



NON-PERMANENCE RISK REPORT



Document Prepared by



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Prepared By	ECO DEVELOPMENT GROUP SAC
Contact	Tatiana Eloisa Lapeyre Zárate Lapeyre2018@gmail.com +51998123747

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1 INTERNAL RISK

1.1 Project Management

Project Management		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Species planted (where applicable) associated with more than 25% of the stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located. The project is based on the sustainable forest management of an Amazonian tropical rainforest. The system does not contemplate the reforestation nor the use of exotic species so the 100% of project GHG credits are based on the conservation of natural forest stocks. Evidence: - Monitoring report 2020 – 2021 – Tahuamanu amazon REDD Project - 2. General - 2.1. Project Description - 2.1.1 Implementation Description	0
b)	Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued. There is a custody and monitoring system, which has been implemented successfully. In addition to activities with nearby communities that would encourage greater commitment and care with the concession area - Biodiversity and community activities Evidence: - Monitoring Report Tahuamanu - Table 2.1 - Table 2.4 - Table 2.6 - Table 2.13	0

c)	Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (i.e., any area of required experience is not covered by at least one individual with at least 5 years' experience in the area). Tahuamanu REDD+ Project is composed by a team of specialists who have large experience not only managing, technically, economically and socially, a forest concession but also experience in designing and implementing a REDD+ project successfully for more than a decade. In addition, Tahuamanu has received the technical support of ECO DEVELOPMENT GROUP SAC, a consultant company with experience in developing this type of projects. Evidence: - Monitoring Report Tahuamanu - Table 2.21 - Table 2.22 - 2.4.2. Management Team Experience	0
d)	Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area. Tahuamanu has permanent offices in Iñapari, the closest city to our forest areas. The head of the organizational structure of Tahuamanu is based in Iñapari. Evidence: - Monitoring Report Tahuamanu - Report Cover - 2.1.3 Project Proponent(s) - Figure 2.2	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

Evidence:	The REDD Project is developed by a team of professionals with relevant experience in the development and implementation of REDD Projects. The team has participated in validation and verification processes since 2012. Monitoring Report Tahuamanu - 2.4.2. Management Team Experience	
f) Evidence:	Adaptation: Adaptive management plan in place. The approach of the forest operations includes an Adaptive Management System, which includes different management tools that define the activities to be implemented (Forest Management Plans and instructions for the implementation of the activities), the same that identify the procedures for monitoring, the systematization of the information and the feedback for continuous improvement of the procedures by updating the instructions and the system itself. The Consultative Committee will provide feedback for the design and adjustments to the activities. Monitoring Report Tahuamanu - 2.1.10. Sustainable Development - Table 2.5 - Table 2.6 Biodiversity - Table 5.2 - Table 5.3 Biodiversity support > 2020 > Conservación > Plan Silvicultural MRA 2020	-2
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.		-4

1.2 Financial Viability /

Financial Viability		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Project cash flow breakeven point is greater than 10 years from the current risk assessment Not applicable. The project has obtained the breakeven point since the start of the project (2017) thanks to extraordinary incomes from timber sales in the first two years (2017-2018). After that, the net profits are negative considering the additional expenses required for face the increasing threats of deforestation. Incomes from carbon sales will cover the difference to ensure the financial sustainability of additional activities required to face these threats.	N.A.
b)	Project cash flow breakeven point is greater than 7 and up to 10 years from the current risk assessment Not applicable. Breakeven point is obtained before than 10 years from the start of REDD+ project.	N.A.
c)	Project cash flow breakeven point greater than 4 and up to 7 years from the current risk assessment Not applicable. Breakeven point is obtained before than 10 years from the start of REDD+ project.	N.A.
d)	Project cash flow breakeven point is 4 years or less from the current risk assessment Project cash flow breakeven point is estimated to be achieved during the first year according to cash flow analysis found in the annex 2	0
e)	Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven Not applicable. Breakeven point has been achieved already.	N.A.

f)	Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven	N.A.
	Not applicable. Breakeven point has been achieved already.	
g)	Project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven	N.A.
	Not applicable. Breakeven point has been achieved already.	
h)	Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven	0
	Applicable. Breakeven point has been achieved already.	
i)	Mitigation: Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven	-2
	Applicable. Breakeven point has been achieved already.	
Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)]		0
When a risk factor does not apply to the project, the score shall be zero for such factor.		

