period (02 March 2021 to 31 August 2024). 2. The VVB must ensure that the net GHG ERRs in the updated LTA calculations for previous verification periods are consistent with the approved verification report. 3. The VVB must review any updates and provide a sufficient assessment and conclusion in the VR.	
		Round 2	
		VVB Response In response to Verra's observation regarding inconsistencies in the ERR calculation spreadsheet. the VVB confirms the following: EP_Total Tab – Monitoring Period Alignment The monitoring period for the current verification has been confirmed as 02 March 2021 to 31 August 2024. The spreadsheet has been reviewed and updated to reflect this period consistently: Cell M12 has been corrected to show the accurate start date of 02 March 2021. Cells M17–M23 and M28–M34 have been revised to reflect the correct monthly breakdown across the full 42-month period. Cells N11 and N33 now correctly calculate the duration as 42 months. These corrections ensure that the vintage-wise emission reductions are accurately allocated and consistent with the defined monitoring period. LTA_Calculations: The VVB has reviewed the recalculated Long-Term Average (LTA) values and noted that the net GHG ERRs reported for the previous monitoring period (2016–2021) differ from those presented in the approved verification report. This	

		discrepancy arises from a deviation applied by the PP during the current monitoring period. Specifically, the PP has adjusted the rotation length from 20 years to 18 years, as justified in Section 3.2.2 of the Monitoring Report. This adjustment demonstrates three harvest cycles over a 54-year timeframe, instead of two cycles over 40 years. The VVB confirms that the LTA has been recalculated based on current monitored values, and that all LTA figures can be traced back to the monitoring data documented in the Ex-post ER sheet. Furthermore, the PP has provided a comparative analysis between the previous monitoring results and the current recalculation. This comparison shows that the revised LTA is conservatively estimated, ensuring that the project's reported emission reductions remain credible and aligned with monitoring evidence. Accordingly, the VVB concludes that the recalculated LTA is consistent with the current monitoring data, transparently documented, and conservative GHG accounting.	
		Verra Response The LTA has been updated to reflect the adjusted project areas and updated rotation age in accordance with the project description deviation. This finding is closed, and no further action is required.	

8	**Insufficient assessment of the non-permanence risk (NPR)**		
	Issue 1. In the absence of sufficient evidence or supporting documentation attached in the Project Hub, it is unclear which specific evidence or documents the VVB relies upon to evaluate and verify natural risks. (see background) a. *Fire:* historical significance and likelihood are insignificant and occur in Siuna and Bonanza once every 50 to less than 100 years. b. *Extreme weather:* historical significance and likelihood are insignificant and occur in	**Round 1** VVB Response The PP has provided substantiating references addressing fire and extreme weather risks in the Bonanza–Siuna project area. These include climatological data, species-level resilience assessments, and peer-reviewed projections. • Fire Risk Assessment: Based on historical records and local climatic conditions, VVB confirms that the fire risk in the project area remains low. Contributing factors include: ○ The resilience of *Tectona grandis* (teak), known	Closed

	Siuna and Bonanza once every 25 to less than 50 years. 2. The VVB has not assessed the project's future climate impact risk and adaptive capacity in accordance with the AFOLU NPRT, v4.2. Action Required 1. The VVB must ensure that the project proponent provides sufficient evidence or supporting documents to justify the natural risks in the Project Hub. The VVB must also assess evidence of natural risks and provide the conclusion in Section 4.5 of the VR accordingly. 2. The VVB must assess the project's future climate impact and adaptive capacity and provide sufficient conclusions in Section 4.5 of the VR. Program Rule(s) *AFOLU Non-Permanence Risk Tool, v4.2*, Sections 2.4.2 and 2.4.4 Background Issue #1 According to Think Hazard, extreme weather events such as cyclones have more than a 20% chance of potentially-damaging wind speeds in your project area in the next 10 years in Siuna, similar to Bonanza. For wildfire, there is greater than a 50% chance of encountering weather that could support a significant wildfire that is likely to result in both life and property loss in any given year in Siuna and Bonanza.	for its natural fire resistance. ○ Ongoing management practices such as controlled biomass removal and monitoring of anthropogenic triggers. ○ No significant wildfire events have been recorded in the past 50–100 years. While there are latent risks from human activity and biomass accumulation, current mitigation strategies are considered effective. Thus, the overall fire risk is deemed minimal. • Extreme Weather Risk Assessment: The likelihood of intense cyclonic activity directly impacting the project area is low. According to NOAA hurricane records, only six Category 1–5 hurricanes have struck Nicaragua in the past century. The dual landfalls during the 2020 season (Eta and Iota) are considered exceptional events. Climate change projections (IPCC AR5 and GFDL) suggest: ○ A 1–10% increase in hurricane intensity under a +2°C scenario. ○ A 10–15% increase in rainfall intensity within a 100 km radius of major storms However, most models do not predict a significant rise in Category 4–5 hurricane frequency. Based on observed trends and modelling outputs, the probability of severe hurricanes occurring in Siuna and Bonanza is estimated at once every 25–50 years. • Future Climate Risk and Adaptive Capacity Assessment: In alignment with AFOLU Non-Permanence Risk Tool v4.2 (Sections 2.4.2 and 2.4.4), the VVB has reviewed the scientific references and justification provided by the PP. The VVB concludes that: All risk classifications are supported by authoritative datasets,	

