PROJECT REVIEW REPORT

Project ID	*2410*
Project Name	*Restoration of Degraded Forest Reserve Areas in Ghana, West Africa*
Program(s)	*VCS*
Verification Period	*24 March 2016 to 01 November 2020*
Project Proponent	*Miro Forestry Developments Ltd.*
Methodology	*AR-ACM0003 A/R Afforestation and reforestation of land except wetlands, v2.0*
Sectoral Scope(s)	*14. AFOLU (Agriculture, Forestry and Other Land-Use)*
Validation/Verification Body (VVB)	*AENOR*

Assessment Criteria	*VCS Standard, v4.0*
Date of First Issue	19 August 2021
Date of Second Issue	29 October 2021
Date of Third Issue	23 December 2021
Date of Final Issue	28 February 2022

Summary:

An accuracy review of the Restoration of Degraded Forest Reserve Areas in Ghana, West Africa registration and verification approval request has been conducted by Verra in accordance with Section 4.3 of the *Registration and Issuance Process*.

The accuracy review has raised nine assessment 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 nine assessment findings must be addressed to the satisfaction of Verra. Please note, that where Verra finds consistent minor findings by the VVB in future reviews, minor findings shall be escalated to assessment findings.

This project review report will be made publicly available. Confidential information may be provided as separate attachments.

1. ASSESSMENT FINDINGS

Finding 1

Section 1.11 of the *Joint Project Description & Monitoring Report, v4.0* template requires to include a description of how the various organizations, communities and other entities are involved.

The project proponent does not include a description of how the various organizations, communities and other entities are involved. The project proponent is required to include a description of how the various organizations, communities and other entities are involved under Section 1.11 of the joint project description and monitoring report.

VVB Response:

A description on how various organizations and entities involved in the project is now included in the section 1.11 of the joint project description and monitoring report (Table 13 and following paragraph). In addition, a description of the stakeholder analysis is included in the same section (From page 30), to explain how the various organizations, communities and other entities are involved. Same stakeholders were considered when developing the stakeholder's consultation.

Verra Response:

The required information was included under Section 1.11 of the joint project description and monitoring report. This finding is now closed, and no further response is required.

Finding 2

Section 2.2. of the *Joint Project Description & Monitoring Report, v4.0* template requires to "include details on the mechanism for on-going communication with local stakeholders" and to "demonstrate how the project has or will communicate the following: the project design and implementation, including the results of monitoring, the risks, costs and benefits the project may bring to local stakeholders, all relevant laws and regulations covering workers' rights in the host country and the process of VCS Program validation and verification and the validation/verification body's site visit".

The project proponent does not include the elements required stated above.

The project proponent is required to "include details on the mechanism for on-going communication with local stakeholders" and to "demonstrate how the project has or will communicate the following: the project design and implementation, including the results of monitoring, the risks, costs and benefits the project may bring to local stakeholders, all relevant laws and regulations covering workers' rights in the host country and the process of VCS Program validation and verification and the validation/verification body's site visit" under Section 2.2. of the joint project description and monitoring report.

VVB Response: The description of grievance procedure and ongoing communication and consultation was initially included under section 2.5. Now, it has been moved to section 2.2 as requested (Stakeholder Engagement and Ongoing communication and Grievance Mechanism), after the description of local stakeholder consultation.

Verra Response:

The description of grievance procedure and ongoing communication and consultation is now included under Section 2.2 of the joint project description and monitoring report. This finding is now closed, and no further response is required.

Finding 3

Section 3.3 of the *Joint Project Description & Monitoring Report, v4.0* template requires that "for AFOLU projects, include in the diagram or map the locations of where the various measures are taking place".

The project proponent does not include in the diagram or map the locations of where the various measures are taking place nor makes **reference to the section of the document where this information is located. The project proponent is require**d to include in the diagram or map the locations of where the various measures are taking place under Section 3.3 of the joint project description and monitoring report.

VVB Response: Requested diagram of project activities was relocated from section 1.11 to section 3.3. In addition, a map where the silvicultural activities take has been added to the document in the same section (Figure 4).

Verra Response:

The information requested is included now under Section 3.3 of the joint project description and monitoring report. This finding is closed.

Finding 4

Section 3.1.2 of the *VCS Standard, v4.1* states that "methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology."

