NON-PERMANENCE RISK REPORT

TAHUAMANU AMAZON REDD PROJECT

Document Prepared by

Contact Information (optional)

Project Title	*TAHUAMANU AMAZON REDD PROJECT*
Version	*03*
Date of Issue	*April 1st, 2022*
Project ID	
Monitoring Period	*2017-2019*
Prepared By	*PASKAY* *contacto@paskay.pe* *+51 943 206 810*
Contact	*Email: jcanchaya@matim.pe* *Telephone: +51 954 688 869*

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1 INTERNAL RISK

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.	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. No GHG credits have been issued at this time.	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 PASKAY, a consultant company with experience in developing this type of projects.	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.	0

	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.	
e)	**Mitigation:** Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (eg, individuals who have successfully managed projects through validation, verification and issuance of GHG credits) under the VCS Program or other approved GHG programs.	-2
	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.	
f)	**Adaptation:** Adaptive management plan in place.	-2
	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.	
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.		**-4**

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	N.A.
	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.	
b)	Project cash flow breakeven point is greater than 7 and up to 10 years from the current risk assessment	N.A.
	Not applicable. Breakeven point is obtained before than 10 years from the start of REDD+ project.	
c)	Project cash flow breakeven point greater than 4 and up to 7 years from the current risk assessment	N.A.
	Not applicable. Breakeven point is obtained before than 10 years from the start of REDD+ project.	
d)	Project cash flow breakeven point is 4 years or less from the current risk assessment	0
	Project cash flow breakeven point is estimated to be achieved during the first year according to cash flow analysis found in the annex 2	
e)	Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven	N.A.
	Not applicable. Breakeven point has been achieved already.	
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)] Total may not be less than zero.		**-2**

The cash flow of the project may be found in annexes. It includes the details about how incomes and expenses were calculated. During audit visit, the project proponent will share relevant documentation.

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 The REDD Project has a Net Present Value of US$ 67.59 per hectare, whereas the NPV of corn crop is US$ 60 per hectare[1]. It implies that the most profitable alternative land use is less than 100% profitable than the REDD+ Project. Documentary evidence: Cash flow of the Tahuamanu REDD Project and baseline survey and independent surveys[2].	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	6

[1] According to Conservation Strategy Fund

[2] Discount rate for REDD Project was defined using as reference: "Kabura John, Dos Santos A. Silayo, and Arild Vatn (2014), "The cost of Managing Forest Carbon under REDD+ Initiatives: A case of Kolo Hills Forest in Kondoa Distric, Dodona, Tanzania" Hindawi Publishing Corporation".

Discount Rate for forest management project, without REDD was define using as reference: "Elza Galarza, Karlos La Serna (2005), "Las Concesiones forestales en el Perú: ¿Cómo hacerlas sostenibles?" Universidad Del Pacífico"

	Not applicable. NPV is not under this range.	
c)	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.	
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.	
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	
	Not applicable. NPV is not under this range.	
f)	NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity	
	Not applicable. NPV is not under this range.	
g)	Mitigation: Project proponent is a non-profit organization	
	Tahuamanu Project Proponent is a for-profit organization	
	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	
h)	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.		**-2**

The value of US$ 67.59 per hectare has been obtained from dividing the NPV of the project in the REDD scenario by the amount of hectares of the project while the alternative use has been obtained from a regional agrarian official report, cited.

Project Longevity		
a)	Without legal agreement or requirement to continue the management practice Not applicable	-
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 renewable every 5 years. This means that there is a legal requirement to continue	30 – (100/2) = 0

[3] See Annex 8.

maintaining the forest, even if the contract is not renewed. In that case, that responsibility is transferred 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.	
Total Project Longevity (PL) May not be less than zero	**0**

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.

Internal Risk	
Total Internal Risk (PM + FV + OC + PL) Total may not be less than zero.	**0**

2 EXTERNAL RISKS

Land Tenure and Resource Access/Impacts		
Risk Factor	**Risk Factor and/or Mitigation Description**	**Risk Rating**
a)	Ownership and resource access/use rights are held by same entity(s)	N.A.
	The land is owned by the Peruvian Government, though the use right has been given in concession to Maderacre Group	
b)	Ownership and resource access/use rights are held by different entity(s)	2

