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	2709
Project Name	Jurena River REDD+ Project
Review Type	Registration & Verification Approval
Program(s)	VCS Program
Verification Period	12 Nov 2020 – 31 Dec 2021
Project Proponent	Ecológica Assessoria Ltda (original submission) Beatris Tormena Fabris Gradela Ltda. (change in Project proponent after third issue of PRR)
Methodology	VM0015, v1.1
VVB	Earthood Services Private Limited
Assessment Criteria	*VCS Standard, v4.3*
Date of First Issue	20 Jan 2023
Date of Second Issue	27 Sep 2023
Date of Third Issue	15 April 2024

Date of Fourth Issue	11 Oct 2024
Date of Fifth Issue	10 Abril 2025
Review Conclusion	Approved
Date of Final Issue	17 July 2025

FINDINGS

#	Finding Description	VVB Response	Status
1	**Reasonable Level of Assurance**		
	Issue Level of assurance is reported as a "reasonable level of confidence" in the Validation Report and Verification reports. Action Required 1. In Section 1.3 and the validation/verification conclusions, the VVB must clarify if their conclusions are reached with a reasonable level of 'assurance' (not confidence) Program Rule(s) ISO 14065 *VCS Standard, v4.3*, Section 4.1.2	**Round 1** VVB Response The validation and verification reports have been updated to clarify that the validation process and how and when evidence is collected is developed with a reasonable level of assurance. Verra Response The language was corrected to describe a reasonable level of assurance.	Closed
2	**Insufficient description of steps taken to assess project requirements**		
	Issue Throughout the validation report and verification report, the VVB does not describe the steps taken to assess nor which documents were reviewed to reach their	**Round 1** VVB Response The validation and verification reports have been updated, including all the documentation provided by the project	Closed

2	**Insufficient description of steps taken to assess project requirements**		
	assessment conclusions. For example, Section 3.1 of the validation report states that that VVB reviewed 'legal documents' to assess project ownership, but it is unclear what is meant by 'legal documents' <u>Action Required</u> 1. The VVB must list all documents reviewed during their audit in Appendix 1 2. For all conclusions reached fully or in part via document review, the VVB must refer to the specific document listed in Appendix 1 which led to their assessment conclusion <u>Program Rule(s)</u> *VCS+SOCIAL CARBON Validation Report Template, v4.0* *VCS+SOCIAL CARBON Verification Report Template, v4.0* <u>Background</u> The following document references are not specifically linked to the list in Appendix 1 of the Validation Report or Verification Report: ● Ownership – 'legal documents' ● Start Date – 'contracts' ● GHG Sources/Sinks – 'supporting information' ● Agents, Drivers – 'evidences' The following conclusions do not describe which documents or resources were reviewed to reach the VVB's	proponents in Appendix 1, specifying the evidence that was evaluated both in the conclusions and in sections on ownership, start date, GHG Sources/Sinks, agents, and drivers of deforestation. In addition, the VVB clarified which registries were reviewed to ensure the project is not participating in another program. <u>Verra Response</u> All documents reviewed during the audit were listed in Appendix 1 and referenced through the reports.	

2	**Insufficient description of steps taken to assess project requirements**		
	assessment conclusion in the Validation Report and Verification Report: • Compliance – What resources were used to assess the project's compliance with applicable laws and regulations? • Other GHG Programs – Which registries were reviewed to ensure the project is not participating in another program? • Non-Permanence Risk – What 'evidence' was reviewed to assess the risk score for each risk category?		

3	**Insufficient description of steps taken to validate the baseline scenario**		
	Issue The validation report does not describe any steps to cross-check data or review documentary evidence to assess the baseline scenario. Action Required 1. The VVB must describe and make direct reference to what data or documentary evidence was reviewed to validate the baseline scenario in Section 3.3.5 of the validation report. 2. The VVB must list any documents or resources used to validate the baseline scenario in Appendix 1 Program Rule(s) *VCS Standard, v4.3,* Section 4.1.13 *VCS+SOCIAL CARBON Validation Report Template, v4.0* *VCS+SOCIAL CARBON Verification Report Template, v4.0*	**Round 1** VVB Response The validation report has been updated, including in section 3.3.5 a brief description of the process used to evaluate the determination of the baseline scenario. It was clarified the documentary evidence assessed for this process. Verra Response Section 3.3.5 was revised to describe the VVB assessment of the baseline scenario and referenced documents were listed in Appendix 1.	Closed

3	**Insufficient description of steps taken to validate the baseline scenario**		
	Background On page 37 of the validation report, the VVB states. "The analysis presented evidence related to deforestation agents, drivers…underlying causes", but it is unclear to which evidence the VVB is referring or how the VVB assessed the validity of the evidence.		

4	**Insufficient description of steps taken to validate the additionality**		
	Issue The validation report does not describe steps taken to cross-check data or review documentary evidence to assess additionality. Action Required 1. The VVB must describe and reference what legal information, cross-checked data, or documentary evidence were reviewed to reach their conclusion on additionality in Section 3.3.6 of the validation report. 2. The VVB must list any documents or resources used to validate the additionality in Appendix 1 Program Rule(s) *VCS Standard, v4.3,* Section 4.1.13 *VCS+SOCIAL CARBON Validation Report Template, v4.0* *VCS+SOCIAL CARBON Verification Report Template, v4.0* Background On page 38 of the validation report, the VVB states, "This was validated through the review of legal information", but	**Round 1** VVB Response The validation report has been updated, clarifying in section 3.3.6 Additionality, which information was taken into account to assess additionality. Verra Response The VVB references the cross-checked data and lists all documents in Appendix 1.	Closed

4	Insufficient description of steps taken to validate the additionality		
	it is unclear what 'legal information' was reviewed and if the documents are listed in Appendix 1. On page 38 of the Validation Report, the VVB states, "The audit team can confirm through the review of analysis historic and geographic information", but it is unclear what data or other evidence were cross checked to assess the PP's analyses.		

5	Insufficient description of steps taken to validate the quantification of GHG ERRs		
	Issue The validation report does not describe if any data were used to cross-check the data provided by the project. Additionally, Section 3.3.7 of the Validation report does not include information on how uncertainties associated with ERR calculation have been assessed. Action Required 1. The VVB must describe what independent sources of data were referenced to reach their conclusion regarding GHG ERR quantification. 2. The VVB must include any sources in Appendix 1 3. The VVB must include information on how uncertainties associated with ERR calculation have been assessed. Program Rule(s) *VCS Standard, v4.3,* Section 4.1.13 *VCS+SOCIAL CARBON Validation Report Template, v4.0*	**Round 1** VVB Response The validation report has been updated, including in section 3.3.7 the data and parameters, as well as data sources taken into account for the GHG ERR quantification assessment. In addition, it was clarified the assessment of the uncertainties of the calculations. Verra Response Section 3.3.7 of the validation report was updated accordingly.	Closed

5	**Insufficient description of steps taken to validate the quantification of GHG ERRs**		

6	**Analysis of agents and drivers of deforestation not in compliance with the methodology**		
	Issue The analysis of agents and drivers of deforestation does not follow the requirements set out in the methodology. More specifically, the joint PD/MR does not: - Identify the main agent groups of deforestation, - Describe the main social, economic, cultural and other relevant features of each main agent group, - Assess the most likely development of the population size of the identified main agent groups in the reference region, project area, and leakage belt. In addition, for each variable explaining quantity and location of deforestation, as well as for each underlying cause, the joint PD/MR does not: - Describe for each main agent group identified how the variables have and will most likely impact on each agent group's decision to deforest. - Provide information about its likely future development. - Describe the project measures that will be implemented to address them, if applicable. Action Required 1. The VVB must ensure the PP revise the analysis of agents and drivers of deforestation to clearly and	**Round 1** VVB Response The project proponents updated the joint PD/MR, including in section 3.4 information about: - The main agent groups of deforestation - Description of the main social, economic, cultural and other relevant features of each main agent group identified. - Assessment of the most likely development of the population size of the identified main agent groups in the reference region, project area, and leakage belt. - Description for each main agent group identified of how the variables have and will most likely impact on each agent group's decision to deforest. - Information about its likely future development. - *The project measures that will be implemented to address them.* The assessment of the information aforementioned was included in section 3.3.5 of the validation report. Verra Response The analysis of agents, drivers, and underlying causes of deforestation was revised to comply with the methodology. The VVB assessed the information accordingly.	Closed

6	Analysis of agents and drivers of deforestation not in compliance with the methodology		
	strictly follow VM0015 requirements. 2. The VVB must assess the revised joint PD/MR and update the validation report accordingly. Program Rule(s) *VM0015, v1.1,* Part 2, Steps 3.1 to 3.4		

7	Lack of clarity on the analysis of agents and drivers of deforestation		
	Issue The joint PD/MR explains how deforestation has increased in the recent years in protected areas and indigenous territories. However, it remains unclear how, in the context described in other sections of the joint PD/MR (timber->cattle ranching->land speculation" chain of events), the presence of protected areas and indigenous territories predispose deforestation compared to areas under other land-tenure status. It is not clear why distance to urban areas and distance to settlements have been used in the model to predict the location of future deforestation while none of them have been described as a key variable explaining deforestation location. Action Required 1. The VVB must describe how it has confirmed, using which evidence, that the presence of protected areas and indigenous territories predispose deforestation.	**Round 1** VVB Response The project proponents updated the joint PD/MR, including in section 3.4 justification to support that the presence of protected areas and indigenous territories predispose deforestation (it was included secondary information from IMAZON, ECO journal and ISA). Besides, the project proponent describes briefly all the factor maps that have been used in the model to predict the location of future deforestation in the updated joint PD/MR, section 3.4. The information updated was assessed by the VVB and the corresponding conclusions were added to section 3.3.5 of the validation report. Verra Response The impact of protected areas and indigenous territories on the location of future deforestation is described and validated by the VVB. The distance to urban areas was added to and sufficiently described in the list of key variables explaining the location	Closed

	2. The VVB must ensure that the analysis of agents and drivers of deforestation is consistent with the assumptions made at later stage in the joint PD/MR, especially with regard to the factor maps that have been used in the model to predict the location of future deforestation. Program Rule(s) *VM0015, v1.1,* Part 2, Steps 3.1 & 4.1	of future deforestation.	

8	**Unclear locations of communities living within or near the project area**		
	Issue Figure 26 of the project description is said to identify the locations of communities living near the project area, but the map does not clearly identify the location of communities. Action Required 1. The VVB must ensure that Figure 26 and/or Section 2.5 of the PD clearly identifies the location of communities living within or near the project area. Program Rule(s) *VCS Standard, v4.3,* Section 3.17.11	**Round 1** VVB Response The project proponents have updated the joint PD/MR, which Figures 26- 29 *includes the location of communities living near the project area.* Verra Response The revised figures sufficiently identify the locations of communities living near the PA.	Closed

9	**Incorrect application of the methodology requirements on the selection of carbon pools (harvested wood products - HWP)**		
	Issue Per Sections 4.2 and 6.2 of the Joint PD/MR, the project proponent only includes HWP for planned harvesting	**Round 1** VVB Response The project proponents have updated the joint PD/MR, indicating that HWP in both planned and unplanned	Closed

9	**Incorrect application of the methodology requirements on the selection of carbon pools (harvested wood products - HWP)**		
	activities under the project scenario and omits the HWP carbon pool under the baseline scenario (while including it under the project scenario). Action Required 1. The VVB must ensure that the HWP pool for both the planned and unplanned harvesting activities, as well as for both the baseline and the project scenario are accounted for and included in Section 4.2 of the Joint PD/MR. 2. The VVB must assess the revised joint PD/MR and update Sections 4.4 of the verification report and 3.3.7 of the Validation report as needed. **Background** VM0015 requires that carbon stocks in the harvested wood products carbon pool are estimated as the sum of planned and unplanned harvesting activities in the baseline case and the additional volume harvested before the deforestation event (if applicable). Additionally, VM0015 requires a comparison of the harvested wood product carbon pool between the baseline and project scenarios. **Program Rule(s)** *VM0015, v1,1,* Part 2, Steps 1.3 and 6.1.1	harvest activities and under baseline and project scenarios will not be considered. The PPs applied the "Tool for testing significance of GHG emissions in A/R CDM project activities", available on the Significance test - Logging BSL tab of the PD calculation sheet. In addition, the HWP Analysis tab was included, comparing the parameter in the baseline and project scenario, to conclude that HWP baseline < HWP project scenario. This information has also been updated in PD, section 3.3. The VVB evaluated this information and indicated the corresponding conclusions under sections 4.3 and 4.4 of the verification report and 3.3.3 and 3.3.7 of the Validation report. Verra Response HWP were conservatively excluded from the baseline and project scenarios.	