During the audit visit, supporting cash flow documents may be requested.

1.3 Opportunity Cost

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. Not applicable. NPV is not under this range.	0
b)	NPV from the most profitable alternative land use activity is expected to be between 50% and up to 100% more than from project activities	0
c)	Not applicable. NPV is not under this range. NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities Not applicable. NPV is not under this range.	0
d)	NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated Not applicable. NPV is not under this range.	0
e)	NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0

	Not applicable. NPV is not under this range. (mayor que maíz)	
f)	NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity (mayor que el maíz) The REDD Project has a Net Present Value of US\$ 182.69 per hectare, whereas the NPV of corn crop is US\$ 60 per hectare¹. It implies that The REDD Project is at least 50% more profitable than the most profitable alternative land use Documentary evidence: Cash flow of the Tahuamanu REDD Project and baseline survey and independent surveys².	-4
g)	Mitigation: Project proponent is a non-profit organization. Tahuamanu Project Proponent is a for-profit organization	-
h)	Mitigation: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over the length of the project crediting period. The project is developed in an area that is determined by law as a permanent productive forest (PPF). A PPF is an area intended for responsible use of the forest resources, including timber, through a forest management model, which enables to keep it as standing forest overtime. This particular PPF was given to the project proponents in concession with a contract signed with the Peruvian government for 40 years' renewable so it covers the lifetime of the project. So the Project is protected by legally binding commitment to continue management practices over the period of the Project itself. Documentary evidence: The Peruvian forest law and the forest concession contracts signed with the government³.	-
	Mitigation: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over at least 100 years	

i)	As indicated in h, the PPF is a modality considered in the Law that cannot be changed in the future for non-forest uses so even if the project proponent does not renew it, the area would still be considered a permanent productive forest (PPF) and is legally under protection and eventually could be granted to another concessionaire.	-8
Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g + h or i)] Total may be less than 0.		-12

1.4 Project Longevity

Project Longevity		
Q.	Does the project have a legally binding agreement that covers at least a 100 years' period from the project start date?	Yes
	Monitoring Report Tahuamanu - 2.5.1 Recognition of Property rights - 2.5.3 Property Right Protection - 2.5.6 National and Local Laws - Table 2.23. Relevant Legal Framework	
Q.	What is the project Longevity in years?	40
	Monitoring Report Tahuamanu - 2.5.1. Recognition of Property rights - 2.5.3. Property Right Protection - 2.5.6. National and Local Laws - Table 2.23. Relevant Legal Framework	
Q.	Legal Agreement or requirement to continue management practice?	Yes
	Monitoring Report Tahuamanu - 2.5.1. Recognition of Property rights	
a)	Without legal agreement or requirement to continue the management practice	
	Not applicable	
Evidence:		
	Monitoring Report Tahuamanu - 2.5.1. Recognition of Property rights - 2.5.3 Property right Protection - 2.5.6. National and Local Laws - Table 2.23. Relevant Legal Framework	
b)	With legal agreement or requirement to continue the management practice	
	The Tahuamanu REDD+ Project area is implemented over a forest concession, granted by the Peruvian State through a Concession Contract signed in 2002 for a period of 40-years and renewable prior inspection by OSINFOR every 5 years. This means that there is a legal requirement to continue maintaining the forest, even if the contract is not renewed. In that case, that responsibility is transferred	10

to the Government as the areas are classified as "Permanent Production Forests", recognized by the Peruvian State, being their conservation as such guaranteed, since they are defined in the Forestry Legislation as Forest areas that due to their biotic and abiotic characteristics are suitable for permanent and sustainable production of timber and other environmental goods and services.

Evidence: Monitoring Report Tahuamanu
- 2.5.6. National and Local Laws

Total Project Longevity (PL)

0

May not be less than zero

It must be remained that concession contract states that the project extension is 40 years, renewable automatically every 5 years, so in any moment, if everything is done well, the 40 years (end date of concession contract) is never achieved.

