



Verified Carbon Standard

NON-PERMANENCE RISK REPORT TITLE



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1 INTERNAL RISK

The Mai Ndombe REDD+ Project does not involve any reforestation / afforestation with non-native species for carbon stocks. Wildlife Works management team for this project includes our in-country manager Jean-Robert B. Bwangoy Bankanza, who has over 25 years' experience in all matters related to conservation project design and implementation. Jean-Robert is supported by a local team of foresters, animateurs (community relation officers) and agricultural experts with over 100 years collective experience applicable to the project activities. The management team also includes Jeremy Freund who has been involved in the design and implementation of 4 AFOLU REDD+ projects for Wildlife Works, and has participated in multiple successful VCS validation/verification audits, including the first audit for this project in 2012.

Project Management		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Not Applicable	0
b)	Not Applicable	0
c)	The management team is comprised of multiple individuals that each have more than 5 years of REDD+ project experience in the Democratic Republic of Congo.	0
d)	The management team is based in the Democratic Republic of Congo.	0
e)	Mitigation: Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (e.g., individuals who have successfully managed projects through validation, verification and issuance of GHG credits) under the VCS Program or other approved GHG programs.	-2
f)	Mitigation: Adaptive management plan in place.	-2
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)]		-4
Total may be less than zero.		

Financial Viability		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Not Applicable	0

b)	Not Applicable	0
c)	Not Applicable	0
d)	Project cash flow breakeven point is 4 years or less from the current risk assessment	0
e)	Not Applicable	0
f)	Not Applicable	0
g)	Not Applicable	0
h)	Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven	0
i)	Not Applicable.	0
Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)]		0
Total may not be less than zero.		

Opportunity Cost		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	NPV from the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated.	8
b)	Not Applicable.	0
c)	Not Applicable.	0
d)	Not Applicable.	0
e)	Not Applicable.	0
f)	Not Applicable.	0
g)	Not Applicable.	0
h)	Mitigation: Project is protected by legally binding commitment to continue management practices that protect the credited carbon	-2

	stocks over the length of the project crediting period (see project longevity)	
i)	Not Applicable.	
Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g + h or i)]		6
Total may be less than 0.		

Project Longevity		
a)	Not Applicable.	0
b)	The conservation concession length is 50 years, providing a legal agreement or requirement to continue the management practice. (= 30 - (50 years / 2))	5
Total Project Longevity (PL)		5
May not be less than zero		

Internal Risk	
Total Internal Risk (PM + FV + OC + PL)	7
Total may not be less than zero.	

2 EXTERNAL RISKS

The land tenure situation in the Mai Ndombe REDD+ Project Area is such that the forest/project area is government owned, and WWC holds a concession over the land. The government also recognizes customary usage rights to the forest for the local communities. As a result, WWC was also required to sign agreements - "Cahiers de Charges" - with each of the local community groups. These agreements give WWC the right to proceed with the REDD+ project while protecting the local communities' customary rights of usage of the forest.

Land Tenure and Resource Access/Impacts		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Not Applicable.	0

b)	Ownership and resource access/use rights are held by different entity(s) (eg, land is government owned and the project proponent holds a lease or concession).	2
c)	Not Applicable.	0
d)	Not Applicable.	0
e)	Not Applicable.	0
f)	Mitigation: Project area is protected by legally binding commitment (e.g., a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period	-2
g)	Not Applicable.	0
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)]		0
Total may not be less than zero.		

WWC has held consultations with officially recognized community associations (CLDs) representing greater than 50% of households living within the project area as well as far more than 20% of households living within 20km of the project boundary. WWC has provided evidence to substantiate these claims to the VVB during the m₃ verification audit.

Community Engagement		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	WWC has consulted more than 50% of the households living within the project area who are reliant on the project area, have been consulted	0
b)	WWC has consulted more than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted	0
c)	Mitigation: The project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area. The Project has CCB certification.	-5
Total Community Engagement (CE) [where applicable, (a + b + c)]		-5
Total may be less than zero.		

The DRC Governance score is still very low: across the 6 categories from the Worldwide

Governance Indicators the DRC scores -1.63. The calculation was made in accordance with VCS guidance from the World Bank Institute Worldwide Governance Indicators from the website. In mitigation of this result, there is a World Bank FCPF ER Program within the DRC, and in fact in Mai Ndombe province.