9	**Misinterpretation of item "Trend in carbon stock" in Table 10**		
	Issue	**Round 1**	Closed

9	**Misinterpretation of item "Trend in carbon stock" in Table 10**		
	Table 10, Section 3.4 of the joint PD/MR reports "decreasing" trends of carbon stocks per hectare (I.e., carbon density) for all forest classes, which is not consistent with a unique Land-Use and Land-Cover Map, as well as with the rest of the calculations. Action Required 1. The VVB must ensure that the PP clarifies whether the forest classes' carbon stocks per hectare (i.e., carbon density) are predictably decreasing due to degradation in the baseline case as suggested in Table 10. 2. If no decrease is expected and included in the calculations, the VVB must ensure that Table 10 is corrected with a density-based information for the trend in carbon stock column. Program Rule(s) *VM0015, v1.1,* Table 6 Background Per Section 2.2 of VM0015, v1.1, any assumption on changing carbon stocks in the baseline case must be documented at hand of credible and verifiable sources of information, such as measurements in plots representing a chrono-sequence, published literature, and other sources, as appropriate.	VVB Response The project proponents have updated the joint PD/MR (table 11), which does not have inconsistencies between forest classes identified, and carbon stocks used for calculations. Verra Response The trend in carbon stock for each land use class was adjusted to 'constant' which is sufficient for the finding to be closed.	

10	**Insufficient description of steps taken to validate the project boundary**

	Issue Section 3.3.3 of the validation report does not detail the steps taken to assess that the relevant sources, sinks, and reservoirs have been selected. Action Required 1. The VVB must describe and reference the cross-checked data, or documentary evidence that was reviewed to reach their conclusion that the relevant sources, sinks, and reservoirs were selected in Section 1.1.22 of the validation report. Program Rule(s) *VCS+SOCIAL CARBON Validation Report Template, v4.0, Section 3.3.3*	**Round 1** VVB Response The validation report has been updated, including in Section 3.3.3 the steps taken to reach the conclusion about the relevant sources, sinks, and reservoirs. Verra Response The revisions are sufficient.	Closed

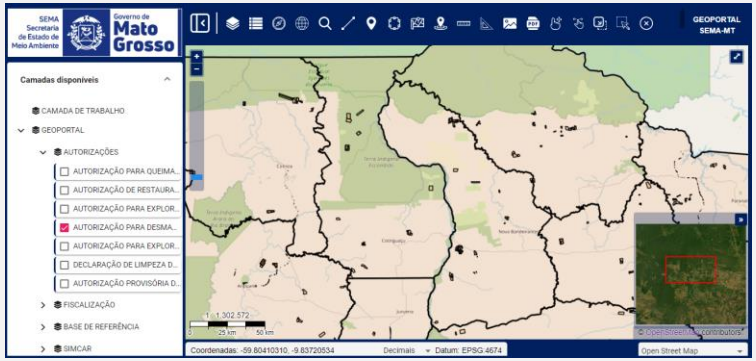
11	**Unclear description of project ownership**		
	Issue Section 1.7 of the joint PD/MR and 3.1.4 of the VR state that the properties are owned by the project proponents; however, the PD and VR list only the technical consultant (Ecológica Assessoria Ltda) as a project proponent. Action Required 1. The VVB must ensure the joint PD/MR and VR are updated to accurately describe the ownership of the land and carbon revenues generated by the project. Program Rule(s)	**Round 1** VVB Response The section of the joint PD/MR and 3.1.4 of the validation report have been updated, clarifying that the properties are owned by the project proponent and other entities involved. Verra Response The finding cannot be closed. The PD/MR was updated to clarify that the project area is owned by the Other Entities listed in Section 1.6, but the VR was not updated accordingly.	Closed

11	**Unclear description of project ownership**		
	VCS+SOCIAL CARBON Project Description Template, v4.1, Section 1.7	Issue The validation report states the project is owned by the project proponents. Action Required The VVB must update Section 3.1.4 of the validation report to accurately describe the project ownership. **Round 2** VVB Response Section 3.1.4 of the Validation Report has been updated to accurately describe the project ownership, clarifying that the properties are owned by the project proponent and other entities involved. Verra Response The VVB has satisfied the required action.	

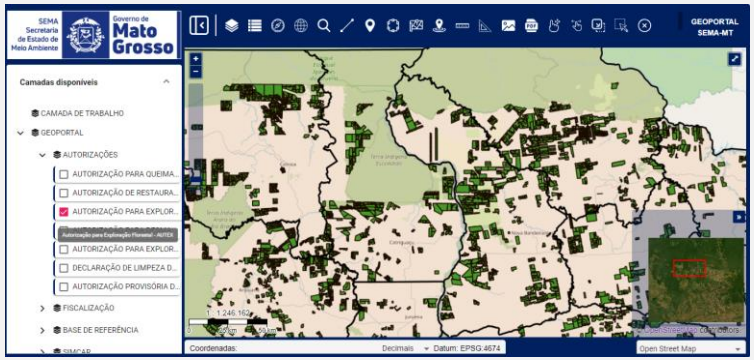
12	**Unclear if historical planned deforestation was excluded in the reference region**		
	Issue Section 3.3 of the PD/MR states that areas of planned deforestation were excluded from the project area, but it does not establish that similar areas of planned deforestation were excluded from the reference region. Action Required 1. The VVB must ensure that areas of historical planned deforestation within the reference region	**Round 1** VVB Response The project proponents have excluded areas of planned deforestation in the baseline case from the project area in conformance with *VM0015, v1.1,* Part 2, Step 1.1.1, Footnote 7. The VVB evaluated the information and included the corresponding conclusions in sections 3.3.3 of validation	Closed

12	**Unclear if historical planned deforestation was excluded in the reference region**		
	are identified and excluded. 2. The VVB must ensure that the PD/MR including the baseline GHG emissions calculations are updated accordingly. 3. The VVB must assess the revised joint PD/MR and update the V/VR accordingly. <u>Program Rule(s)</u> *VM0015, v1.1,* Part 2, Step 1.1.1, Footnote 7	report and 4.4 of the verification report. <u>Verra Response:</u> The finding cannot be closed. <u>Issue</u> Per Section 3.3 of the joint PD/MR the RR mostly includes private lands. - It is not clear if Sustainable Forest Management practices are implemented elsewhere in the RR. - It is not clear if the existence/absence of SFM practices was tested and used as a variable to explain deforestation's location. - It is unclear if a significant portion of deforestation observed in the RR is due to legally authorized deforestation and if that could lead to overestimating the risk of deforestation projected in the PA. <u>Action Required</u> 1. The VVB must ensure the RR during the historical reference period is representative of agents, drivers and patterns of deforestation that are similar to those expected to exist within the PA. More specifically, the VVB must ensure: a. SFM practices are implemented in other private properties of the RR b. The deforestation in the RR during the historical reference period was not driven by legally authorized conversion implemented	

12	Unclear if historical planned deforestation was excluded in the reference region		
		by landowners. 2. The VVB must ensure the presence/absence of SFM practices are tested and used (if significantly correlated) as a variable to explain deforestation location. 3. If need be, the RR must be re-delineated. 4. The VVB must assess the revised joint PD/MR and update the V/VR accordingly. <u>Background</u> ● Responses to finding #13 below clarified that the baseline scenario corresponds to the implementation of a SFM plan and continuation of illegal encroachment for illegal logging and cattle ranching. ● Section 3.5 of the joint PD/MR states: "Many scientific articles conclude that sustainable forest management plans (SFMP), namely those certified, can be considered a tool for forest conservation, maintenance of forest carbon stocks, and decrease of deforestation rates in the region where they are implemented." ● In addition, it is understood that the implementation of the SFM plan is not compatible with the conversion of forest by the landowners, as likely happening in the RR during the historical reference period. **Round 2**	

12	Unclear if historical planned deforestation was excluded in the reference region		
		VVB Response Geoportal[1], the website of the *State Secretariat for the Environment* (SEMA) in the state of Mato Grosso, provides information about all deforestation authorizations (AD) issued for the region by municipality. The reference region encompasses the municipalities of Coriguaçu, Nova Bandeirantes, Apiacés, and Colniza. In the major municipality, Cotriguaçu, there are just over 12 Legal Deforestation Authorizations in the region. This indicates that any deforestation occurring outside the boundaries of these authorizations is taking place illegally. A similar situation can be observed in the other municipalities within the reference region.  As per the deforestation authorizations (AD), the small approved portion does not significantly contribute to the deforestation observed in the RR. Additionally, the	

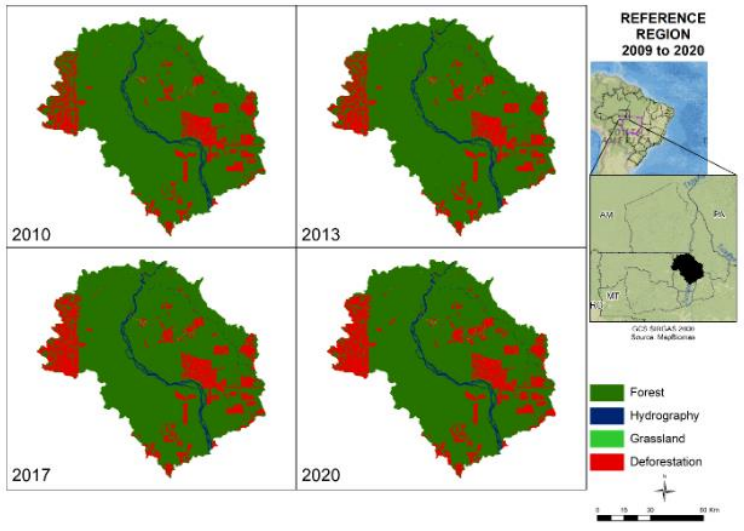
[1] Available at:<https://geoportal.sema.mt.gov.br/>

12	Unclear if historical planned deforestation was excluded in the reference region		
		Geoportal[2] indicates the presence of few forestry exploitation request (*Autorização de Exploração Florestal* - AUTEX) in the municipalities included in the RR. These AUTEX authorizations originate from Sustainable Forest Management Plans (SFMP) and serve as a primary means of regulating forest exploitation activities[3]. In order to engage in forest management activities, individuals or companies are required to request an AUTEX. This ensures that the activities are conducted in accordance with environmental guidelines.  In Section 3.5 of the PD, it is further highlighted that "*the complexity and costs of a sustainable timber operation, coupled with factors such as bureaucratic constraints and fluctuations in certified timber prices, render SFMP less*	

[2] Available at:<https://geoportal.sema.mt.gov.br/>
[3] Available at: <https://www.icv.org.br/website/wp-content/uploads/2023/04/transparencia-florestal-mapeamento-ilegalidade-madeireira.pdf>