Total Internal Risk (PM + FV + OC + PL)

0

Note: Total may not be less than zero

2 EXTERNAL RISK

2.1 Land Tenure and Resource Access Impacts

Land Tenure and Resource Access/Impacts		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
Q.	Are the ownership and resource access/use rights held by the same of different entities?	Different
Evidence:	Monitoring Report Tahuamanu: - 2.5.1 Recognition of Property Rights	
a)	Ownership and resource access/use rights are held by same entity(s)	0
Evidence:	The land is owned by the Peruvian Government, though the use right has been given in concession to Maderacre company. Monitoring Report Tahuamanu: - 2.5.1 Recognition of Property Rights	
b)	Ownership and resource access/use rights are held by different entity(s)	2
Evidence:	Monitoring Report Tahuamanu: - 2.5.1 Recognition of Property Rights	
As indicated in previous response, the ownership and use rights are held by different entities (the Government and project proponent, respectively) so it applies to this risk factor		
c)	In more than 5% of the project area, there exist disputes over land tenure or ownership.	

	There are no disputes over land ownership between the State and the Concessionaire and/or any other third party. It is understood that the land is property of the State and users have rights to resources for a period of time. Monitoring Report Tahuamanu: Evidence: - 2.5.2. Free, Prior and Informed consent - 2.5.3 Property Right Protection - 2.5.2 Ongoing Disputes - Biodiversity support > 2020 > Patrullaje > Inf. Técnico 001-2021-CCR-Custodia y Vigilancia CMRA - Biodiversity support > 2021 > Patrullaje > Inf. Técnico 006-2022-CCR-Custodia y Vigilancia CMRA	0
d)	There exist disputes over access/use rights (or overlapping rights). There are no disputes over land ownership between the State and the Concessionaire and/or any other third party. It is understood that the land is property of the State and users have rights to resources for a period of time. In the patrols carried out, no settled populations were found in the area, therefore there are no disputes over access to the territory. Evidence: Monitoring Report Tahuamanu: 2.5.5. Ongoing disputes	0
e)	WRC projects unable to demonstrate that potential upstream and sea impacts that could undermine issued credits in the next 10 years are irrelevant or expected to be insignificant, or that there is a plan in place for effectively mitigating such impacts. Not Applicable Evidence: Monitoring Report Tahuamanu: 2.1.1. Implementation Description Figure 2.1	0

