

VCS PROJECT REVIEW REPORT

Project ID	1566
Project Name	REDD+ Project Resguardo Indígena Unificado Selva de Matavén (RIU SM)
Project Proponent	Asociación de Cabildos y Autoridades Tradicionales Indígenas de la Selva de Matavén – ACATISEMA and MEDIAMOS F&M S.A.S.
Methodology	VM0007 REDD+ Methodology Framework (REDD-MF), v1.5
Sectoral Scope(s)	14 Agriculture, Forestry and Other Land Use, REDD
Validation/Verification Body (VVB)	EPIC Sustainability Ltd.
Registry	APX

Assessment Criteria	VM0007 v1.5, VCS Standard v3.7, AFOLU Requirements v3.6
Date of First Issue	21 DEC 2018
Date of Final Issue	01 FEB 2019

Summary:

An accuracy review of the REDD+ Project Resguardo Indígena Unificado Selva de Matavén (RIU SM) issuance request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised 1 assessment findings and 0 minor findings, detailed below. The VVB, in coordination with the project proponent, is hereby required to provide a response to the assessment findings presented in Section 1. The 1 assessment finding must be addressed to the satisfaction of Verra.

This findings report may be made publically available. Confidential information may be provided as separate attachments.

1 ASSESSMENT FINDINGS

Finding 1

Section 3.11.2 of the *VCS Standard v3.7* requires that projects shall provide evidence that the GHG emission reductions or removals generated by the project have not and will not be otherwise counted or used under an emissions trading program or any other mechanism that includes GHG allowance trading. Verra is aware of resolution 1447 issued in August 2018 by the Colombian Ministry of Environment and Sustainable Development, which is pertinent to GHG mitigation projects located in Colombia.

Neither the monitoring report nor the verification report discuss resolution 1447 and how it is applicable to the project.

The project proponent is requested to update Section 1.9 of the monitoring report to include a discussion of the resolution. More specifically, the project proponent is requested to provide a discussion of Article 40 of the resolution related to the Maximum Mitigation Potential (MMP) and how the project is in conformance with this, or how it is not applicable to the project. Additionally, the project proponent is requested to clarify how the provision of Article 41 related to the establishment of baselines for REDD projects were taken into account by the project where there is a reference level assessed by the UNFCCC, as is the case of the Colombian Amazon.

The VVB is requested to update the verification report to provide an assessment of the project's participation in any emission trading program, including resolution 1447. The VVB is requested to also include a discussion of the information related to article 40 and 41 discussed above, and how that was assessed by the VVB.

a) *"Section 3.11.2 of the VCS Standard v3.7 requires that projects shall provide evidence that the GHG emission reductions or removals generated by the project have not and will not be otherwise counted or used under an emissions trading program or any other mechanism that includes GHG allowance trading. Verra is aware of resolution 1477 issued in August 2018 by the Colombian Ministry of Environment and Sustainable Development, which is pertinent to GHG mitigation projects located in Colombia".*

The response provided by PP is as follows:

Effectively, in the REDD+ Project RIU-SM the reductions generated by it-self have not been, nor will be, doubly accounted with any Program or any other mechanism. The guarantee of this condition or characteristic is based on Resolution 1447 of August 1, 2018, issued by the *Ministerio de Ambiente y Desarrollo Sostenible* (Ministry of Environment and Sustainable Development), by which regulates the System of Monitoring, Reporting and Verification of mitigation actions at the national level referred to in Article 175 of Law 1753 of 2015, and other provisions are issued.

This Resolution was issued, as indicated above, on August 1, 2018, but the Technological Platform of the *Registro Nacional de Reducción de Emisiones de GEI - RENARE* (National Registry of GHG Emissions Reduction) and its Technical Guide (Articles 10 and 33) have not been disposed completely available to the holders of the GHG Mitigation Initiatives yet, both for Programs and Projects; it is expected that it will be fully operational very soon.

In particular, the REDD+ Project RIU-SM will apply the Article 54 to proceed with its registration in the RENARE Platform. The registration and its permanence as "Active Registry" (Article 14) imply the

Project to comply with all the regulations established in Resolution 1447 of August 1, 2018, in particular with Article 9 "Principles of the System of MRV of mitigation actions at national level", in its fourth principle "Avoid double accounting" and in its ninth principle "Transparency". The Resolution itself provides provisions that avoid double counting (Chapter 3, in particular Article 50).

So, both the Project and the *Ministerio de Ambiente y Desarrollo Sostenible* of the country must guarantee the correct application of the regulation of the SMRV (System of Monitoring, Reporting and Verification) that is established in Resolution 1447 of August 01, 2018 and in particular, avoid double counting (Article 4 System of Monitoring, Reporting and Verification (MRV) of mitigation actions at national level, "parágrafos" 1 and 2).