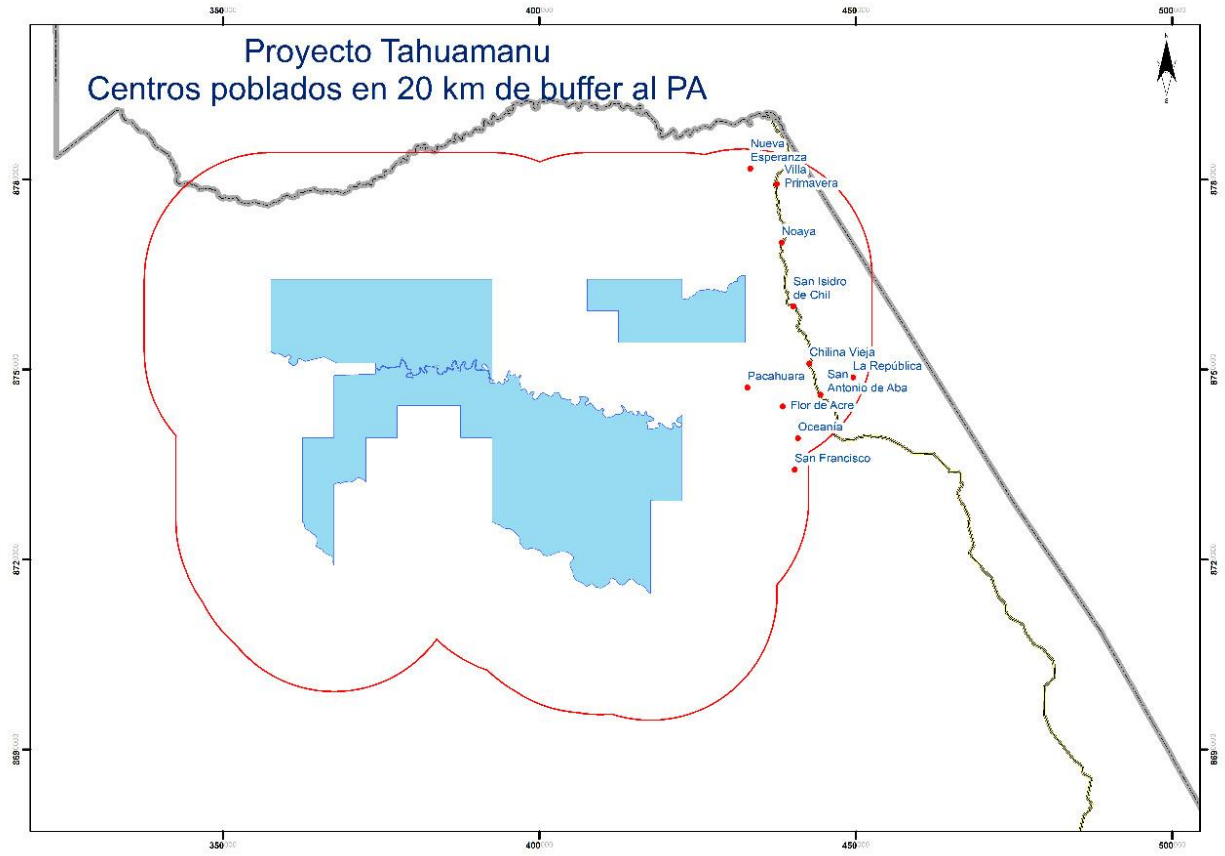
	As indicated in previous response, the ownership and use rights are held by different entities (the Government and project proponent, respectively) so it applies to this risk factor	
c)	In more than 5% of the project area, there exist disputes over land tenure or ownership.	
	There are no disputes over 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.	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.	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.	0
	Not Applicable	
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 INRENA within the forest zoning". These areas are made available to individuals in the form of granting recognized by the Ministry of Agriculture for sustainable and permanent use of forest resources and services, this being what will allow to continue with the	-2

	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° 27308) and its Regulations (Supreme Decree 014-2001-AG). 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. Documentary evidence: FSC Certificates.	
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
	Not Applicable	
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)] Total may not be less than zero.		**0**

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.	0
	Not applicable: As the project area is a forest concession granted to a private company, no families live inside them.	
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.	0
	An estimate of 756 families live in the neighboring of 20 km of the project area, in 11 settlements and 1 indigenous community. The families and their authorities are informed about the REDD project in progress.	

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	- 5
	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.	
Total Community Engagement (CE) [where applicable, (a + b + c)] Total may be less than zero.		**- 5**

	Families
SAN FRANCISCO DE ASÍS	38
FLOR DE ACRE	60
OCEANÍA	38
LA REPÚBLICA	21
CHILINA VIEJA	23
SAN ANTONIO DE ABAD	37
SAN ISIDRO DE CHILINA	35
NOAYA	4
ARCA PACAHUARA	428
VILLA PRIMAVERA	25
NUEVA ESPERANZA	10
BÉLGICA	37
TOTAL	756



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:

	2016	2017	2018	2019	2020	Average
Voice and Accountability	0.27	0.27	0.23	0.29	0.22	0.26
Political Stability and Absence of Violence/Terrorism	-0.20	-0.26	-0.26	-0.14	-0.29	-0.23
Government Effectiveness	-0.18	-0.13	-0.25	-0.07	-0.24	-0.17
Regulatory Quality	0.51	0.42	0.50	0.56	0.53	0.50
Rule of Law	-0.48	-0.50	-0.53	-0.49	-0.34	-0.47
Control of Corruption	-0.37	-0.50	-0.53	-0.45	-0.49	-0.47
Average	-0.08	-0.12	-0.14	-0.05	-0.10	-0.10

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)] Total may not be less than zero.		**0**

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

3 NATURAL RISKS

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.