		peer-reviewed literature, and historic meteorological records. For fire, low vulnerability is substantiated by rainfall trends, species resilience, and absence of significant drought incidents. Hurricane risk is validated through NOAA records, climate models, and documented plantation damage in 2020, which was properly excluded from carbon accounting. Mitigation actions, such as eco-corridors, terrain spread, and manual biomass control are consistent with MLR protocols. Overall, both assessments demonstrate robust methodology, alignment with GS4GG principles, and minimal uncertainty. The classification of low fire risk and moderate hurricane vulnerability is justified and backed by credible, verifiable data.VVB affirms that, there no changes in the NPR score. Supporting documentation provided by PP: - **NR- Fire risk** - **NR-Extreme weather (W)**	
		Verra Response The VVB has updated the assessment of natural risk and provided supporting evidence in Section 4.5 of the VR. However, this finding cannot be closed. Issue *Extreme weather*: It remains unclear how the VVB assessed and confirmed the historical likelihood of events occurring every 25–50 years, given that the evidence cited in footnote #19 of the VR shows historical hurricane tracks occurring more frequently, more than once every 10 years. Action Required 1. The VVB must clarify how the historical likelihood of extreme weather events (25–50 years) was determined, given the evidence of hurricanes occurring more frequently.	

		2. If changes are made, the VVB must ensure that the project's risk assessment is updated accordingly, with appropriate justification and evidence reflected in Section 4.5 of the VR. **Round 2** VVB Response The VVB reviewed the updated natural risk assessment for Siuna and Bonanza, using INETER (2025) and NOAA records. Risks from earthquakes, volcanoes, droughts, floods, and tsunamis remain low, while hurricane vulnerability is moderate. Historical data show six major hurricanes in 120 years, three affecting the project area, including Eta and Iota in 2020, which damaged 475.7 ha of new plantations later excluded from validation, keeping carbon stock losses below 5%. The likelihood of future hurricanes is rated as more than once every 10 years, with climate models projecting slightly higher intensity but stable or declining frequency of stronger storms. Plantation design, eco-corridors, and management practices mitigate exposure, warranting a mitigation score of 0.5. Based on these updates, the non-permanence risk score is revised to 23, and the ER sheet, Monitoring Report, and Verification Report have been updated accordingly. Verra Response Section 4.5 of the VR has been updated to confirm that the historical likelihood of extreme weather (i.e., hurricanes) occurs more than once every 10 years. The NPR rating score has been updated across the project documents. This finding is closed, and no further action is required.	

9	**Missing updated KML**		
	Issue Verra cannot efficiently review the updated project area without the corresponding updated KML file. Action Required The VVB must submit the updated KML file to Verra to enable	**Round 1** VVB Response: The revised KML files have been reviewed by the VVB to ensure consistency across the stratification data presented in the Revised Monitoring Report, the updated KML file, and the revised ER calculation sheet.	Closed

	an efficient review of the updated project area. Program Rule(s) *VCS Standard, v4.7,* section 3.11.2(3)	Supporting documentation provided by PP: - **PA_MLR Nicaragua with Miranda** - **VCS MR 2365 02Mar2021-31Aug2024 v8** Verra Response The updated KML file has been submitted. However, this finding cannot be closed. Issue The reported project area between the KML file and the project documents is inconsistent (see Background). Action Required 1. The VVB must ensure that the project area is reported consistently across all project documents. 2. If changes are made, the VVB must ensure that all relevant sections in the project documents, including the ERR calculation spreadsheet, are updated accordingly. 3. The VVB must review the updates and provide a sufficient assessment and conclusion in the VR. Background The KML file shows the project area as 2,325.27 ha, the MR and ERR spreadsheet show 2,286.3 ha, and the VVB confirmed the project area in Finding #4 as 2,232.9 ha. **Round 2** VVB Response In response to Verra's observation regarding inconsistencies in the reported project area across the KML file, MR, ERR spreadsheet, and VR, VVB confirm the following corrective actions: Updated KML File: A revised KML file has been submitted, with the correct project area of 2,286.3 ha. Document review: All relevant project documents including the Monitoring Report , ERR spreadsheet, and Verification Report have been updated to reflect the consistent project area of 2,286.3 ha.	

		The VVB has reviewed the updated documentation and confirms that the project area is now consistently reported across all sources. The Verification Report has been revised to include a clear assessment and conclusion affirming this consistency.	
		Verra Response The KML file has been updated to show the project area at this monitoring period as 2,286.3 ha, which is consistent with the MR and the ERR calculation spreadsheet. This finding is closed, and no further action is required.	