12	Unclear if historical planned deforestation was excluded in the reference region		
		competitive than illegal logging." In this context, as described in Section 3.4, the main agents of deforestation have been identified. The main agents of deforestation in the Brazilian Amazon can be primarily attributed to Cattle Ranchers and Loggers. Cattle ranching, often financed through initial capital acquired from wood logging, frequently leads to deforestation. This process involves clearing forests for logging and subsequently establishing pastures. In the case of loggers, while a significant portion of the exploration in Mato Grosso was legally sanctioned, an alarming 70%[4] of the total illegal exploitation in 2020 occurred in rural properties already registered with environmental agencies. This suggests that wood, whether in the form of firewood or timber, holds a higher economic value than other products, especially when combined with animal production, which doesn't require forest management. Various driving factors contribute to deforestation, including population growth, timber and livestock prices, proximity to previously deforested areas, access roads, the presence of protected areas, terrain conditions, and distance to urban centers, all influencing the location and extent of deforestation in the region. As indicated in section 3.4, based on GIS analysis, it was observed that between 2009 and 2020, there was a	

[4] Available at: < https://imazon.org.br/wp-content/uploads/2021/10/Simex_MT_Agosto2019-Julho2020.pdf>

12	Unclear if historical planned deforestation was excluded in the reference region		
		deforestation of 38,133.36 ha within the reference region, with an annual average of 3,466.67 hectares. From the context provided, it becomes evident that deforestation within the reference region is not exclusively of areas covered by authorizations stemming from forest management plans. The municipalities of Colniza and Nova Bandeirantes experience significant pressures for illegal deforestation, which do not overlap with regions holding legal authorizations for forestry exploitation, as illustrated in the map below:  Thus, as per the main agents identified, there is no overestimation of the projected deforestation risk in the PA, given that deforestation is not primarily driven by legally authorised activities, and it was not a suitable	

12	Unclear if historical planned deforestation was excluded in the reference region		
		indicator for analysis.	
		Verra Response The finding cannot be closed. Issue 1. It remains unclear if in the RR during the historical reference period, deforestation dynamics were similar in areas under SFM and areas without SFM. Action required 1. The VVB must ensure the PP demonstrates with verifiable evidence that in the RR, historical deforestation dynamics are similar in areas with and without SFM. a. If deforestation in areas without SFM have higher deforestation rates than areas with SFM, the spatial model must be adjusted to reflect the difference. See background section below, 2. The VVB must ensure that the PD is updated to include any modification in the baseline GHG emissions calculations. 3. The VVB must assess the revised PD and update the VR accordingly. Background 1. Section 3.5 states that "*Many scientific articles*	

12	Unclear if historical planned deforestation was excluded in the reference region		
		*conclude that **sustainable forest management plans (SFMP),** namely those certified, can be considered a tool for forest conservation, maintenance of forest carbon stocks, and **decrease of deforestation rates** in the region where they are implemented.*" 2. A new variable may be tested and added to the spatial model (if significant) to illustrate the impact of the "presence/absence of a SFMP". This variable does not have to be added if it can be demonstrated with verifiable evidence that historical deforestation was similar in both areas with and without SFM. 3. In the PRR response the project argues that "*per the deforestation authorizations (AD), **the small approved portion does not significantly contribute to the deforestation** observed in the RR*" without reporting evidence and statistics to support the statement. Additionally, the sentence "*it becomes evident that **deforestation** within the reference region **is not exclusively of areas covered by authorizations***" implies that part of the historical deforestation is covered by legal authorization, which must be measured and differentiated from illegal deforestation.	
		Round 3 <u>VVB Response</u> 1. The VVB ensured that the model and geographic	

12	Unclear if historical planned deforestation was excluded in the reference region		
		analysis were adjusted to evaluate the historical dynamics of deforestation in areas with and without SFM: After further analysis, it was verified that the presence of a forest management plan has a negative impact on deforestation (decreasing its likelihood). In the analysis, a new variable was included in the model, "PMFS", which is a binary map with unit values representing forest areas with active AUTEX authorizations. Weighs of evidence for these areas are statistically lower, according to analysis. As timber logging also occurs inside the project area, the project proponent performed a new spatial analysis to avoid overestimating the baseline. The VVB reviewed the geoportal data used and geographic analysis. *Figure: Location of authorized management plans in the reference region. Areas of forest with an active management plan are the areas in blue.* ** This figure is not included in the PD&MR v14 considering that it is one of several variables included in the model and it is deforestation covered by legal authorizations, however, it is included in response to Verra's finding, as it is the result of the spatio-temporal analysis performed.*	

12	Unclear if historical planned deforestation was excluded in the reference region		

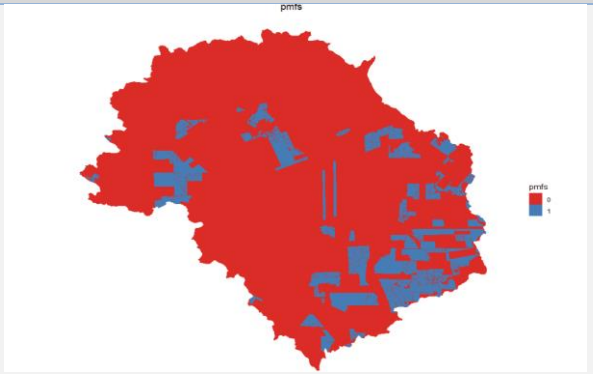


Figure: new set of 'weights of evidence', after including authorized management plans in the spatial allocation model.

** This figure is included in section 3.4 of PD&MR v14 as figure 62, being evidence of the inclusion of the variable "pmfs" to the model.*

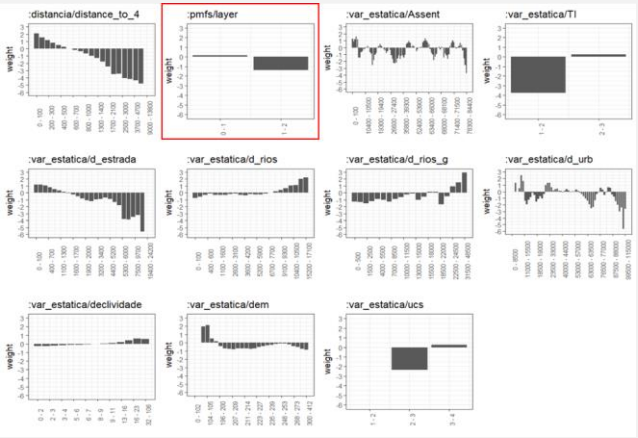
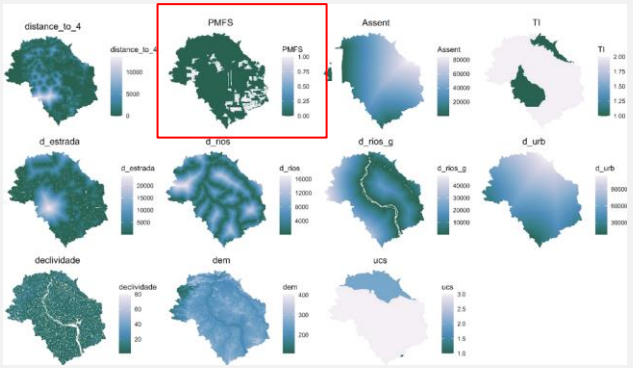


Figure: Simplified maps of all variables used in the deforestation risk model.

** This figure is included in section 3.4 of PD&MR v14 as figure*

12	Unclear if historical planned deforestation was excluded in the reference region		
		63, being evidence of the inclusion of the variable "pmfs" to the model.  Furthermore, with respect to the relevance of historical deforestation covered by legal authorization, according to the project proponent's analysis, the average ratio of legal to illegal deforestation, where legal deforestation refers to deforestation that spatiotemporally overlaps with authorizations the 'AUTORIZACAO_DESMATE_SEMA' database on the Geoportal website—was only 4.4%. By “spatial-temporal overlap” it is understood that deforestation occurs within the activation and expiration dates of the authorizations in the database. The VVB has evaluated the data and the analysis results. 2. The VVB reviewed the adjustments made to the joint PD&MR v14 (sections 3.4, 4, 5 and 6) and calculations ex-ante (v12) y ex-post (v09).	

12	**Unclear if historical planned deforestation was excluded in the reference region**		
		3. The VVB updated sections 1.4, 3.3.5, 3.3.7, and 5 of the validation report v2.6 and verification report v2.3 (sections 1.4, 4.3, and 6).	
		Verra Response A new variable had been added to the spatialization model to account for different deforestation patterns in areas with and without SFM. The calculations spreadsheets are adjusted accordingly. However, this finding remains open. Issue 1. The RR doesn't differentiate Legal Reserves and non-Legal Reserves, and it is unclear if that could lead to an overestimated baseline for the PA. 2. Part of the deforestation projected in the project area (i.e., authorized deforestation by the landowners up to the legal limit) is not expected to happen in the PA and won't be avoided by the project. Action Required 1. The VVB must ensure the PP demonstrates - using verifiable evidence – that historical deforestation was similar in LR areas and non-LR areas: a. If the above cannot be demonstrated, the VVB must ensure the RR is stratified and/or the spatial model adjusted to reflect the	

12	Unclear if historical planned deforestation was excluded in the reference region		
		different deforestation risks in areas inside and outside LR (See background section). 2. The VVB must ensure the PA delineation, project design and baseline model are consistent, i.e., the model should not project authorized deforestation by the landowners up to the legal limit while such deforestation is not expected to happen in the PA and won't be prevented by the project. 3. The VVB must ensure that Section 3.2.1 of the PD is updated to include the appropriate baseline GHG emissions calculations considering the updated baseline scenario/project design. 4. The VVB must assess the revised PD and update the VR accordingly. Program Rule(s) *VM0015, v1.1,* Part 1 number 1 and Part 2, Step 1.1.1 Background: **Issue 1** The risk of deforestation in Legal Reserves and non-Legal Reserves is expected to be different as at least one of the drivers (authorized deforestation by the landowners up to the legal limit) is not expected to happen in the Legal Reserves. As described in the PD/MR, the project excluded from the REDD project boundaries forest areas under control of the PP that are located outside of LR, and where deforestation is already noticeable from GIS analyses.	

12	Unclear if historical planned deforestation was excluded in the reference region		
		Unless it is demonstrably insignificant, such differences in deforestation patterns must be reflected in the baseline model through stratification of the RR and/or the addition of a spatial variable in the spatial model, : a) Stratification of the reference region will result in two separate quantification models (one for LR areas and one for non-LR areas), i.e, Step 4.1 of VM0015 will have to be implemented separately for the 2 strata. b) Complementary or alternatively, a new variable can be added in the spatial model to illustrate the impact of the "presence/absence of LR". Through that process it must be at least demonstrated that this variable is not significant in predicting deforestation location or that the selected deforestation risk map as requested by the methodology results in not including the variable. Such demonstration must be associated with statistical evidence that deforestation dynamics are similar in both LR and non-LR. Alternatively, the project can transition to a more conservative baseline by applying the historical average approach "a". **Round 4**	

<table>
<tr><td>12</td><td colspan="3">Unclear if historical planned deforestation was excluded in the reference region</td></tr>
<tr><td></td><td></td><td>
<u>VVB Response</u>

1. The VVB ensured and reviewed the two analyses presented by project proponent on the similarity between deforestation dynamics considering Legal Reserves (LR) during the Historical Reference Period (HRP):

1.1 The first analysis reviewed by the VVB was the analysis of deforestation dynamics in LR and non-LR areas:
<u>a. non-spatial analysis.</u>
The project proponent assessed overall deforestation probabilities within LR areas and non-LR areas, excluding areas under active Sustainable Forest Management Plan (SFMPs). The results are summarized below:
<table>
<tr><th>Class</th><th>Remaining Forest (ha)</th><th>Deforestation During HRP (ha)</th><th>Probability of Deforestation (%)</th></tr>
<tr><td>Inside LR</td><td>299,628</td><td>19,417</td><td>6.1</td></tr>
<tr><td>Outside LR</td><td>308,002</td><td>17,101</td><td>5.3</td></tr>
</table>
The estimates reveal slightly higher deforestation probabilities within LR areas (6.1% versus 5.3%). This observation is attributed to the inclusion of SFMPs areas, which reduce deforestation risks. By excluding SFMPs, the impact of LR status on reducing deforestation risk becomes insignificant.