Political Risk		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	The DRC governance score is -1.63	6
b)	Not Applicable.	0
c)	Not Applicable.	0
d)	Not Applicable.	0
e)	Not Applicable.	0
f)	Mitigation: Country implementing REDD+ Readiness or other activities such as: <ul style="list-style-type: none"> a) The country is receiving REDD+ Readiness funding from the FCPF, UN-REDD or other bilateral or multilateral donors b) The country is participating in the CCBA/CARE REDD+ Social and Environmental Standards Initiative c) The jurisdiction in which the project is located is participating in the Governors' Climate and Forest Taskforce d) The country has an established national FSC or PEFC standards body e) The country has an established DNA under the CDM and has at least one registered CDM A/R project 	-2
Total Political (PC) [as applicable ((a, b, c, d or e) + f)] Total may not be less than zero.		4

External Risk	
Total External Risk (LT + CE + PC) Total may not be less than zero.	0

3 NATURAL RISKS

Natural Risk Fire	
Significance	None of the cyclical fire events in the Mai Ndombe project area have caused a loss of >5% of our carbon stocks (one occurred in 2013), as evidenced by the carbon stock mean from our plot samples.
Likelihood	There is no natural fire in this ecosystem, due to the extreme wetness of the forest. However anthropogenic fires which are set frequently in savanna areas and around villages to clear fallows and promote grass growth for livestock do on a cyclical basis cause damage to the forest. This cyclicity is due to a climatic cyclical period of drying in this part of the Congo Basin Forest, which occurs once every 10-20 years.
Score (LS)	1
Mitigation	

Natural Risk Pest and Disease Outbreaks	
Significance	Insignificant
Likelihood	Every 50 to less than 100 years
Score (LS)	0
Mitigation	Maintaining a healthy and intact natural forest ecosystem.

As a relatively intact natural ecosystem, there is very little likelihood and no reported examples of pest or disease outbreaks causing any significant loss of carbon stock to this area of the Congo Basin Forest.

Natural Risk Extreme Weather	
Significance	Insignificant
Likelihood	Every 50 to less than 100 years
Score (LS)	0
Mitigation	Maintaining a healthy and intact natural forest ecosystem.

In this region there it is very rare to have any extreme weather events beyond heavy rains and wind, for which the forest is very well adapted. More recently, droughts are becoming more frequent and severe, though they have not resulted in any significant forest loss or in higher tree mortality. There have been no significant forest loss events due to extreme weather in this part of the Congo Basin Forest.

Natural Risk Geological Risk	
Significance	Insignificant
Likelihood	Every 50 to less than 100 years
Score (LS)	0
Mitigation	Maintaining a healthy and intact natural forest ecosystem.

There is no history of geological activity in this region which may pose a significant risk to the Project Area carbon stocks. There have been no forest loss events due to geological activity in this part of the Congo Basin Forest.

Score for each natural risk applicable to the project (Determined by $LS \times M$)	
Fire (F)	1
Pest and Disease Outbreaks (PD)	0
Extreme Weather (W)	0
Geological Risk (G)	0
Other natural risk (ON)	0
Total Natural Risk (as applicable, $F + PD + W + G + ON$)	1

4 OVERALL NON-PERMANENCE RISK RATING AND BUFFER DETERMINATION

4.1 Overall Risk Rating

Risk Category	Rating
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Internal Risk	7
External Risk	0
Natural Risk	1
Overall Risk Rating (a + b + c)	10

4.2 Calculation of Total VCU

Component	2017 Value (t CO ₂ e)	2018 Value (t CO ₂ e)	2019 Value (t CO ₂ e)	2020 Value (t CO ₂ e)	Total Value (t CO ₂ e)
Baseline emissions reductions, m ₃	7,797,595	7,797,595	7,797,595	7,797,595	31,190,380
Project emissions, m ₃	813,307	2,014,286	1,248,955	1,778,581	5,855,129
Emissions from Leakage, m ₃	0	0	0	0	0
NERs to VCS pooled buffer account, (10%)	698,429	578,331	654,864	601,901	2,533,525
Net emissions reductions NERs, m ₃	6,285,859	5,204,978	5,893,776	5,417,112	22,801,724