Section 5.6 of the methodology *AR-ACM-0003 v2.0* requires to use the tool "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity" to assess leakage.

The project proponent states under Section 4.3 of the joint project description and monitoring report that "agriculture activities will not be displaced to another area and instead will be improved with the support of Miro Forestry;" however does not make use of the tool "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity" to assess leakage.

The project proponent is required to make use of the tool "Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity" to assess leakage under Section 4.3 of the joint project description and monitoring report. The VVB is requested to assess the updates and to update the joint validation and verification report, as needed.

VVB Response:

On the section 1.17 Additional Information Relevant to the Project, there is a paragraph on Leakage Management that states the following:

It is not expected any activity shifting leakage, since country's policies prohibit farming activities withing the reserves. In addition, the company provides social mitigation measures, that include the offering of

alternative livelihood solutions – predominantly employment. In the same way, Miro Forestry has policies that contributes to leakage management, mainly through stakeholder engagement 1.: some of the farmers employed by the company has legal access to land and can benefit the local communities with the land leasing and benefits agreement

Also, the probability of leakage occurring due to people moving inside of the project area is limited, due to the land management policies created by the forestry commission and because most of the land outside the project area is already at a very low baseline for agriculture. This activity is not fixed as fires occur in numerous areas throughout the year. That means, in the case of a displacement there will be no increase of GHG emissions.

In addition, if agricultural activities are displaced out of the project area, the outside area is mainly comprised by grasses and farmers tend to employ such lands for developing crops, since is easy to burn the grass and taking advantage of the lack of patrolling from the Forestry Comission, Most of the farmers are aware that farming is not legal within the reserve.

As stated in the AR-TOOL15 A/R Methodological tool: Estimation of the increase in GHG emissions attributable to displacement of preproject agricultural activities in A/R CDM project activity Version 02.0, "Displacement of an agricultural activity by itself does not result in leakage emission. Leakage emission occurs when the displacement leads to an increase in GHG emissions relative to the GHG emissions attributable to the activity as it exists within the project boundary".

Finally, the PD concludes that although there might be agricultural activities displacement, it will not cause additional GHG emissions because of the characteristics of the land, and there will be no leakage.

Verra Response:

The project proponent provides explanation on leakage caused by displacement of agricultural activities, however does not include anything on leakage cause by displacement of grazing nor provide evidences that the displacement of agricultural activities will not increase GHG emissions relative to the GHG emissions attributable to the activity.

Section 6.10 of the CDM Tool, AR-AM Tool 15 states that "leakage due to grazing can be accounted as zero under the following scenarios:

- Animals are displaced to existing grazing land and the total number of animals in the receiving grazing land (displaced and existing) does not exceed the carrying capacity of the grazing land;
- Animals are displaced to existing non-grazing grassland and the total number of animals displaced does not exceed the carrying capacity of the receiving grassland;
- Animals are displaced to cropland that has been abandoned within the last five years;
- Animals are displaced to forested lands, and no clearance of trees, or decrease in crown cover of trees and shrubs, occurs due to the displaced animals;
- Animals are displaced to zero-grazing system."

The project proponent includes under Section 1.7 and Section 2.1 of the joint project description and monitoring report the occurrence of grazing in the region, however does not include this when assessing project leakage.

[1] PDD Supports/1.2 PO Information/ESIA/NMFC Livelihood Study_Development Plan (2014. 08.06)

Section 6.9 of the CDM Tool, AR-AM Tool 15 states that “Leakage emission occurs when the displacement leads to an increase in GHG emissions relative to the GHG emissions attributable to the activity as it exists within the project boundary.” The project proponent does not include how the displacement of agricultural activities does not lead to an increase in GHG emissions under Sections 1.17 and 4.3 of the joint project description and monitoring report.

The project proponent is requested to update the relevant Sections of the joint project description and monitoring report to demonstrate that there was no displacement of grazing activities, or that the leakage due to grazing was accounted for as zero under one of the conditions listed in the methodology and to show evidence that the displacement of agricultural activities does not lead to an increase in GHG emissions relative to the GHG emissions attributable to the activity as it exists within the project boundary.