<u>b. Spatial analysis</u>
</td><td></td></tr>
</table>

12	**Unclear if historical planned deforestation was excluded in the reference region**		
		The project proponent incorporated the binary variable "LR" into the spatial allocation model of deforestation to assess its influence. The weight of evidence (WoE) for LR was lower compared to other variables, including SFMP, which demonstrated much higher predictive significance. For example: • WoE for LR presence/absence: 0.18 • WoE for PMFS presence/absence: 1.39 • WoE for other categorical variables: up to 3.7 This analysis confirms that LR status is not a significant predictor of deforestation when other variables such as PMFS and land use practices are controlled for. 1.2 The second analysis reviewed by this VVB team is the historical analysis showing that authorized deforestation in the RR was less than 5%, indicating limited relevance of such deforestation in LR areas during the historical reference period. Furthermore, the project design already excludes areas where GIS analyses show deforestation trends outside of LR areas. The current model appropriately stratifies deforestation risks, taking into account SFMP effects and other significant predictors. Adjustments to further stratify between LR and non-LR areas are unnecessary, as historical evidence does not support substantial differences in deforestation dynamics between these classes, excluding SFMP areas.	

12	Unclear if historical planned deforestation was excluded in the reference region		
		The evidence corresponding to the document *'Legal Reserve (LR) and Non-Legal Reserve (Non-LR) Differentiation'* and the geographic information of the analyses were reviewed by the VVB, and it is concluded that the analyses demonstrate that LR status does not significantly impact deforestation dynamics in the RR during the HRP, keeping the current baseline model robust and aligned with VM0015 requirements. 2. The VVB ensured consistency in the PA delineation, project design and reference model. The project delineation ensures consistency by excluding projected deforestation projected outside the PA, and the baseline model reflects only avoidable deforestation risks. The VVB assessed that the changes introduced to the model, especially the assessment of the impact of Legal Reserve (LR) areas on deforestation dynamics and the inclusion of the 'Sustainable Forest Management Plan (SFMP)' variable in the spatial allocation model, were carried out with analytical rigor to ensure methodological integrity and conservatism. The revision ensured the conservative approach, avoiding overestimation of baseline emissions and ensuring that only real and demonstrable reductions were credited. The SFMP variable reduced the probability of deforestation in sustainably managed areas, avoiding the overestimation of baseline	

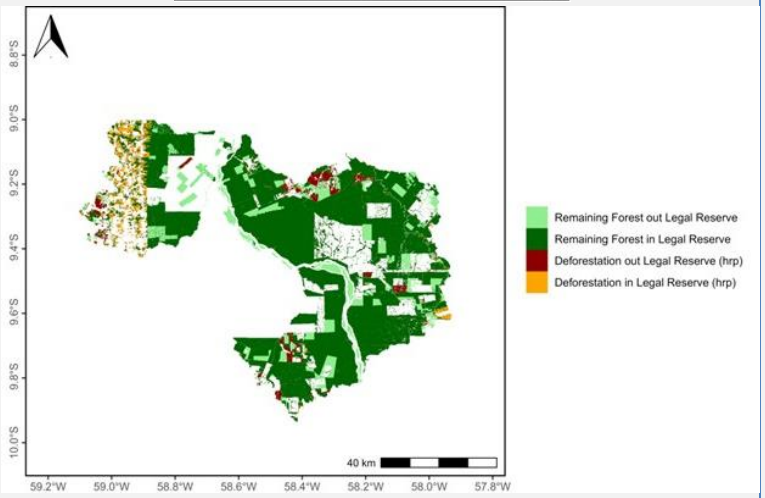
12	Unclear if historical planned deforestation was excluded in the reference region		
		deforestation. In addition, this analysis indicated that the probability of deforestation in LRs is slightly higher than outside them, reinforcing that the exclusion of this differentiation in the model did not underestimate the risks. The consistency and integrity of the results were ensured by the invariability of the probability calculation process, the precision criteria, and the selection of the most suitable model. The modifications made strengthened the conservative approach and the consistency of the reference model. The inclusion of the SMFPs improved the fidelity of the spatial assignment of deforestation without compromising methodological robustness. The adjusted ex ante quantification resulted in a variation that reflects fluctuations due to deforestation probabilities. Consequently, the modeling maintains its alignment with the principles of integrity and technical rigor as outlined by VM0015. 3. The VVB reviewed calculations ex-ante (v13) and sections 4.2, 4.3 and 4.4 of the PD&MR v15.1 which includes updated GHG emissions calculations aligned with this model. 4. The VVB updated sections 1.4, 3.3.5, 3.3.7, and 5 of the validation report v2.7.	

12	**Unclear if historical planned deforestation was excluded in the reference region**		
		Verra Response The PP provided additional quantifiable evidence to demonstrate that historical deforestation was similar in LR areas and non-LR areas. Furthermore, the PP tested the impact of the spatial variable "presence/absence of LR" and the low WoE suggests low significance of the variable. However, the differentiation between Legal Reserve areas and non-Legal Reserve areas has been misinterpreted and biased by the inclusion of conservation areas and indigenous territories to the non-Legal Reserve areas. Issue The non-Legal Reserve area includes conservation areas (i.e., Parque Estadual Igarapés do Juruena) and indigenous territories (Apiaka, Escondido) that are subject to less and different deforestation pressure than non-Legal Reserve portions of private properties. Such inclusion biases the outcome of the comparison analysis.	

12	**Unclear if historical planned deforestation was excluded in the reference region**		
		Action required 1. The VVB must ensure that the numerical and spatial analysis presented above are corrected to consider only territories with the same land tenure as the project property (see Background Section below). 2. The VVB must ensure the baseline model is conservatively adjusted, i.e., ensure the model does not project authorized deforestation by the landowners up to the legal limit while such deforestation is not expected to happen in the PA and won't be prevented by the project (see background section) a. Alternatively, the VVB must ensure that the non-LR portion of the property is included in the leakage belt and monitored 3. The VVB must ensure that Section 3.2.1 of the PD is updated to adjust the baseline GHG emissions calculations as needed. 4. The VVB must assess the revised PD and update the VR accordingly. Background **Action 1** Including indigenous territories and protected areas within the non-LR areas defeats the purpose of	

12	Unclear if historical planned deforestation was excluded in the reference region		
		comparing unplanned deforestation trends in areas similar to the project area (i.e., LR areas) and the areas excluded from the PA where authorized deforestation by the landowners up to the legal limit is detected (i.e., non-LR areas, up to the 20% legal limit). The inclusion in the analysis of areas with historically low deforestation, and that are subject to less and different deforestation pressure (i.e., indigenous lands and protected areas), leads to an incorrect interpretation of the results. **Action 2** A new variable can be added in the spatial model to illustrate the impact of the "presence/absence of LR" in private lands. Other territories not covered by land titles and expected to influence deforestation quantity and location (i.e., indigenous territories and other conservation areas) may be included as a separate category. Through that process it must be demonstrated this variable is either not significant in predicting deforestation location or not included in the best deforestation risk map as selected following the methodology. Such demonstration must be associated with statistical evidence that deforestation dynamics are similar in both LR areas and non-LR areas of private lands. If the above cannot be demonstrated, the baseline must be adjusted. 1. The adjustment must be introduced (and assessed)	

12	Unclear if historical planned deforestation was excluded in the reference region		
		as a methodology deviation for instances that only cover the Legal Reserve (LR) portion of a property (i.e., where the landowner already deforested up to the legal limit or where the landowner will deforest during the crediting period). a. the PP must estimate a discount factor by analyzing historical deforestation in the private lands of the reference region, i.e., including only the representative areas (= 1 - deforestation rate in LR/deforestation rate in the reference region excluding indigenous territories and protected areas). b. After the allocation of deforestation risk in the PA (Steps 4.1.2.3 and 4.2 of VM0015), the PP must apply the adjustment factor to the estimated *ABSLPA*. **Round 5** VVB response 1. The validation team confirms that the PP has revised the comparative analysis of deforestation probabilities between areas inside and outside Legal Reserves (LR), ensuring the exclusion of conservation units and indigenous territories from the non-LR category. After the removal of these protected areas, the remaining area **of forest** located in private lands outside of LR in the reference region is minimal as demonstrated in the image below (provided by PP and checked by VVB) . It could be observed that this area is equivalent to	

12	Unclear if historical planned deforestation was excluded in the reference region		
		18.91% of the total forest cover of the reference region during the historical period, which is relatively smaller than the areas within Legal Reserves as follows: **Region** / **Area (ha)** / **%** outside LR / 80.423 / 18,90% inside LR / 344.997 / 81,10% 425.420 / 100,00%  2. It is clear to the validation team that the results presented by the project proponents confirm that the estimated probability of deforestation—calculated as the proportion of forest cover lost during the historical reference period—is very similar inside and outside of Legal Reserves:	

12	Unclear if historical planned deforestation was excluded in the reference region		

In Legal Reserve?	Probability of deforestation
No	0,0900143905628439
Yes	0,0900170607348546

Therefore, it can be confirmed that the presence or absence of Legal Reserve status does not significantly influence the likelihood of historical deforestation within the reference region. The VVB confirms that this comparison was based on a full census of forested areas, and then, inferential statistical tests were not applicable or necessary in this context.
The project proponents have provided to VVB the input data and the R code used to generate these results for transparency. The VVB has access the information and it considers it accurate.

3. The section 3.4 of the PD has been updated where a paragraph was included stating the following:
    a. A binary variable has been included (legal reserve status) into the spatial allocation model.
    b. Indigenous territories and conservation units were excluded from non-LR category
    c. The estimated probability of deforestation inside and outside the legal reserves are virtually the same
    d. Conclusion that the presence or absence

12	Unclear if historical planned deforestation was excluded in the reference region		
		of legal reserve status does not significantly influence the likelihood of historical deforestation within the reference region. 4. The validation team has checked the information in the PD and evidences provided and confirmed that the conservation units and indigenous lands have been excluded from the deforestation model and could conclude from this analysis that the difference between the deforestation probability inside and outside the legal-reserve areas is very similar. Information has been duly included in the VR section 3.3.5 <u>New Evidence</u>: **Car-data**: folder with input data for this analysis **BD.gdb:**. The layers used in the analysis were: • "TIs_FUNAI" to represent Indigenous Lands, whose source is the National Foundation for Indigenous Peoples (FUNAI); • "UCs_MMA" to represent Conservation Units, with a source in the Ministry of the Environment (MMA). **Car.Rmd**: R notebook to perform calculations.	

12	**Unclear if historical planned deforestation was excluded in the reference region**		
		Figure provided above (audit_private_pro_legal_reserve_deforestation) **Deforestation analysis pictures** (audit_raster_legal_reserve_private_prop and audit_raster_increment_deforestation_private_prop) **Validation report updated** **Verification report** updated (only with minor corrections) **PD updated**	
		Verra response The response and evidence provided is sufficient to close this finding. Despite some concerns on deforestation by the landowner outside of the PA but inside the property during the crediting period, the risk of baseline inflation has been mitigated. No further action is required.	