Response by VVB:

The RENARE platform is yet to be fully operational which shall guarantee that the project complies with the Resolution 1447. The PP informs that when the registry becomes operational the project shall proceed to be registered in the registry in compliance with Article 54. The response provided by the PP satisfactorily addressed the query.

b) "Neither the monitoring report nor the verification report discuss resolution 1447 and how it is applicable to the project".

Response by PP:

Resolution 1447/2018 issued by the *Ministerio de Ambiente y Desarrollo Sostenible*, by which regulates the System for Monitoring, Reporting and Verification of mitigation actions at the national level referred to in Article 175 of Law 1753 of 2015, and other provisions are issued, is a legal mandate of the Colombian State that must be fulfilled by "any natural or juridical person, public or private that intends to register its GHG mitigation initiative to opt to payments for results or compensations similar as a consequence of actions that generate emission reductions and removals of greenhouse gases, and those that intend to register their GHG mitigation initiative to demonstrate their mitigation results in the framework of compliance with the national climate change goals established under the UNFCCC, as consequence of the implementation of said actions" (Article 2).

Therefore, the REDD+ Project RIU-SM, which has the purpose of registering in the System of Monitoring, Reporting and Verification as a GHG mitigation initiative to opt to payments for results or similar compensations, complies these legal provisions with the modifications that may take place.

Resolution 1447/2018 became effective as of August 2, 2018, date in which it was published in Official Gazette No. 50673, pages 62-72, although, as explained above, the RENARE Technological Platform and their Technical Guide (Articles 10 and 33) have not been made completely available to the holders of the GHG Mitigation Initiatives yet.

Response by VVB:

The response by the PP indicates that the project is willing to comply with and register under the RENARE platform when it is operational and comply with the Resolution 1447 which is applicable to the project. The response provided by the PP is satisfactory and the same is indicated in section 3.1 of the revised report version 1.1. A FAR is also raised to the related query such that it can be verified in the subsequent verification.

c) "The project proponent is requested to update Section 1.9 of the monitoring report to include a

discussion of the resolution. More specifically, the project proponent is requested to provide a discussion of Article 40 of the resolution related to the Maximum Mitigation Potential (MMP) and how the project is in conformance with this, or how it is not applicable to the project. Additionally, the project proponent is requested to clarify how the provision of Article 41 related to the establishment of baselines for REDD projects were taken into account by the project where there is a reference level assessed by the UNFCCC, as is the case of the Colombian Amazon”.

Response by PP:

Section 1.9 is updated as follows:

1.9 Other Programs

1.9.1 Emission Trading Programs and Other Binding Limits

The Project REDD+ RIU-SM has not any emission reductions generated by the Project Area (PA) as a part of an Emissions Trading Program or other binding limit.

1.9.2 Other Forms of Environmental Credit

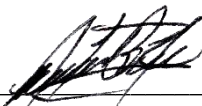
The Project REDD+ RIU-SM has not tried to issue emission reductions from any way of environmental credits.

1.9.3 Participation under Other GHG Programs

DECLARATION

The subscribed Legal Representatives of the organizations of the Strategic Alliance: *Asociación de Cabildos y Autoridades Tradicionales Indígenas de la Selva de Matavén* (ACATISEMA) and *MEDIAMOS F&M S.A.S.*, that constitute the “Project Proponents” of the “REDD+ Project *Resguardo Indígena Unificado - Selva de Matavén* (RIU-SM)”, with Registration ID VCS PD 1566 (VCS Project Database <http://www.vcsprojectdatabase.org/#/home>) and APX -VCS Registry VCSR1235 (<https://vcsregistry2.apx.com/myModule/rpt/myrpt.asp?r=111>), are declaring that for the period of verification 2016-2017 the Project has not participated or registered under another GHG program.

For constancy, we are signing on the 24th day of the month of September, 2018:



Albeiro Beltrán Salcedo

C.C. No. 18250791

Legal Representative

ACATISEMA



Francisco A. Quiroga Zea

C.C. No. 14196754

Legal Representative

MEDIAMOS F&M S.A.S.

1.9.4 Impacts of Articles 40 and 41 of Resolution 1447/2018 on the Project

First it is necessary consider what refers to **Article 41 "Establishment of baselines for REDD+ Projects"**.

Article 41 is applicable to the REDD+ Project RIU-SM about the requirement that the holder of the

same "will must establish its baseline based on the most updated FREL that has been formally submitted by Colombia and evaluated by the UNFCCC ...".