VVB Response:

Concerning the presence of cattle in the forest reserves, it corresponds to the nomad herdsmen group of Fulani, moving south from Burkina Faso. Prior to any land development, Miro conducts a land use survey (example included as supporting document), grazing is never identified as permanent land use. However, Miro survey their movement to ensure that common routes (generally related to access to water) are kept clear for cattle movement (See next Figure):

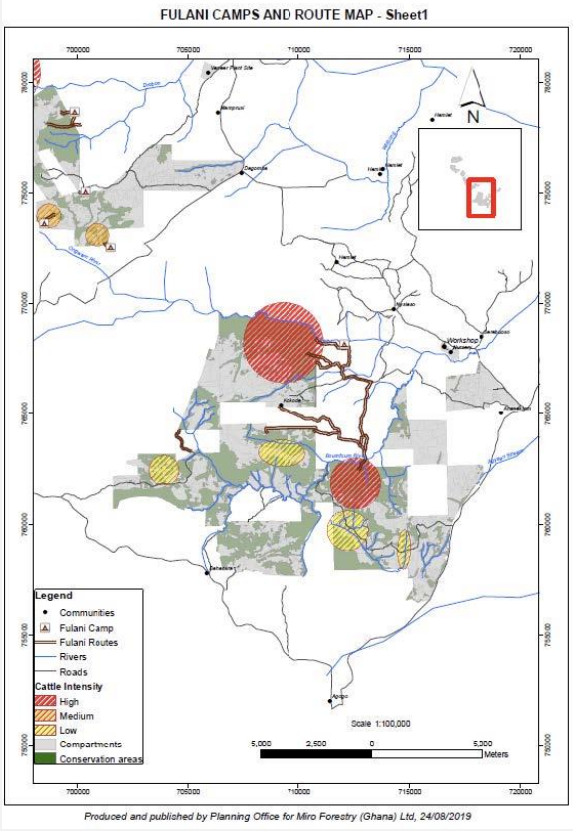

Figure 1. Fulani camps and route map

In the same line, the company works with the Fulani to ensure they can still move through the area with no negative impact to Miro seedlings. Fulani are encouraged to travel through the more mature compartments (See next figure). This means, the project activities are a particular cause of displacement per-se, as they are nomadic and cattle movement is part of their tradition. Fulani herds use some routes through of the project area (see figures below), that means, their activity is not being relocated.

Having said that, as there is no displacement of grazing activities, since these activities are not permanent but seasonal, and can that they can still take place within the project area (Miro records their presence in the project area and it has not been any decrease – See monitoring report excel file attached), it can be concluded there will be no leakage.

Concerning agricultural activities, it is worth mentioning that this is illegal within the reserves limits and the Forestry Commission prohibits it. However, the project proponent includes controlled inter-cropping schemes in the stakeholder engagement activities, such as the Livelihood Development Plan, MFGH Farmer Livelihood Study (2018), MFC Land Development - Identifying People at Risk in Ghana (2020) and NMFC Livelihood study & development plan (2104) can be deemed as evidence for incorporating agriculture in the project in form of intercropping activities.

Verra Response:

The project proponent updated Section 1.17 of the joint project description and monitoring report, describing why there will be no leakage due to grazing. However, Section 3.1 of the joint project description and monitoring report template requires the project proponent to include the title and version number of any tools applied by the project, but the CDM Tool, AR-AM Tool 15 is not included in Section 3.1 of the joint project description and monitoring report.

The project proponent is required to include the CDM Tool, AR-AM Tool 15 in Section 3.1 of the joint project description and monitoring report and describe in section 1.17 that the tool was used to conclude that leakage emission attributable to the displacement of grazing activities are accounted as zero.

VVB Response:

AR-Tool 15 was referenced in section 3.1

Use of AR-Tool 15 for grazing leakage assessment was included in section 1.17

Verra Response:

The project proponent has included reference to the leakage tool used under Section 3.1 of the project description document. This finding is closed.

Finding 5

Section 3.2.20 of the *VCS Standard v4.1* requires that "where ARR or IFM projects include harvesting, the loss of carbon due to harvesting shall be included in the quantification of project emissions."

According to the information provided under the joint project description and monitoring report, harvest is included in the management plan.

The project proponent makes reference to the long-term average calculation in the footnote of Section 1.11 of the joint project description and monitoring report but does not present the results of the long-term average.

The project proponent is required to include the long-term average calculation to the joint project description and monitoring report.

VVB Response:

A clarification on the Long-term Average calculation was included in the section 4.2 of the joint project description and monitoring report. The project is expected to achieve the LTA at the year 11 (year 2026). The results of the calculation are presented in Table 42.