13	**Selected baseline scenario mostly qualifies as planned deforestation**		
	Issue In Section 3.5 of the joint PD/MR, the baseline scenario selected through the additionality analysis (scenario 3, i.e.,	**Round 1** VVB Response The project proponents have updated the joint PD/MR,	Closed

13	Selected baseline scenario mostly qualifies as planned deforestation		
	cattle ranching by the landowners) is planned deforestation for the most part which disqualify the application of VM0015. Action Required 1. The VVB must demonstrate that baseline activities only include unplanned deforestation and that VM0015 is applicable. 2. The VVB must ensure the PD/MR and V/VR are updated accordingly. Program Rule(s) *VM0015, v1.1,* Section 2 Background Cattle ranching by the landowner within the limits of legally permitted deforestation cannot be considered unplanned deforestation. Per the most recent VCS AFOLU Requirements (VCS Standard, v4.4, Appendix 1), activities that reduce net GHG emissions by stopping or reducing deforestation on forest lands that are legally authorized and documented for conversion qualify as planned deforestation.	which baseline scenario selected is in accordance with the applicability and requirements of VM0015 and VCS Standard v4.4. The information updated was assessed by the VVB and the corresponding analysis was included in section 3.3.5 of the validation report. Verra Response Section 3.5 of the joint PD/MR has been updated to clarify that the baseline corresponds to the implementation of the SFM plan. However, it has been demonstrated that revenues from SFM activities are insufficient to tackle illegal encroachment for logging and cattle ranching. Given the nature of the deforestation threat and the additional information provided by the PP and assessed by the VVB, this finding is closed.	

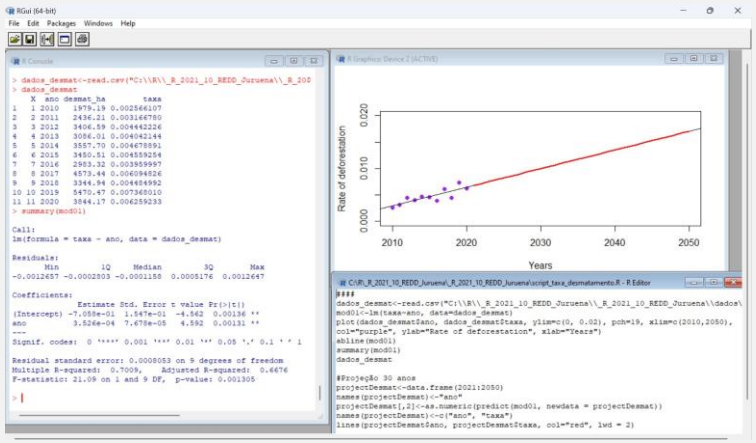
14	Lack of demonstration on the exclusion of Dead Wood		
	Issue Per Section 3.3 of the joint PD/MR, the dead wood carbon	**Round 1** VVB Response	Closed

14	**Lack of demonstration on the exclusion of Dead Wood**		
	pool has been excluded without clear demonstration of the conservativeness of this exclusion. <u>Action required:</u> 1. The VVB must ensure that the PP demonstrates the conservativeness of excluding the dead wood carbon pool and updates Section 3.3 of the joint PD/MR accordingly. 2. The VVB must assess the revised joint PD/MR and update Section 3.3.3 of the joint VVR as needed. <u>Program rules</u> VM0015, v1.1, Section 1.3	The project proponents have updated the joint PD/MR, including in section 3.3 references to demonstrate the conservativeness of excluding the dead wood carbon. The following references were included in the PD (section 3.3, table 7, footnote): • Barlow, 2019 - Clarifying Amazonia's burning crisis - Lecture on "deforestation fire" and the relationship between deforestation and fire in the Amazon - "First, there are deforestation fires—the process of clearing primary forest which starts with the vegetation being felled and left to dry. Fire is then used to prepare the area for agriculture." • Fearnside , 2021 - The Deforestation of the Brazilian Amazon: 13 – Extreme Degradation - "Wood extraction makes forests more susceptible to the entry of fire, as it leaves unintentionally cut and dead trees in the forest to serve as fuel, in addition to opening gaps in the canopy that allow sunlight and wind to enter, thus accelerating the drying of the dead wood that serves as fuel" • Uhl, 1985 - A Disturbing Synergism Between Cattle Ranch Burning Practices and Selective Tree Harvesting in the Eastern Amazon - "Bulldozers follow and sloppily drag undamaged boles with good form to spur roads, killing many saplings. The end result is thousands of square kilometers of cut-up forest scarred with bulldozer tracks and laden with dead slash (fuel). The extensive canopy openings and the addition of slash on the forest floor turn a normally fire-resistant ecosystem into a fire-prone ecosystem."	

14	Lack of demonstration on the exclusion of Dead Wood		
		The information updated was evaluated by the VVB and the corresponding analysis was included in section 3.3.3 of the validation report. Verra Response The conservativeness of excluding dead wood as a carbon pool described and validated.	

15	Insufficient justification for the time function approach		
	Issue The analysis of agents and drivers does not conclusively establish an increasing trend in deforestation rate; therefore, the time function approach is not applicable. Action required: 1. The VVB must ensure that future deforestation is projected using the historical average approach unless it can be clearly demonstrated that conclusive evidence emerges from the analysis of agents and drivers explaining the increasing trend and making it likely that this trend will continue in the future. The VVB must ensure that any changes made to the baseline are reflected in the calculations and in all impacted sections. 2. The VVB must assess the revised joint PD/MR and update the joint VR accordingly.	**Round 1** VVB Response The project proponents have updated the joint PD/MR, which analysis of agents and drivers is developed in accordance with the requirements and statements of VM0015 and is supported by secondary and spatial information. The changes were evaluated by the VVB and the corresponding analysis was included in section 3.3.5 of the validation report. Verra Response The finding cannot be closed. The PD/MR was updated with sufficient information to justify the time function approach, but inconsistencies remain. Issue 1. In Section 4.1 of the joint PD/MR (pg. 119), the equation describing the linear trend in deforestation rate over time is not consistent	Closed

15	**Insufficient justification for the time function approach**		
	Program rules *VM0015, v1.1*, Part 2, Steps 4.1.1, 4.1.2 Background "Conclusive" evidence in VM0015 means that the hypothesized relationships between agent groups, driver variables, underlying causes and historical levels of deforestation can be verified at hand of statistical tests, literature studies, or other verifiable sources of information, such as documented information provided by local experts, communities, deforestation agents and other groups with good knowledge about the project area and the reference region. To arrive at an overall "conclusive" conclusion when multiple agents and drivers are present, the evidence obtained for each of them must lead to a "conclusive" decision for all. An analysis of agents and drivers of deforestation that does not identify the agents of deforestation and does not provide information about the likely future development of population size of the agents and of the drivers and underlying causes, cannot be considered conclusive evidence. See Finding above.	with what is presented in the excel spreadsheet (Tab <Table 8 RR projection>). Action required 1. The VVB must ensure that calculations presented in the PD/MR are consistent with the spreadsheet. 2. The VVB must assess any changes made to the spreadsheet and/or the joint PD/MR and update the joint VVR accordingly. **Round 2** VVB Response The variation in the equations can be attributed to the years in which the data input. The spreadsheet dates from 2009, while the graph and equation begin in 2010. The 'Table 8 RR projection' tab in the calculation spreadsheet has been adjusted to incorporate the calculation of the 'annual rate of forest cover change' for the year 2009. This adjustment ensures that the R^2 of the linear trend equation matches the one presented in the Project Design (PD). The equation in the PD was calculated using the statistical program R, which employs a different calculation methodology compared to Excel, the software used for the calculation spreadsheet. The R program performed calculations using the annual rate of forest cover change data in proportion, whereas Excel utilized data in percentage format. This accounts for the small variation in the R^2 value, which can be attributed to potential rounding differences between	

15	**Insufficient justification for the time function approach**		
		the two software programs. Despite the differences in the equations between the two tools, the results are equivalent because the value of the adjusted R^2, which indicates the percentage of prediction error eliminated in variable y when using least-squares regression on variable x, is the same (0.6). The outcomes and script for the linear regression analysis in "R" are presented as follows:  	
		<u>Verra Response</u> Section 4.1 of the Joint PD/MR and 'Table 8 RR projection' tab in the calculation spreadsheet were updated to provide additional clarity on the differences between R program and Excel. However, this finding cannot be closed,	

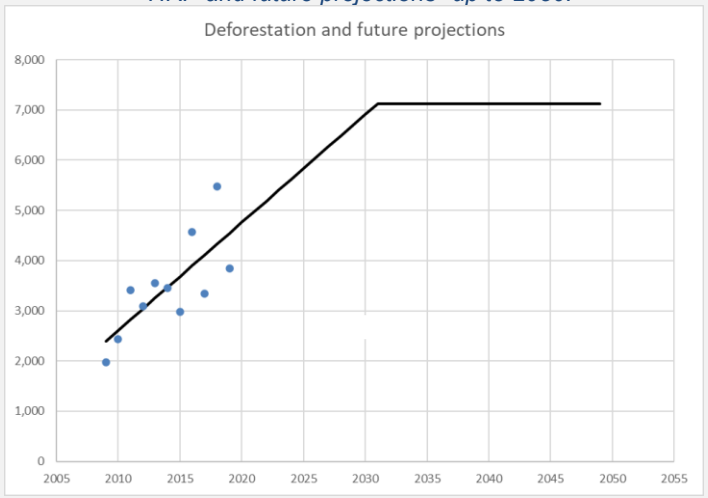
15	**Insufficient justification for the time function approach**		
		Issue 1. The linear regression using R Studio and presented in figure 60, Section 4.1 of the Joint PD/MR is built on different data points and does not include the entire historical reference period presented in the excel calculation spreadsheet, "Table 8 RR projection" (see background section). Action Required 1. The VVB must ensure that Section 4.1 of the Joint PD/MR is updated to include the correct deforestation rate data in figure 59, reporting the correct linear equation and its statistical fit (i.e. R^2). a. If this revision leads to different values of future deforestation, the updates must be described and reflected also in the PD and MR calculation spreadsheets. b. If this revision leads to a linear trend that does not meet statistical good practices, the VVB must raise a FAR requiring new validation of the baseline for the next verification period (see background section). Background 1. Difference between Figure 59 of the Joint PD/MR and "Table 8 RR projection" of the PD calculation sheet:	

15	**Insufficient justification for the time function approach**		
		a. The first data point in the excel sheet (2009, 0.32%) is not included in the equation presented in figure 59, which begins from the second data point (2010, 0.26%) b. The last data point in figure 59 (2019, 0.63%) is incorrect compared with the excel sheet (2019, 0.52%). When these points are corrected, the linear equation appears to have different statistical fit (i.e. R^2) than what is reported in Section 4.1 of the Joint PD/MR and leads to more conservative estimates of future deforestation rate in the RR compared with the results in the excel. 2. Deforestation that occurred in the RR during the verification period has been monitored ex-post. This additional evidence has been provided to confirm the projected increase in deforestation rate is representative of what happened in the RR during the current monitoring report. While this may be deemed sufficient to close this verification request, it is insufficient to validate the baseline. The project must transition to VM0048 starting from the next verification and revalidate the baseline for 6 years.	
		Round 3	
		VVB Response	

15	**Insufficient justification for the time function approach**		
		1. The VVB reviewed the adjustments in section 3.4 of the joint PD&MR v14 and in the VCS PD Calculation_Juruena River REDD_Project_v12 spreadsheet to ensure the linear regression data consistency over the defined historical reference period. The project proponent corrected the data point of 2020. The data point of 2009 was not included because deforestation in each year covers the period of November 12 to November 11, i.e., the data point of 2010 corresponds to deforestation that occurred between November 12, 2009, to November 11, 2010. The VVB ensured that the regression model and predictions had been adjusted accordingly. The project proponent fitted a new regression model on absolute deforestation rates and calculated the *toptimal*, *taverage* and *tsuboptimal* according to section 4.1.2.1 of the VM0015 1.1 methodology. The statistical fit (R2= 0.5137) indicates the model explains more than 50% of the variability of annual deforestation rates in comparison with a simple historical average. This is an expressive amount of variability. Besides, the p-value (0.8%) is very low, indicating that the observed trend is statistically significant and unlikely to be due to chance. The resulting projections are shown in the Figure below and all details are included in the revised PDD:	

15	**Insufficient justification for the time function approach**		

Figure 60. Deforestation rate in the reference region[1] during the HRP and future projections[2] up to 2050.