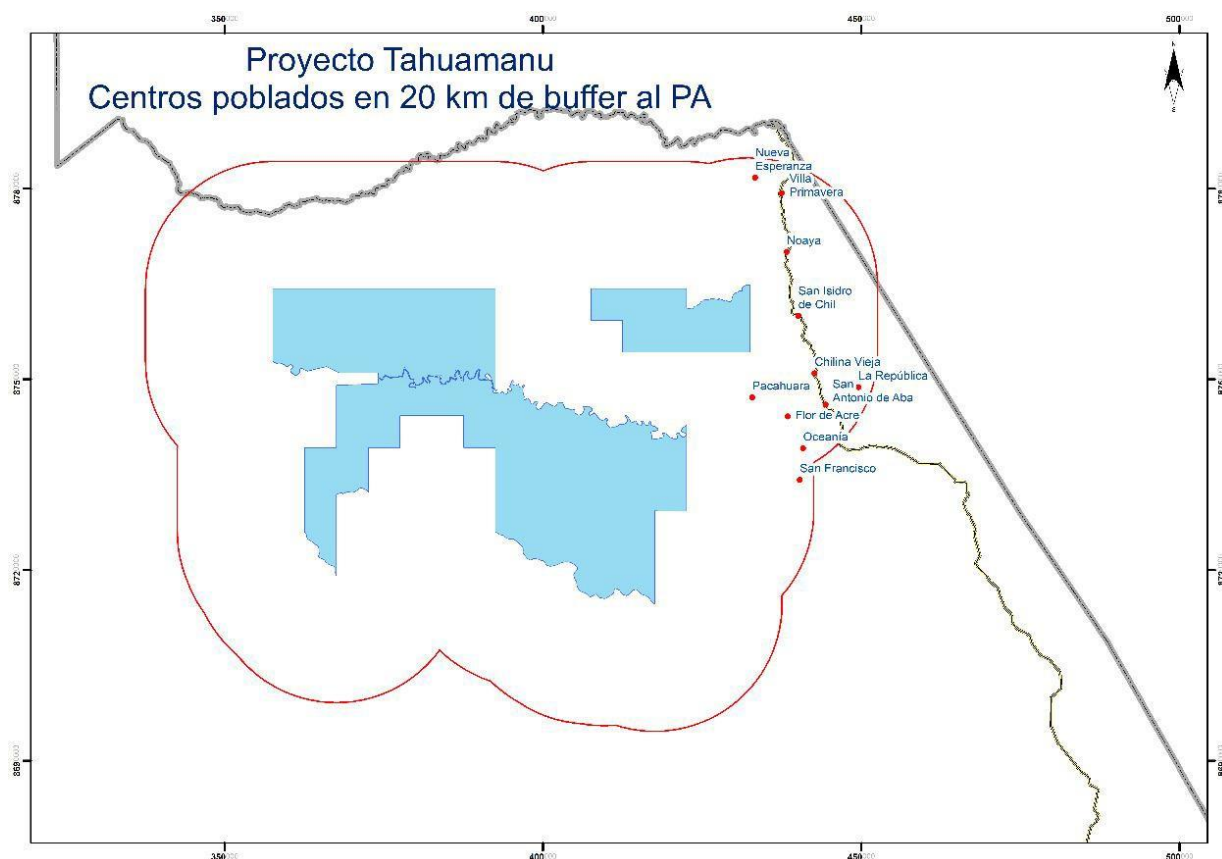
f)	Mitigation: Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period. As explained before, the project areas are "Permanent Production Forests", recognized by the Peruvian State, being their conservation as such guaranteed, since they are defined in the Forestry Legislation as "Forest areas that due to their biotic and abiotic characteristics are suitable for permanent and sustainable production of timber and other environmental goods and services; and which have been classified as such by the SERFOR within the forest zoning". These areas are made available to individuals in the form of granting recognized by the MIDAGRI for sustainable and permanent use of forest resources and services, this being what will allow to continue with the	-2
Evidence:	necessary practices to ensure the forest carbon stocks during the entire crediting period of the Tahuamanu REDD Project Documentary evidence: Law of Forestry and Wildlife (Law N° 29763) In addition to this, we have achieved the FSC Certification, which ensures that we are meeting and improving the legal obligations stated and required by the Peruvian Government. Monitoring Report Tahuamanu: - 2.5.1 Recognition of Property Rights - 2.5.3 Property Right Protection - 2.5.6 National and Local Laws https://sinia.minam.gob.pe/sites/default/files/siar-sanmartin/archivos/public/docs/lfs-y-sus-reglamentos.pdf - 2.23 Relevant Legal Framework - Figure 2.2 - Biodiversity support > 2020 > Paisaje > Maderacre FSC FM audit 21 SPA - Biodiversity support > 2021 > Paisaje > Maderacre FSC FM reassessment 22 SPA	
g)	Mitigation: Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims.	0

Evidence	Not Applicable Monitoring Report Tahuamanu: - 2.5.5. Ongoing disputes	
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)] Total may not be less than zero.		0

2.2 Community Engagement

Community Engagement		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted. Not applicable: As the project area is a forest concession granted to a private company, no families live inside them. Evidence Monitoring Report Tahuamanu: - 2.17. Project location - Table 2.2. coordinates of Project Area - 2.5.1 Recognition of Property rights - 2.5.3 Property Right Protection - 2.5.6. National and Local Laws - Table. 2.23 Relevant Legal Framework	0
b)	Less 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. 77 families that live in the neighborhood of 20 km of the project area have been consulted when the potential degradation study. The families and their authorities were informed about the REDD project in progress. In addition, an indigenous population representing 110 people has benefited. Evidence Monitoring Report Tahuamanu: - 2.3.7 Stakeholder Consultation	0