Verra Response:

Section 4.2 of the joint project description and monitoring report has been updated to clarify the long term average calculations. The project proponent is requested to provide the excel spreadsheet to demonstrate the process for calculating the long term average together with the net GHG quantification for the monitoring period.

VVB Response:

Excel spreadsheets has been attached to this document.

Verra Response:

Section 3.2.21 - 1 a of the VCS Standard v4.1 indicates that "For ARR or IFM projects undertaking even-aged management, the time period over which the long-term GHG benefit is calculated shall include at minimum one full harvest/cutting cycle, including the last harvest/cut in the cycle. For example, where a project crediting period is 40 years and has a harvest cycle of 12 years, the long-term average GHG benefit will be determined for a period of 48 years."

In the "210916_ER_Miro_Ghana_Ex-ante" spreadsheet, two harvest cycles of 13 years each are included for the "Rotation 1." However, the last harvest cycle is not included in full; instead, it is reduced to four years.

The project proponent is requested to extend the period to determine the long-term average GHG benefit to cover the last harvest cycle for the "Rotation 1." In addition, the project proponent is requested to update the relevant Sections of the joint project description and monitoring report according to the LTA update. The VVB is requested to assess the updates and to update the joint validation and verification report, as needed.

VVB Response:

The last harvest cycle has been included in full and an updated version of the ER-ex ante estimations has been included. In consequence, the gross estimates have been reduced and all the relevant sections in the PDD were updated with the new estimates.

Verra Response:

The long-term average calculation was updated to comply with the requirements. This finding is closed.

Finding 6

Section 3.1.2 of the *VCS Standard, v4.1* states that "methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology."

Section 5.18(1) of the methodology *AR-ACM0003* states that the project proponent shall use the net anthropogenic GHG removals by sinks equation.

Section 6.5 of the joint project description and monitoring report does not include the relevant net GHG ERR equation required by the methodology.

The project proponent is requested to update Section 6.5 of the joint project description and monitoring report to include the net anthropogenic GHG removals by sinks equation.

VVB Response:

Section 6.5 of the joint project description and monitoring report was updated to include the net anthropogenic GHG removals by sinks equation. In addition, the vintages were updated considering that the first version did not properly present the GHG by vintages and instead they were presented by

modelling units. Thus, the table 57 was updated with the correct information. The details on the calculation can be reviewed in the updated ex-post excel sheet.

Verra Response:

Section 6.5 of the joint project description and monitoring report was updated accordingly. This finding is now closed.

Finding 7

Section 3.1.2 of the *VCS Standard, v4.1* states that "methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology."

Section 5.3.12(a) of *AR-ACM0003* "for baseline net GHG removals by sinks, it is usually sufficient to stratify the area according to major vegetation types and their crown cover and/or land use types."

Based on satellite image reviewed (refer to the print screen below) for year 2016, there are other land cover types within the project area, which includes forests.

Section 4.1 of the joint project description and monitoring report does not stratify the baseline emissions based on biomass type in the project area.

The project proponent is requested to update Section 4.1 of the joint project description and monitoring report to stratify the baseline emissions based on land cover and biomass types within the project area.

VVB Response:

It was indeed confirmed that there were forest present in the eligible area. Thus, a reassessment of the eligibility analysis was performed. Section 1.3 was updated and a total of 303,35 ha were removed from the eligible areas as they were identified as forest. As a result, the eligible area changed to 3,871 ha. In the same line, ex-ante and ex-post calculations were updated, considering the new eligible area. Updated excel sheets can be found in the supporting documents and also all sections related to the

estimations were updated.

Section 4.1 of the document was updated as well: From the same eligibility analysis, it is concluded that the only landcover present in the project area prior to the start of the project is Grassland

Due to the dynamic of the agricultural practice in the area, the fallow periods are short, which is insufficient for forest regeneration or the establishment of the local flora, which leads to a non-significant carbon stock in the baseline scenario.

According to the methodology (Section 5.5 paragraph 14) “GHG emissions resulting from removal of herbaceous vegetation, combustion of fossil fuel, fertilizer application, use of wood, decomposition of litter and fine roots of N-fixing trees, construction of access roads within project boundary, and transportation attributable to the project activity shall be considered insignificant and therefore accounted as zero."