[1] Data source for deforestation in the HRP is the *Mapbiomas* project.
[2] Projections are based on our regression model of absolute deforestation rates on time, with trend restraint based on a conversion suitability model indicating optimal, average and suboptimal suitability for conversion.

The VVB verified that the statistical results lead to reliable values of future deforestation and that the model accounts for variability in annual deforestation rates compared to a simple historical average. Therefore, it can be concluded from these results that the model fits deforestation rates significantly better than the historical average.

2. The VVB ensured that the deforestation that occurred in the RR during the verification period has been monitored ex-post, assessing evidence that confirms that the projected increase in deforestation rate is

15	**Insufficient justification for the time function approach**		
		representative of what occurred in the RR during the current monitoring report. It is therefore sufficient for the current verification process. Subsequently, at the next verification, the project proponent will revalidate the baseline according to the updated standard and methodology requirements. The VVB updates the validation report v2.6 (sections 1.4, 3.3.5, 3.3.7, and 5) and verification report v2.3 (sections 1.4, 4.3, and 6) according to the revised updates in the PD and estimates spreadsheets. The VVB states a FAR for the next verifications to transition to VM0048 and revalidate of the baseline for 6 years.	
		<u>Verra Response</u> The linear regression has been corrected to reflect the right observation points. Furthermore, the VVB raised a FAR requesting the project to transition to VM0048 and revalidate the baseline. However, this finding remains open until finding #12 is closed, and the PP demonstrates the representativeness of the reference region and the deforestation analysis considering the dynamics in Legal Reserves/non-Legal Reserves areas (see finding #12).	
		Round 4	

15	**Insufficient justification for the time function approach**		
		VVB Response In accordance with Finding 12, which concerns the representativeness of the Reference Region (RR) and the dynamics of deforestation in the Legal Reserve (LR) and non-LR areas, the VVB concludes that: 1. Representativeness of the Reference Region. The reference region was established based on methodological requirements and validated through an analysis of deforestation dynamics within and outside the project area. To further corroborate its representativeness, the project proponent took the following steps: Non-Spatial Analysis: The global probabilities of deforestation in LR and non-LR areas were calculated, excluding Sustainable Forest Management Plans (SFMP). The results showed comparable deforestation probabilities, with 6.1% inside LR areas and 5.3% outside. These differences are minor and primarily attributed to the SFMP effect rather than intrinsic differences between LR and non-LR areas. Spatial Analysis: The inclusion of the "LR" variable in the spatial allocation model demonstrated its low significance compared to other predictors, such as SFMP and land-use practices. The variable's Weights of Evidence (WoE) were negligible, confirming that LR status does not meaningfully influence deforestation dynamics in the RR. These results confirm that the reference region	

15	**Insufficient justification for the time function approach**		
		accurately represents the project area's historical deforestation dynamics, meeting the requirements of VM0015. 2. Baseline Adjustment and Transition to VM0048. The project will start steps to transition to VM0048, ensuring revalidation of the baseline under updated methodological guidance. This transition further supports the robustness of the baseline model, addressing both historical deforestation patterns and potential methodological advancements. 3. Related to Finding #12. The analyses conducted for Finding #12 provide critical evidence supporting the representativeness of the RR and the validity of the deforestation dynamics analysis: Authorized deforestation during the historical period was below 5%, indicating limited relevance of legal deforestation in influencing RR dynamics. The exclusion of SFMP areas from analyses further isolates the impact of LR and non-LR classifications, demonstrating their negligible effect on deforestation probabilities. The results confirm that the current RR and baseline model appropriately account for the dynamics of deforestation, aligning with VM0015.	

15	Insufficient justification for the time function approach		
		Verra Response This finding remains open until finding #12 is closed, and the PP demonstrates the representativeness of the reference region and the deforestation analysis considering the dynamics in Legal Reserves/non-Legal Reserves areas (see finding #12).	
		Round 5	
		VVB response In line with the analysis provided under Finding #12, the VVB confirms that the PP demonstrated that the Legal Reserve (LR) status did not influence the probability of deforestation in the Reference Region during the Historical Reference Period. After the exclusion of protected areas and indigenous lands, the comparison between LR and non-LR areas revealed nearly identical deforestation probabilities, confirming the validity of the reference region and its applicability to the project area. As such, no modifications to the spatial projection model were required. Information has been assessed in section 3.3.5 of the V/VR	
		Verra response The responses to Finding #12 are sufficient to close this finding. No further action is required.	

16	Inconsistent reporting of LU/LC classes and lack of clarity on whether the forest class has been stratified		
	Issue It is not clear if forest classes were stratified. For	**Round 1** VVB Response	Closed

	example, pg. 90 of the PD/MR identifies two classes, forest and non-forest, but ten difference classes are identified in Table 10. <u>Action required:</u> 1. The VVB must ensure the LU/LC classes are clearly defined for the project area, reference region, and leakage belt. 2. The VVB must ensure all tables describing LU/LC classes/change categories meet the requirements of VM0015. 3. The VVB must ensure the map accuracy assessment includes the LU/LC classes consistent with the classes identified in previous sections. 4. The VVB must ensure the PD/MR and V/VRs are updated accordingly to reflect any changes to the GHG calculations because of updated LU/LC classes. <u>Program rules</u> VM0015, v1.1, Part 2, Steps 2.3, 2.5 and 4.1	The project proponents clarified that due to the reason that the official LU/LC maps that generated the historical deforestation analysis do not contain stratification information for different forest classes (*just forest, non-forest vegetation, anthropic uses (categorized as deforestation) and hydrography (lakes and rivers) since the information was taken from MapBiomas*), and also due to the conservative approach of defining the forest class with the lowest carbon stock for the project activity, no stratification was conducted, i.e., the "Forest" class includes just one stratum with the lowest carbon stocks within the project area. The project area, as well as for the reference region and the leakage belt are in accordance with the requirements of VM0015; the map accuracy assessment and all the tables include the LU/LC defined. The information was evaluated by the VVB and the corresponding analysis was included in section 3.3.5. <u>Verra Response</u> The VVB justifies their assessment of the LU/LC classes and validates that the forest type with the lowest carbon stock was chosen to represent the forest strata, thereby ensuring conservative estimates.	

17	**Incorrect delineation of the leakage belt**		
	<u>Issue</u>	**Round 1**	Closed

	While a project may demonstrate at verification that deforestation nearby settlements and indigenous territories is not attributable to displacement from the project area, these areas cannot be excluded from the leakage belt as described on page 82 of the PD/MR. Action required: 1. The VVB must ensure the leakage belt includes all the area delineated following the opportunity cost approach describes in VM0015, including the areas nearby settlements and indigenous territories. 2. The VVB must ensure that any deforestation that occurred in the leakage belt is either accounted for OR justifiably excluded (e.g., PP must demonstrate that deforestation in such areas is not leakage from the PA) 3. The VVB must ensure the joint PD/MR and V/VR are updated accordingly. Program rules VM0015, v1.1, Part 2, Step 1.1.3	VVB Response The project proponents updated the joint PD/MR, which leakage belt was determined following the opportunity cost approach described in VM0015 and the areas nearby settlements and indigenous territories were not excluded. In addition, the project proponents accounted all deforestation in the leakage belt. The information updated was assessed by the VVB and the corresponding conclusion was included in sections 3.3.7 of the validation report and 4.3 of the verification report. Verra Response The leakage belt was adjusted to include the areas nearby settlements and indigenous territories.	

18	**Insufficient assessment of data sources**		
	Issue Section 4.1 of the joint PD/MR does not demonstrate FAO-FRA (2020), and Higuchi (2015) both used to estimate forest classes biomass stocks, fulfil the criteria set out by VM0015 to use existing collected data.	**Round 1** VVB Response The project proponents updated the joint PD/MR, which source used to estimate forest classes biomass stocks meet the criteria set out by VM0015 to use existing collected data (Step 6.1.1 - a) as the table presented in	Closed

18	**Insufficient assessment of data sources**		
	Action required: 1. The VVB must ensure that the joint PD/MR demonstrate that the data used to assess forest classes biomass stocks fulfil the criteria set out by VM0015 to use existing collected data. 2. The VVB must assess and justify the appropriateness of the source of data used for biomass values. 3. The VVB must update the V/VR accordingly. Program rules *VM0015, v1.1*, Part 2, Step 6.1.1	section 4.1 - Estimation of the average carbon stocks of each LU/LC class supports. The VVB evaluated the updated information and the corresponding analysis was included in sections 3.3.7 of the validation report and 4.4 of the verification report. Verra Response The PD/MR was updated to demonstrate that the data used to assess forest classes biomass stocks fulfil the criteria set out by VM0015 to use existing collected data.	

19	**Unclear calculation of average carbon stocks of post-deforestation classes**		
	Issue It is not clear how the average carbon stock for the post-deforestation class has been calculated based on Fearnside, 1996, whether it has been weighted or not, and if yes, how it has been weighted. Additionally, it is not clear how this average can be considered conservative without further details on the post-deforestation classes distribution in the project area in the past or in the future (Ref: PD/MR. pg. 180). Action required: 1. The VVB must ensure the PP updates Section 4.1 to clarify how the 12.8 tC/ha has been calculated from Fearnside, 1996. 2. The VVB must assess the update and revise the	**Round 1** VVB Response The project proponents updated the joint PD/MR, determining the average carbon stock for the post-deforestation class taking into account the analysis of the Reference Region land use the information of the National GHG Emissions Communication of Brazil to the UNFCCC. Besides the GHG emissions were updated in accordance with the modifications done. The information updated was evaluated by the VVB and the corresponding analysis was included in sections 3.3.7 of the validation report and 4.4 of the verification report. Verra Response The analysis of average carbon stocks of post-	Closed

19	**Unclear calculation of average carbon stocks of post-deforestation classes**		
	joint VVR accordingly. More specifically, the VVB must assess how this average can be considered conservative. Background: -Fearnside, 1996 reports a 28.5 tC/ha weighted biomass for replacement vegetation at equilibrium. -The Markov matrix of annual transition probabilities used in this publication and to which the PP is referring in the joint PD/MR was constructed to estimate landscape composition in 1990 and to project future changes in the entire Brazilian Amazon. It is not an acceptable prediction of future post-deforestation classes distribution in the project area during the baseline validity period. -A weighted average could be acceptable here, provided the average has been weighted using appropriate and documented assumptions. -The most conservative approach here would be to adopt the highest possible post-deforestation stock for the entire class.	deforestation classes was revised to the weighted average using appropriate and documented assumptions.	