Fire

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 states 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 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. According to the INDECI statistics, a very low number of forest fire events are reported. The project area is not adjacent to the agriculture productive areas where the fire events occur.

Evidence (references):

http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf

http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf

http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf

http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf

http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf

http://sinpad.indeci.gob.pe/UploadPortalSINPAD/COEN_Noticia/mon_nac_inc_forest_31.05.06.pdf

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

Likelihood: Every 10 to less than 25 years of frequency

Mitigation Factor: None of the above (1)

	Likelihood (in years)				
Significance (% of loss of carbon stock)	**Less than every 10**	**Every 10 to less than 25**	**Every 25 to less than 50**	**Every 50 to less than 100**	**Once every 100 or more**
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to 70%)	30	20	5	2	0
Major (25% to 50%)	20	5	2	1	0
Minor (5% to 25%)	5	2	1	0	0
Insignificant (less than 5%) or transient[4]	2	1	0	0	0
No Loss	0	0	0	0	0

Pests and Disease outbreaks

[4] *Full recovery of lost carbon stock within 10 years of every event*

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

	Likelihood (in years)				
Significance (% of loss of carbon stock)	**Less than every 10**	**Every 10 to less than 25**	**Every 25 to less than 50**	**Every 50 to less than 100**	**Once every 100 or more or not applicable**
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to 70%)	30	20	5	2	0
Major (25% to 50%)	20	5	2	1	0
Minor (5% to 25%)	5	2	1	0	0
Insignificant (less than 5%) or transient[5]	2	1	0	0	0
No Loss	0	0	0	0	0

Extreme Weather

The INDECI statistics there are many weather events considered natural emergencies. However, the region of Madre de Dios only has records of floods as

[5] *Full recovery of lost carbon stock within 10 years of every event*

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 atmospheric pressure. According to Marengo (1983) the 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

	Likelihood (in years)				
Significance (% of loss of carbon stock)	**Less than every 10**	**Every 10 to less than 25**	**Every 25 to less than 50**	**Every 50 to less than 100**	**Once every 100 or more or not applicable**
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to 70%)	30	20	5	2	0
Major (25% to 50%)	20	5	2	1	0
Minor (5% to 25%)	5	2	1	0	0

Insignificant (less than 5%) or transient[6]	2	1	0	0	0
No Loss	0	0	0	0	0

Geological Risk

Madre de Dios is a geologically stable department. According to the National Center of Geophysical Data (CNDG) is a region with no seismic activity (Bernal et al, 2001). This is because it is far from the Fire Belt and the main seismic epicentres of the country.

SCORING:

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

Likelihood: Not applicable to the project area

	Likelihood (in years)				
Significance (% of loss of carbon stock)	**Less than every 10**	**Every 10 to less than 25**	**Every 25 to less than 50**	**Every 50 to less than 100**	**Once every 100 or more or not applicable**
Catastrophic (70% or more)	FAIL	30	20	5	0
Devastating (50% to 70%)	30	20	5	2	0
Major (25% to 50%)	20	5	2	1	0
Minor (5% to 25%)	5	2	1	0	0

[6] *Full recovery of lost carbon stock within 10 years of every event*

Insignificant (less than 5%) or transient[7]	2	1	0	0	0
No Loss	0	0	0	0	0

The final sum of Natural Risk is:

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

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)	1	0	0	0
Mitigation				

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

[7] *Full recovery of lost carbon stock within 10 years of every event*

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
Internal Risk	0
External Risk	0
Natural Risk	1
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	1.00
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		15,751,080
TOTAL NUMBER OF CREDITS TO BE DEPOSITED IN THE AFOLU POOLED BUFFER ACCOUNT		**2,094,144**

*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).*

$$\text{Verified Carbon Units} = \text{NERs} - buffer \cdot (❶ + ❸ + ❻ + ❼ + ❿) \qquad \text{[EQ106]}$$

The quantity of VCU's obtained is the following:

Year	VCU	Net Emission Reductions (NERs)	buffer	1	7	10
2017	808,254.765	913,457.79	0.1	871,614.67	6,207.43	174,208
2018	1,228,145.055	1,364,605.62	0.1	982,512.54	9,713.87	372,379
2019	1,195,547.312	1,328,385.90	0.1	1,100,305.13	15,647.54	212,433
TOTAL	3,231,947.132					