Verra Response:

Forested areas were excluded to the project area and Sections 4.1 and 1.3 of the joint project description and monitoring report. This finding is now closed, and no further response is required.

Finding 8

Section 1.10 of the *Joint Project Description & Monitoring Report, v4.0* template requires to "estimated annual GHG emission reductions or removals for the project crediting period."

Section 1.9 of the joint project description and monitoring report states the crediting period is 30 years.

Section 1.10 of the joint project description and monitoring report only includes the estimated annual GHG emission reductions or removals for the first 11 years and not for the whole crediting period.

The project proponent is required to include under Section 1.10 the estimated annual GHG emission reductions or removals for the project crediting period, which is 30 years.

VVB Response:

Table 6 in Section 1.10 shows the calculation including the Long-Term Average, as the project includes rotational harvest in its activities. Such LA is estimated to be achieved at year 11. We filled blank fields with “0” on Table 12 in section 1.10 for more clarity.

Verra Response:

Section 1.10 of the joint project description and monitoring report has been updated. This finding is now closed, and no further response is required.

Finding 9

Section 3.3.5 of the *Joint Validation & Verification Report, v4.0* template requires to "describe the steps taken to assess risks to local stakeholder resources due to project implementation and how the project will mitigate such risks, including plans to ensure the project will not impact local stakeholders’ property rights without the free, prior and informed consent."

The VVB does not describe the steps taken to assess risks to local stakeholder resources due to project implementation and how the project will mitigate such risks, including plans to ensure the project will not impact local stakeholders’ property rights without the free, prior and informed consent.

The VVB is required to describe the steps taken to assess risks to local stakeholder resources due to

project implementation and how the project will mitigate such risks, including plans to ensure the project will not impact local stakeholders' property rights without the free, prior and informed consent under Section 3.3.5 of the joint validation and verification report.

VVB Response:

Section 3.3.5 does not exist in the template. Nevertheless, such steps requested are described in Section 2.1 No Net harm. Here are presented several tables that describes the impacts and mitigation measures for addressing those impacts, including plans to ensure the project will not impact local stakeholders' property rights w/o free, prior and informed consent. As supporting documentation is included an Environmental Impact Assessment and a Livelihood Study and Development Plan.

No property rights are affected, since the land where the project is being developed is a Forest Reserve, managed by Ghana's Forestry Commission.

Verra Response:

Section 3.3.5, AFOLU Specific Safeguards, of the *Joint Validation & Verification Report, v4.0* template exists and the VVB is required to describe the steps taken to assess risks to local stakeholder resources due to project implementation and how the project will mitigate such risks, including plans to ensure the project will not impact local stakeholders' property rights without the free, prior and informed consent.

VVB Response:

The section has been updated with relevant information, in order to give a full response to the finding: Community concerns and identified risks are presented in Figures 18 and 19 of section 2.5 AFOLU Specific Safeguards of the PDD and in section 3.3.5 of the Joint Validation and Verification Report. In those figures are indicated the steps for identifying risks and mitigation measures extracted from the document MFC Land Development – Identifying People at Risk Ghana 2020 (Attached as evidence). In the same line, Figures 20 and 21 (PDD) present community concerns and mitigation measures.

Verra Response:

Section 3.3.5 of the joint validation and verification report was completed describing the steps to assess risk to local stakeholders due to project implementation and how the project will mitigate such risks. This finding is now closed, and no further response is required.

2. ASSESSMENT CONCLUSION

On 19 August 2021 Verra completed an accuracy review of the registration and verification approval request of Restoration of Degraded Forest Reserve Areas in Ghana, West Africa and raised the nine assessment findings detailed above.

On 28 September 2021, AENOR sent the answers to the first round of findings to Verra with updated joint PD and monitoring report and joint validation and verification report. The updates were sufficient to close several findings. However, Findings 4, 5 and 9 remain open.

On 29 October 2021 Verra submitted the review report to the VVB and project proponent with a request for further responses.

On 14 December 2021, AENOR sent the answers to the first round of findings to Verra with updated joint PD and monitoring report and joint validation and verification report. The updates were sufficient to close Finding 9. However, Findings 4 and 5 remain open.

On 23 December 2021 Verra submitted the review report to the VVB and project proponent with a request for further responses.

On 28 February 2022 Verra closed the remaining open findings and closed the review.