20	**Update to the project proponent**		
	Issue The project proponent was changed during the review process.	**Round 1** VVB Response The VVB has reviewed the updates in the joint PD&MR, v14:	Closed

20	**Update to the project proponent**		
	Action required: 1. The VVB must ensure the project documentation is updated to reflect the latest change to the project proponent as reflected on the Verra Registry.	Sections 1.5 and 1.6 of the PD (Project Proponent and Other Entities Involved in the Project) have been updated. The new project proponent (Beatris Tormena Fabris Gradela Ltda.) was included in section 1.5, and Ecológica Assessoria Ltda. was transferred to section 1.6, as the company that prepared the Joint Project Description & Monitoring Report (VCS) and remained as Project Proponent until March 9, 2024, when the Deed of Partial Release was signed formalizing the company's leaving as Project Proponent. In addition, changes were made to other sections of the PD to update the Project Proponent and its means of contact, as well as the responsibilities in the Project Monitoring Plan, these being sections 2.2 and 5.3, respectively. The VVB understands that the above was updated by the project proponent, complying with the template for the joint PD&MR report and maintaining traceability of the project proponent's change while describing it as a deviation in the next monitoring report that includes the required section. The VVB evaluated the rationale for the inclusion of Biofílica Ambipar Investimentos Ambientais S/A which has been included in section 1.6, considering that it signed a partnership contract with the proponent of the Juruena River REDD+ Project on April 2, 2024, to continue developing the Project. Therefore, it made the final adjustments to the Joint Project Description and Monitoring Report (VCS), guaranteeing the adequacy and	

20	Update to the project proponent		
		quality of the document following the required standards. The VVB ensured that all project documentation was updated considering the change of proponent and other entities. The VVB updates the validation report v2.6 (sections 1.4, 3.1.3, and 3.1.4) and verification report v2.3 (section 1.4) according to the revised updates in all project documentation.	
		<u>Verra Response</u> The information requested has been included in the joint PD/MR. No further action is required	

21	Inconsistent delineation of leakage belt		
	<u>Issues</u> 1. The size of the LB KML file (35,420 ha) does not reflect the size of the leakage belt described in the project documents (95,054 ha). 2. Section 3.3 of Joint PD & MR does not include information on how the leakage belt boundary was delineated considering and excluding other projects near the project area <u>Action Required</u>	**Round 1** <u>VVB Response</u> 1. The VVB ensured the consistency of the leakage belt area (95,954 ha) between the KML file and the project documents. 2. The VVB reviewed the 2,199 ha overlap of the leakage belt with the project area ID 3451 and ensured compliance and application of the requirements of VM0015 for this case. As described in section 1.1.3 of the VM0015 v1.1 methodology, the exclusion of overlapping areas from the Leakage Belt of one AFOLU project in relation to the Project Area of another AFOLU project is only necessary when the	Closed

21	**Inconsistent delineation of leakage belt**		
	1. The VVB must ensure that the size of the LB KML files is consistent with the size of the leakage belt indicated in the project documents. 2. The VVB must ensure the leakage belt boundary does not overlap with another REDD project LB. If such overlap is observed, the VVB must ensure the provisions of VM0015 are followed and applied for all REDD projects identified. 3. The VVB must raise a FAR to ensure the leakage belt will be adjusted when Project 3451 is registered in Verra Registry. The FAR must specify that any change to the LB must be validated by the VVB. <u>Program Rule</u> *VCS Standard v4.4,* Section 3.11.2, 3), c), ii) VM0015 v1.1, Section 1.1.3 **Background** Project 3451 is listed under development on Verra's Registry. Per Section 1.1.3 of VM0015, the leakage belt of Project 2709 must exclude other project areas and leakage belts. The exclusion enters into force at the intersecting project start date but no sooner than the intersecting projects' registration. The exclusion will result in an updated mobility analysis that considers PA of Project 3451 as non-	second project is already registered with Verra. Thus, the project proponent kept the Leakage Belt as originally outlined for project 2709. In addition, the VVB reviewed section 3.3 of PD&MR V15.1 about the details of the delimitation of Leakage Belt and the identification of the overlaps. In addition, the project proponent has established an ongoing monitoring plan to verify the status of project 3451 in Verra's registry. In case this project is registered before the next check, the project proponent will adjust the Leakage Belt according to the guidelines of the VM0015 methodology. This adjustment will include: a. A revised mobility analysis that considers project area 3451 as inaccessible to deforestation agents. b. Changes to the Leakage Belt that meet all methodological requirements. c. Validation of any changes by the VVB as requested. In addition, any update to the Leakage Belt the project proponent will be introduced as a deviation in the PD, and properly documented. 3. The VVB reviewed the 2,199 ha overlap of the leakage belt with the area of the project 3451 and the VVB reviewed the status of the project 3451 and to date the project is in the application for registration approval in Verra Registry. Therefore, the Future Action Request (FAR) is necessary to ensure that the leakage belt is adjusted when Project 3451 is registered in the Verra Registry. It is specified that any	

21	**Inconsistent delineation of leakage belt**		
	accessible to the agents of deforestation. The revised LB must meet all the methodology requirements and should be introduced as a PD deviation	changes to the LB must be validated by the VVB. The VVB establishes a FAR (section 2.5.1 in the validation report v2.7 and verification report v2.4) for the next verifications to carry out the review of the overlap with the project 3451 and changes in the leakage belt area.	
		Verra Response The VVB provided the correct Leakage Belt (LB) KML file. Furthermore, a FAR is included in the validation report and in the verification report to ensure that the boundaries of the LB are monitored in the next verification and adjusted if Project 3451 is registered. No further action is required.	

22	**Inconsistent reporting of harvesting levels and unclear VVB assessment**		
	Issues 1. The ex-post wood harvesting volumes from Sustainable Forest Management (SFM) activities (tab 25b in the MR calculation spreadsheet) a. have been reported inconsistently compared with previously submitted version of the joint PD/MR (see background section). No justification is provided for this change in reporting. b. are significantly lower than the ex-ante (i.e.,baseline) harvesting volumes	**Round 1** VVB Response 1. The VVB reviewed and demonstrated the justification for changes in data on areas and volumes of ex-post timber harvesting from Sustainable Forest Management activities. The areas correspond to the Forest Management Plan for farm Tico-Tico, the only farm within the Project Area that was carrying out forest management at the start date of the Project. (Folder: Evidence/Finding 22/AUTEX Tico-Tico.pdf). During the MR period, only one AUTEX was in effect, covering a total area of 910.77 ha. Considering the extraction period of up to two years, the effective annual	Closed

22	Inconsistent reporting of harvesting levels and unclear VVB assessment		
	2. The ex-ante (i.e., baseline) wood harvesting volumes from Sustainable Forest Management (SFM) activities (tab 25 in the PD calculation spreadsheet) have been reported inconsistently compared with previously submitted version of the joint PD/MR (see background section). No justification is provided for this change in reporting. 3. Unclear impact of changes in harvesting volumes on the permanence risk, and whether it impacts the financial viability risk factor (NPRR) 4. Incomplete VVB assessment of the changes in ex-post and ex-ante SFM harvesting, and whether the reported values are consistent with the timber declared to authorities <u>Action Required</u> 1. The VVB must ensure the changes in harvesting volumes from SFM are justified with documented evidence in Section 5.4 of the MR, to confirm a. <u>The reduction in baseline ex-ante harvesting volumes</u> b. the reduction in ex-post exploration intensity, and if it is consistent with the volume of timber declared to the authority. c. <u>how the difference between ex-ante and ex-post harvesting levels impacts the permanence risk and whether it affects the financial viability risk factor in the NPRR</u>	area was adjusted to 455.39 ha. a. The initial value of 610.09 ha was recalculated due to inconsistencies in the original assessment, which considered general averages of the AUTEX without refining the specific areas belonging to the Project, as well as the corrections and extensions of the AUTEX. Furthermore, it was observed that, in practice, the authorized logging is not completed in a single year and is often postponed for up to two years. The new average was calculated based on the AUTEX issued from 2015 onwards for the farms that are part of the Project Area. The estimated total authorized area was divided by two years, resulting in an effective annual average of 392.90 ha. (Folder: Evidence/Finding 22/AUTEX average calculation spreadsheet.xlsx). Additionally, in accordance with Item 7.1.1 of the VM0015 v1.1 Methodology, the project proponent adjusted the calculation spreadsheet to zero out the planned harvest emissions in the ex-ante scenario. According to subitem (f) of this methodology item, Tables 25.b and 25.c must be completed exclusively with ex-post values, as they refer to unpredictable reductions in carbon stocks due to events such as forest fires or other catastrophic occurrences. Therefore, the ex-ante values in 'Table 25.b: Carbon stocks in logged areas' were adjusted to zero, aligning with the methodological guidelines.	

22	**Inconsistent reporting of harvesting levels and unclear VVB assessment**		
	2. The VVB must describe the steps taken and the evidence used to assess the changes in harvesting volumes compared with the previously reported values. Furthermore, the VVB must provide an assessment of the updated NPRR and additionality section. Program Rule *VCS Standard v4.4,* Section 2.2.1, Principle of Consistency Background In the responses to the 3rd Round of findings, the volumes of wood harvested under SFM plans have been drastically reduced: • Authorized forest management area: from 9,151ha to 3,051ha • Annual logging area (ex-ante): from 610ha to 392ha • Actual emissions from logging: from 41,113 tCO_2e to 20,556 tCO_2e At the same time, the harvesting intensity remains unchanged (30 m^3/ha), resulting in lower timber harvesting volumes. Additionally, the NPRR indicates that the project foresees no risk due to financial viability (breakeven point is less than 4 years from the current assessment). However,	The necessary adjustments were made to the revised version of the Joint PD&MR v15.1 to ensure consistency of values between the spreadsheets (Excel) and the corresponding tables in the document. b. The wood volume resulting from AUTEX No. 02818/2020 has not yet been officially declared to the competent authority. However, the volume recorded in the Forest Credit Release Certificate (CLCF) for another Annual Production Unit (UPA) of the same farm, with a total area of 814.03 ha, which is equivalent to 31,300.70 m^3, confirms consistency with the value presented in the ex-post calculation (Table 25b). The proponent included evidence of the request for extension of the Sustainable Forest Management Plan for Tico-Tico farm. The document, validated by SEMA (Environment Secretariat of Mato Grosso), states that on October 8, 2021, the AUTEX nº 3408/2021 was issued, among other authorization documents, and, on November 15, 2022, the request for the extension of AUTEX nº. 3408/2021 was attached to the process. In addition, the document states that, through technical analysis, partial commercialization of the authorized volume was confirmed, with 15,186.33 m^3 still remaining for exploration, which corresponds to roughly, half of the permitted value (total value authorized is 31,300.70 m^3). Confirming that, in practice, the authorized logging was not completed in a single year.	

22	**Inconsistent reporting of harvesting levels and unclear VVB assessment**		
	revenues from harvesting are less than the ex-ante projections, and this could pose a risk to the project financial viability	c. The adjustment of volumes does not affect the financial viability risk assessment of the Project for the following reasons: ● The adjustment was made solely to reflect the practical reality of the authorized annual logging. ● The farm's business model is based on leasing the forest management area to third parties, with a fixed remuneration per hectare logged, regardless of the harvest volume. Thus, the NPRR remains consistent, as the projected revenues are not tied to the volumes of wood harvested but rather to the contracted leased areas. 2. The VVB reviewed and assessed the changes in data on the areas and volumes of harvest, understanding that they correspond to AUTEX of the property that covers the project area. Additionally, there is no evidence of an impact on the assessment of the risk of non-permanence in financial viability, considering that the business model is independent of the harvest volume.	
		<u>Verra Response</u> The VVB clarified that the reporting of the ex-ante and ex-post harvesting volumes is now aligned with the AUTEX license. Furthermore, the VVB provided additional evidence that the sustainable forest management plan is still active (AUTEX nº. 3408/2021) and will be monitored again next year. No further action is required.	