	- Table 2.16 Stakeholder Consultation 2020 - Table 2.17 Stakeholder Consultation 2021 - 2.3.8. Continued consultation and Adaptive Management - Table 2.18 - 2.3.9. Stakeholder Consultation channels	
c)	Mitigation: The project generates net positive impacts on the social and economic wellbeing of the local communities who derive livelihoods from the project area The project expects to generate net positive impacts on communities living in the surrounding area. The project proponent is already validated and verified under a VCS and CCB standard for a previous forest concession that now is part of the integrated forest area that is joining the current project area. In addition, the project is certified under the FSC standard. Both standards guarantee the highest guarantee of positive community impacts. - Monitoring Report Tahuamanu: - 2.1.1. Implementation Description - Table 2.1 - Table 2.4 - 2.4.1. Required Technical skills - 2.5.6. National and local laws - 4.1.1. Community Impacts - Table 4.1/4.2/4.3/4.4	- 5
Total Community Engagement (CE) [where applicable, (a + b + c)] Total may be less than zero.		- 5



The Governance Scorecard is based on World Bank Institute Worldwide Governance Indicators. For Peru, the value obtained from the average of the six indicators for the most recent 5 years, is -0.10 as can be seen in the following chart:

Series Name	2016	2017	2018	2019	2020	2021	Average
Regulatory Quality: Estimate	0,48	0,36	0,45	0,53	0,49	0,08	0,40
Voice and Accountability: Estimate	0,27	0,27	0,21	0,27	0,25	0,18	0,24
Political Stability and Absence of Violence/Terrorism: Estimate	-0,20	-0,26	-0,27	-0,15	-0,36	-0,41	-0,27
Government Effectiveness: Estimate	-0,23	-0,18	-0,30	-0,10	-0,26	-0,26	-0,22
Rule of Law: Estimate	-0,48	-0,51	-0,55	-0,50	-0,38	-0,52	-0,49
Control of Corruption: Estimate	-0,41	-0,54	-0,58	-0,49	-0,50	-0,63	-0,52
Average	-0,09	-0,14	-0,17	-0,07	-0,13	-0,26	-0,14

Data from database: Worldwide Governance Indicators

Last Updated: 09/23/2022

<https://databank.worldbank.org/source/worldwide-governance-indicators#>

Revised: 13/03/2023

2.3 Political Risk

Political Risk		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Governance score of less than -0.79	0
b)	Governance score of -0.79 to less than -0.32	0
c)	Governance score of -0.32 to less than 0.19	2
d)	Governance score of 0.19 to less than 0.82	0
e)	Governance score of 0.82 or higher	0
f)	Mitigation: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3.	-2
Total Political (PC) [as applicable ((a, b, c, d or e) + f)]		0
Total may not be less than zero.		

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

3 NATURAL RISK

The natural hazards faced by the project area were evaluated based on historical data collected by various official sources and studies, mainly from the National Statistics Institute (INEI) and the National Civil Defence Institute (INDECI). It is noteworthy that there is no information for the last 100 years, for which the work was based on all of the annual information available (2014 - 2016).

Natural hazards necessarily to be assessed are Fire, Plagues and Endemic Diseases, Extreme Weather and Geological Hazards. Besides the ones mentioned, no other natural hazards that have a direct impact on carbon stocks or promote changes therein have been identified.

3.1 Fire¹

Due to the climatic characteristics of the area: high humidity, annual average rainfall of 2000 mm also considered as high, maximum moderate temperatures; there is a very low incidence of natural fires in the Amazon region, which correspond to the department of Madre de Dios and the project area. In Wildfire (2007) Manta ²states that "the Forest Fires of natural cause in South America is associated to thunderstorms (lightning) mainly and fortunately tropical thunderstorms of the Oriental plain are accompanied by heavy rains that keep the flame lit by lightning most of the time off". For the specific case of Peru, it states that forest fires are 100% anthropic and explicitly intentioned, with a main cause arising out from grazing and burning agriculture. However, it also mentions that other factors such as the promotion of agriculture and stock farming, oil exploitation and construction of pipelines and roads, etc., make the natural forests to be more vulnerable to fire.

The same author, on another published study also indicates that fires produced to the habilitation of agricultural and livestock areas are locally accepted as it is common

¹ Monitoring Report 2020-2021 Tahuamanu Amazon REDD Project/ Table 2.13 Identify Risk
Data Parameter MN10, MN11

² Biodiversity Support > Otros_años > Evaluación de las causas naturales y socioeconómicas de los incendios forestales en América del Sur

practice, and that most of such fires do not turned out a large forest fire (limited only to the planned area) due to weather conditions.