However, because the REDD+ Project RIU-SM validated its baseline according to the "VCS PROJECT REVIEW REPORT" issued by VCSA on June 28, 2017, prior to the issuance of Resolution 1447 that came into force on August 02, 2018, applies "parágrafos" 1 and 2 of this Article 41:

- According to "**parágrafo**" 1, the REDD+ Project RIU-SM should comply with "the provisions of Article 40 regarding the Maximum GHG Mitigation Potential object to national accounting of emission reduction and GHG removal for the period between January 2016 and December 2019, for REDD+ activities and carbon deposits included in the FREL submitted by Colombia to the UNFCCC", that is, for the present verification of results of years 2016 and 2017 of the REDD+ Project RIU-SM, the **Article 40 would be applicable**, about which an expansion will be made later.
- According to "**parágrafo**" 2, the REDD+ Project RIU-SM should adjust and validate its baseline based on the most updated FREL to carry out the verification of emission reductions and GHG removals generated from January 2020 onwards.

In conclusion, for the present verification of years 2016 and 2017 of the REDD+ Project RIU-SM, Article 40 would apply, as well as for the verifications of the years 2018 and 2019; that is, the adjustment and validation of the baseline of the REDD+ Project RIU-SM based on the most updated FREL for all these years 2016, 2017, 2018 and 2019 are not required, but they will be a requirement for future verifications from January 2020.

As the application of Article 41 to the REDD+ Project RIU-SM is already clarified, now the application of **Article 40 "Maximum potential for GHG mitigation"** will be considered.

According to "**parágrafo**" 1 of Art. 41, because the REDD+ Project RIU-SM validated its baseline before the issuance of Resolution 1447/2018, the Project must comply with the provisions of Article 40 about the Maximum GHG Mitigation Potential (MMP) for the period between January 2016 and December 2019, that is, for the present verification of results of years 2016 and 2017 of the REDD+ Project RIU-SM, the maximum mitigation potential would be applied.

As previously stated, the RENARE Technological Platform and its Technical Guide to date, today January 9, 2019, is not available to users yet; consequently, when the operation of the platform begins, the *Ministerio de Ambiente y Desarrollo Sostenible* must establish the Maximum GHG Mitigation Potential applicable to the Project for the results of the present verification of years 2016 and 2017, that is, the determination of this Maximum GHG Mitigation Potential does not depend on the Project. Its future application will be done by the Project as specified by the *Ministerio de Ambiente y Desarrollo Sostenible*, in an official communication dated October 8, 2018, [No Reg. Salida: DCC-8250-E2-2018-031008](#), which in two of its subsections says (Numeral 6. Article 40, folio 6):

"6. Article 40, Maximum GHG mitigation potential for REDD+ Projects, object to national accounting.

...

In case of referring to results accounted above the maximum GHG mitigation potential, based on a project baseline validated prior to the issuance of Resolution 1447/2018 in the validity periods between 2016-2019, these may be used for the purposes of mitigation different to the national goals in climate

change and although they must be registered, they will not be part of the national accounting.

In addition to what is described in the previous paragraph and taking into account that Article 40 states that for purposes of accounting for GHG emissions reduction and removal, only those GHG mitigation results will be valid if, in addition to being verified and registered in RENARE, they are included in the maximum GHG mitigation potential object of said national accounting. Consequently, the interpretation according to which the mitigation results that are above the calculated maximum GHG mitigation potential can be marketed and cancelled in other mechanisms different to those established by the National Government is correct. Thus, although they must also be registered in RENARE, these surpluses do not count for national accounting nor for payments for results or similar compensations that have been established by the National Government.”

In conclusion, the Maximum GHG Mitigation Potential for the present verification of results of years 2016 and 2017 of the REDD+ Project RIU-SM will be determined by the *Ministerio de Ambiente y Desarrollo Sostenible* as soon as the RENARE Technological Platform be put in operation, and its application will make by the Project according to the specifications presented in the two previous paragraphs.

Response by VVB:

The explanation by the PP is justified and accordingly reflected in the revised MR, Version 03. Further a FAR has been raised to address the issue in the subsequent verification.

Verra Response:

Section 1.9 of the monitoring report and Section 3.1 of the verification report have been updated to provide further clarification as to how the project continues to operate as a voluntary GHG emission reduction/removal project within Colombia given resolution 1447. This is sufficient to close this finding and no further response is required.

2 MINOR FINDINGS

No minor findings were raised.

3 ASSESSMENT CONCLUSION

On 19 November 2018, project 1566 completed the second verification of emission reductions/removals achieved for 1 January 2016 to 31 December 2017. On 26 November 2018 the project proponent submitted this verification to Verra for issuance, and the verification was selected for an accuracy review.

On 21 December 2018, Verra issued the initial round of findings to the VVB, EPIC Sustainability Ltd. One finding raised was regarding the lack of information provided about the project’s compliance with Colombia’s resolution 1447 and whether that posed any double counting risks.

On 22 January 2019, the VVB provided a response to Verra along with updated monitoring and verification reports. The updated monitoring and verification reports provided further clarification as to how the project abides by Colombia’s resolution 1447 while also not posing a double counting risk.

On 01 February 2019 Verra closed all findings and the accuracy review.