23	**No information on the possible risk of overlap with private and public lands in Brazil**		
	Issue(s) 1. It is not clear if the VVB has assessed the risk of overlap between the project area and private land, other CARs plots, public lands, indigenous territories or quilombo lands. Action Required 1. The VVB must update Section 3.1 of the VR to describe how they confirmed – using which evidence – that the project area does not overlap with private land, other CARs plots, public land, indigenous territory or quilombos land. The updated VR should include a map to easily visualize the outcomes of this assessment. The evidence must include the most up-to-date national and state level GIS information available. Program Rule(s) ● *VCS Standard 4.5, Section 3.18.1-2.*	**Round 1** VVB Response The VVB reviewed the overlap analysis conducted by the project proponent (Folder: Evidences/Finding 23/Analysis of Overlap - REDD+ Juruena River.pdf) and confirmed, through a geospatial assessment using official information, that there is no overlap of the project area with other private lands, public lands, other CAR parcels, indigenous territories or Q*uilombola* lands. 1. Methodology used: - A comprehensive geospatial analysis was conducted using the most recent and high-precision data, including the Rural Environmental Registry (CAR), the Land Management System (SIGEF), and the National Rural Property Registry System (SNCI), as well as information from quilombola settlements and territories from INCRA. - The delimitation of the project was also cross-referenced with the boundaries of the Conservation Units, using data from the Ministry of the Environment (MMA), and with Indigenous Lands, according to records from the National Foundation of Indigenous Peoples (FUNAI). 2. Results: - Private Lands and CAR: No overlaps with records external to the project were identified, except for records linked to properties that are part of the Project Area, all belonging to the same owner. All registration codes in the CAR were reviewed. - Quilombola Settlements and Territories: No overlaps were	Closed

		identified beyond the areas belonging to the project property. - Conservation Units and Indigenous Lands: Small technical overlaps were detected at the edges, totaling 1.65 hectares (0.0041% of the project area). These discrepancies are irrelevant to the overall context and are attributed to technical variations between databases. 3. Evidence provided: - The results of the report and detailed maps showing the results of the overlap analysis conducted by the project proponent (Analysis of Overlap - REDD+ Juruena River.pdf and folder evidences) were reviewed and confirmed through geographic analysis. - The data used are from official sources and have been validated in accordance with current legislation. - Updates to Section 3.3 (Project Boundaries) of the joint PD+MR were also reviewed to reflect the findings of the overlap analysis. The updated section now includes the information mentioned above, ensuring that there are no significant conflicts with private, public or protected lands. - Section 3.3.3 of the validation report v2.7 was updated to record the results of the overlap analysis (Folder: VVB assessment), ensure compliance with VCS 4.5 requirements and confirm that there are no significant impacts on the legal or customary rights of stakeholders associated with the area analyzed.	

		Verra Response The additional analysis provided by the VVB is sufficient to close this finding. No further action is required.	

24	**Disclosure of the use of armed patrols in project activities and associated security risks**		
	Issue(s) It is understood that deforestation agents include illegal armed gangs doing illegal activities and that armed patrols may are used by the project as part of the property surveillance activity. 1. It is unclear if the armed patrols are implemented by the landowners or PP staff during patrolling routine as part of the property surveillance activity. 2. It is unclear: a) What measures are in place to ensure personnel patrolling with arms have been properly trained on the use of weapons in the field. b) Under what circumstances project personnel are permitted to use deadly force. c) Whether the use of weapons in patrols was communicated to stakeholders during the project's stakeholder engagement process. d) Whether the project has considered and the VVB has assessed the potential risks or negative impacts of armed patrols on stakeholders.	**Round 1** VVB Response The VVB reviewed the design and implementation of surveillance and monitoring activities in the area to prevent illegal logging and occupation (Section 5.3.1 in the PD&MR v15.1). This activity does not include measures that involve the use of armed force or armed patrols. Everything designed and implemented complies with the Code of Conduct of Biofílica Ambipar Environmental Investments S/A. In addition, in the identification of agents, drivers and underlying causes of deforestation, the project did not mention the presence of "illegal armed gangs" as agents of deforestation in the Project Area. Therefore, the project has no intention of using armed patrols, as the deforestation agents identified in the area don't correspond to illegal armed gangs. The project proponent will continuously improve the process to ensure the safety and integrity of all stakeholders, which will include employee training. In 2024, the project conducted a socioeconomic diagnosis, and the results will be used as a basis to consolidate the training and other activities necessary to ensure that surveillance activities are	Closed

24	Disclosure of the use of armed patrols in project activities and associated security risks		
	Action Required 1. The VVB must ensure that Section 1.11 of the Joint PD & MR is updated to provide clarity on whether armed patrols are included as part of the project activities, by whom and under which circumstances. 2. The VVB must ensure that Section 2.1 of the Joint PD & MR is updated to provide disclosure of the potential risks or negative impacts of armed patrols on stakeholders. 3. The VVB must ensure that Section 3.3 of the Joint V & VR is updated to provide an assessment of all training and guidance provided by the project to its rangers regarding the proper use of weapons during patrols. The VVB must confirm whether the following has been provided to rangers: a. Basic training on and regular practice with using firearms in the field; b. Training and resources on engaging with armed individuals while on patrol; c. Incident reporting procedures for when firearms are discharged outside of a regulated training; d. Use and storage protocols for weapons while rangers are off-duty; e. Under what circumstances project personnel are permitted to use deadly	carried out in accordance with ethical and safety standards. Moreover, as mentioned in the PD, the local community will be strategic in monitoring illegal land occupation and logging: the ones interested in carrying out local monitoring will receive specific training and will be included in the project, an activity which may also become a new source of income for local communities. The patrolling activities are planned to be further consolidated through combined efforts with private and governmental entities and NGOs. Finally, the Project prioritizes the safety of those involved and does not foresee the use of armed force or armed patrols as part of its surveillance activities. Verra Response The PP and VVB clarified that armed patrols are not included as part of the project activities. No further action is required.	

24	**Disclosure of the use of armed patrols in project activities and associated security risks**		
	force and how this intention is enforced. 4. The VVB must confirm whether the project's engagement with local communities includes the disclosure of armed patrols within the PA. 5. The VVB must update Section 3.3 of the Joint V & VR to provide an assessment of the potential risks and mitigation of negative impacts of armed patrols on stakeholders. <u>Program Rule(s)</u> *VCS Program, v4.4,* Section 3.18.2 and 3.18.3 <u>Background</u> Several potential risks and negative impacts must be considered and evaluated when armed patrols are part of the project activities: ● Risks that security staff could face if confrontations with armed individuals or groups occur. ● Safety risks to the employees when working in project areas. ● Possible retaliation against the neighbours, including communities that are part of the project's network of informants to warn about deforestation, invasions, and fires. ● Other applicable risks or negative impacts.		

25	**Incorrect determination of ex-ante project effectiveness index**		
	Issue The joint PD/MR does not provide a clear explanation to support the estimation of the ex-ante effectiveness index (EI) of the proposed project activities. Action Required 1. The VVB must ensure that the EI is estimated based on proposed project activities, and that a clear explanation is included in the joint PD/MR to support such assumption. 2. The VVB must review the updated joint PD/MR and revise the joint V/VR to describe how they reach the conclusion that the EI is realistic (see background section). Program Rule(s) *VM0015, v1.1, Section 7.1.2* Background Ex-ante effectiveness index does not impact the ERRs but should be realistic to mitigate the risk of non-permanence, i.e., to ensure the project activities will be maintained over time and not abandoned because carbon revenues are not as high as projected. The ex-ante effectiveness index must be estimated in relation to the specific activities proposed by this project and the expected impact on the deforestation reduction, rather than using an estimation of the history of deforestation that occurred in the area prior to the project start.	**Round 1** VVB Response 1. The VVB revised the strategy for defining the effectiveness index (EI) considering the risk of initial non-permanence of the project (10%), as this parameter considering the possibility of losses in carbon stocks over time, whether due to climate change, social pressures or changes in local governance. In this way, with each verification event scheduled to occur every 3 years, the effectiveness of the project increases by 1%. It is understood that with the implementation of the activities and the overall maturity of the project, the project is expected to become increasingly effective in preventing deforestation throughout its crediting period. Initially, activities such as monitoring, enforcement, and community engagement are in their early stages, but as the project progresses, these activities—such as strengthening forest management, improving property surveillance, expanding community activities, environmental education and ongoing implementation, monitoring, and evaluation—will increasingly contribute to more effective deforestation prevention. Moreover, continuous learning from field experiences allows for regular adjustments, optimizing strategies and operations. As these activities evolve and expand, the project's capacity to reduce emissions and protect forests will strengthen, ensuring a progressive and sustainable impact. Thus, the effectiveness is expected to grow incrementally at the conservative rate of 1% per	Closed

25	Incorrect determination of ex-ante project effectiveness index		
		verification (every 3 years), reflecting the ongoing improvement in the project's operations, governance, and engagement efforts. Additionally, considering that the applied methodology does not set a procedure for determining the EI, the applied rational is considered reliable, considering that the non-permanence risk is based on specific activities proposed by the project activity and their impact on the deforestation reduction. 2. The VVB reviewed sections 4.2 and 5.1 in the PD&MR v15.1 to ensure that the effectiveness index is estimated based on the proposed project activities. The VVB updated section 4.3 in the verification report v2.4 to explain the assessment and assurance that EI is realistic to mitigate the risk of non-permanence.	
		<u>Verra Response</u> The response provided is sufficient to close this finding. No further action is required.	

26	Inconsistencies between the description of the project activities and their implementation status		
	<u>Issue</u> 1. Sections 4 and 6 of the joint PD/MR, the implementation status of the project activities is not clear and is not consistent with 99% efficiency in reducing deforestation for the first	**Round 1** VVB Response 1. The VVB assessed the implementation effectiveness of the activities during the monitoring period. The VVB	Closed

26	Inconsistencies between the description of the project activities and their implementation status		
	verification period. Action Required 1. The VVB must ensure that the joint PD/MR is updated to specify the implementation status of each project activity listed in Section 1.11 and describe their impact during the first monitoring period. The description should include information on: a. How the activity implementation was monitored, b. How each activity impacted the GHG emission reductions or removals during the monitoring period. c. When the project activity started being implemented and whether project activities that commenced prior to the monitoring period continued to be implemented during the monitoring period. 2. The VVB must explain how they confirmed that activities have started being implemented since the project start date, with a sufficient level of implementation to achieve 99% of deforestation reduction during the 1st monitoring period. 3. The VVB must provide it assessment and update the Section 3.1 of Joint V & VR accordingly. Program Rule(s)	reviewed section 5.3.1 of the PD&MR v15.1, which provides data on the implementation status of the activities listed in Section 1.11 and describes their impact during the monitoring period, thereby justifying a 99% efficiency in reducing deforestation during the first verification period. 2. The effectiveness is calculated by: (AUDPAicl,t / ABSLPAi,t)* 100 Where: AUDPAicl,t = Area of unplanned deforestation in PA in year 1 (Table 25.a of VM-MR) = 0.84 ha ABSLPAi,t = Area of baseline deforestation in PA in year 1 (Table 9.b of VM-PD) = 126 ha (0.84/ 126)*100 = 0.66% Of the 100% expected unplanned deforestation, only 0,66% were in fact deforested: 100% - 0,66% = 99,34% As only 0,66% of the baseline unplanned deforestation happened, the effectiveness of the project was 99.34%. The VVB reviewed the explanation included in section 5.3.1 of the PD&MR v15.1 Project monitoring and activities ensured that over the monitoring period, the project achieved a 99% reduction in unauthorized deforestation, as unauthorized deforestation in the Project Area targeted in the first year of the project baseline was 126 ha and only 0.84 ha (0.66%) was actually	

26	**Inconsistencies between the description of the project activities and their implementation status**		
	VCS Standard 4.4, Section 3.2.6 Background During the current monitoring period, the PP has not provided details on the implementation of activities such as “monitoring” and “surveillance”, and did not justify 99% efficiency in reducing deforestation.	deforested, contributing significantly to the conservation of carbon stocks in the region and ensuring the environmental integrity of the project area. The positive outcome reflects the commitment of the Juruena River REDD+ Project to climate change mitigation and forest protection, providing a solid basis for the continuity of activities and the generation of high-quality carbon credits. 3. The VVB updated Section 4.1 of the verification report v2.4.	
		<u>Verra Response</u> The information provided is sufficient to address this finding. No further action is required.	