The international forest fire alert system "Fire Alert System" shows that for period 2002 - 2009, there have been many outbreaks of fire. The map shows that these focuses are distributed throughout the Interoceanic Highway, for which it can be deducted that they correspond to the burning of agricultural areas and/or opening of new ones, since these are located just around the road axis. The difference between these sources of information shows that the official data only includes data from large-scale forest fires, which compromise forested areas.

Although it is common practice for local people to deforest for the installation of agriculture and livestock systems using fire, the fire spread to the surrounding forests is low.

It can be concluded that despite being a common practice to burn farming areas to open or maintenance, it does not represent an immediate major danger to the Project Areas. This is evidenced in the official data of Madre de Dios, which only reports 1 considerable fire in 20 years and the fact that the project area has not been affected during the time the hectares of migratory farming have been expanded and other activities causing deforestation in areas near the project.

SCORING:

Significance: No Loss

Likelihood: Every 10 to less than 25 years of frequency

Mitigation Factor: None of the above (0)

Significance (% of loss of carbon stock)	Less than every 10 years	Every 10 to less than 25 years	Every 25 to less than 50 years	Every 50 to less than 100 years	Once every 100 years or more
Catastrophic (70% or more)	FAIL	30	20	5	0
	30	20	5	2	0

Devastating (50% to less than 70%)					
Major (25% to less than 50%)	20	5	2	1	0
Minor (5% to less than 25%)	5	2	1	1	0
Insignificant (less than 5%) or transient (full recovery of lost carbon stocks expected within 10 years)	2	1	1	0	0
No Loss	0	0	0	0	0

According to SERFOR's early warning system, no fires will be recorded in the Project area during the 2020-2021 period:

<http://repositorio.serfor.gob.pe/handle/SERFOR/363>

3.2 Pests and Disease outbreaks³

The tropical rain forest, due to the great diversity of species it has, is very resistant to plagues and endemic diseases. These usually occur in areas of homogeneous vegetation, such as plantations; and especially when the species are not native in the area, and therefore not fully adapted. In the Amazon forest there are no reports on plagues and endemic diseases in natural forests of Madre de Dios.

SCORING

Significance: Insignificant (less than 5% loss of carbon stocks)

Likelihood: Not applicable to the project area

			Every 25 to less		Once every 100
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³ Monitoring Report 2020-2021 Tahuamanu Amazon REDD Project/ Table 4.3 Support for Education, health and other resources (water): Impacts are recorded for the period

Significance (% of loss of carbon stock)	Less than every 10 years	Every 10 to less than 25 years	than 50 years	Every 50 to less than 100 years	years or more
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to less than 70%)	30	20	5	2	0
Major (25% to less than 50%)	20	5	2	1	0
Minor (5% to less than 25%)	5	2	1	1	0
Insignificant (less than 5%) or transient (full recovery of lost carbon stocks expected within 10 years)	2	1	1	0	0
No Loss	0	0	0	0	0

3.3 Extreme Weather

The INDECI⁴ statistics there are many weather events considered natural emergencies. However, the region of Madre de Dios only has records of floods as recurrent and severe emergency for the population, affecting agricultural areas, pastures and urban areas mostly. For the forests, periodic flooding of the floodplain is part of its natural dynamics and does not represent a risk of change in carbon stocks.

Another event that affects the population is the cold waves which occur cyclically and can be described as the incursion of polar air masses associated to the sudden decrease in air temperature (15 °C in just a few hours), increase in the cloudiness of strati form type, intensification of the winds and increase of the

⁴ <https://www.gob.pe/indeci>

atmospheric pressure. According to Marengo (1984) ⁵the most affected department is Madre de Dios, but as is a natural cyclical event, do not represent a danger to the permanence of the standing forest.

SCORING:

Significance: Insignificant (less than 5% loss of carbon stocks)

Likelihood: Not applicable to the project area

Significance (% of loss of carbon stock)	Less than every 10 years	Every 10 to less than 25 years	Every 25 to less than 50 years	Every 50 to less than 100 years	Once every 100 years or more
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to less than 70%)	30	20	5	2	0
Major (25% to less than 50%)	20	5	2	1	0
Minor (5% to less than 25%)	5	2	1	1	0
Insignificant (less than 5%) or transient (full recovery of lost carbon stocks expected within 10 years)	2	1	1	0	0
No Loss	0	0	0	0	0

3.4 Geological Risk

⁵ Biodiversity Support > Otros_años > Caracterizacion-eventos-frios-selva-sur-Peru_Quispe, Nelson

Madre de Dios is a geologically stable department. According to the National Center of Geophysical Data (CNDG⁶) is a region with no seismic activity (Bernal et al, 2002⁷). This is because it is far from the Fire Belt.

SCORING:

Significance: Insignificant (less than 5% loss of carbon stocks)

Likelihood: Not applicable to the project area

Significance (% of loss of carbon stock)	Less than every 10 years	Every 10 to less than 25 years	Every 25 to less than 50 years	Every 50 to less than 100 years	Once every 100 years or more
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to less than 70%)	30	20	5	2	0
Major (25% to less than 50%)	20	5	2	1	0
Minor (5% to less than 25%)	5	2	1	1	0
Insignificant (less than 5%) or transient (full recovery of lost carbon stocks expected within 10 years)	2	1	1	0	0
No Loss	0	0	0	0	0

⁶ <https://www.ngdc.noaa.gov/>

⁷ Biodiversity Support > Otros_años > Sismicidad_monografia

The final sum of Natural Risk is:

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

Natural Risk	Fire	Pest & Disease outbreaks	Extreme Weather	Geological Risk
Significance	Insignificant	Insignificant	Insignificant	Insignificant
Likelihood	Every 10 to less than 25 years	Not applicable	Not applicable	Not applicable
Score (LS)	0	0	0	0
Mitigation				

*It was considered 0 for the fire risk, because for the period 2020-2021 no fires were recorded in the project area. In addition, there are no natural fire risks in the area. The fire recorded in the leakage area are of anthropogenic origin and insignificant.

**Score for each natural risk applicable to the project (Determined by
(LS × M)**

Fire (F)	0
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)	0

4 OVERALL NON-PERMANENCE RISK RATING AND BUFFER DETERMINATION

4.1 Overall Risk Rating

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

Note: Overall risk rating shall be rounded up to the nearest whole percentage. The minimum risk rating shall be 10, regardless of the risk rating calculated. If the overall risk rating is over 60 then the project fails, the entire risk analysis

4.2 Calculation of Total VCUs

Number of buffer credits

These buffer credits will be deposited in the AFOLU pool buffer account based solely on the change in carbon stocks. The risk rating was calculated using the "Risk report calculation tool for calculating and documenting the non-permanence risk for AFOLU projects, for use as annex to Non- Permanence Risk Report (long or short form)" (See the next table).

Risk Category		Rating
a)	Internal risk	0.00
b)	External risk	0.00
c)	Natural Risk	0.00
Overall risk rating (a + b + c)		10%
Note: Overall risk rating shall be rounded up to the nearest whole percentage.		
The minimum risk rating shall be 10, regardless of the risk rating calculated.		
If the overall risk rating is over 60 then the project fails the entire risk analysis.		
Total Risk Assessment		10%
Net change in the project's carbon stocks		1046297
TOTAL NUMBER OF CREDITS TO BE DEPOSITED IN THE AFOLU POOLED BUFFER ACCOUNT		104630

The Methodology for Carbon Accounting for Mosaic and Landscape-scale REDD Projects (VM0006 v.2.2) on the page 104 (EQ106) indicates that the VCU's is the result of the difference in net emissions and removals (NER's) and the buffer multiplied by the net variation in carbon stocks (Buffer * (1 + 3 + 6 + 7 + 10)).

$$\text{Verified Carbon Units} = \text{NERs} - \text{buffer} \cdot (1 + 3 + 6 + 7 + 10) \quad [\text{EQ106}]$$

3, 6 Y 7 is zero

The quantity of VCU's obtained is the following:

Year	VCU	Net Emission Reductions (NERs)	buffer	1	7	10
2020	448,722	498,581	0.1	474,115.47	0.00	24,466
2021	492,944	547,716	0.1	492,255.29	0.00	55,461
Total 2020-2021	941,666	1,046,297				