

# PROJECT REVIEW REPORT

This project review report includes findings raised during Verra’s review of the project specified below. The VVB must address the findings before the project request can be considered for approval by Verra. The project review report will be made publicly available on the Verra Registry. Confidential information may be provided in separate attachments.

<b>Project ID</b>	1112
<b>Project Name</b>	The Russas Project
<b>Review Type</b>	Verification Approval
<b>Program(s)</b>	CCB Program, VCS Program
<b>Verification Period</b>	01 January 2018 - 31 December 2020
<b>Project Proponent</b>	CarbonCo, LLC, I.S.R.C. Investimentos e Acessória LTDA, Freitas International Group, LLC
<b>Methodology</b>	VM0007, REDD Methodology Modules (REDD-MF), v1.4
<b>VVB</b>	Aster Global Environmental Solutions
<b>Assessment Criteria</b>	VCS Standard, v4.4, Climate, Community & Biodiversity Standards, v2.0
<b>Date of First Issue</b>	13 June 2023
<b>Review Conclusion</b>	Approved
<b>Date of Final Issue</b>	18 September 2023

## FINDINGS

#	Finding Description	VVB Response	Status
1	<b>Missing validation statement</b>		
	<p><u>Issue</u></p> <ol style="list-style-type: none"> <li>The VVB has not provided a new validation statement.</li> <li>The VVB has not completed Section 2.7 of the verification report.</li> </ol> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>The VVB must provide a validation statement to confirm that the project description (PD) deviation has been validated.</li> <li>The VVB must complete Section 2.7 of the verification report.</li> </ol> <p><u>Program Rule(s)</u> CCB Program Rules, v3.1, Section 4.4.1 &amp; 4.4.5</p> <p><u>Background</u> If a VVB validates a project description deviation while conducting a verification engagement, the VVB must issue a new CCB validation statement concurrent with the verification statement, per <i>Section 4.4.5 of the CCB Program Rules, v3.1</i>. Regardless of what the impacts of the deviation are, a new CCB validation statement must be issued.</p> <p>The VCS requirements for PD deviations that impact additionality, applicability of the methodology, and baseline scenario do not apply for deviations that only impact CCB requirements.</p>	<p><u>Round 1</u></p> <p><u>VVB Response</u> A new validation statement has been provided. Section 2.7 of the verification report has been updated.</p> <p><u>Verra Response</u> The VVB has updated Section 2.7 of the verification report and provided a validation statement. This is sufficient to close the finding.</p>	Closed
2	<b>Process for obtaining the CCIR</b>		

<p><u>Issue</u></p> <p>Section 2.6.1 of the verification report states that the project has not obtained a CCIR as required by Federal Law No. 5,868.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must provide further details on the evidence that was assessed to ensure the project is making progress towards obtaining the certificate.</li> <li>2. The VVB must justify why it is reasonably assured that the project is operating legally despite not yet having obtained the required certificate.</li> </ol> <p><u>Program Rule(s)</u></p> <p><i>Climate, Community &amp; Biodiversity Standards, v2.0, Section G5.1</i></p>	<p><b>Round 1</b></p>	<p>Closed</p>
	<p><u>VVB Response</u></p> <p>The VVB received evidence from a Brazilian lawyer as well as clarification from ISRC Investimentos e Acessorio Ltda. that the CCIR is only required for sale/transfer of the property. While the landowner is in the process of obtaining titles for community members, these titles cannot be legally issued until the CCIR is obtained. A narrative of the evidence assessed and a justification for the VVB being reasonably assured the project is operating legally is now provided in Section 2.6.1 of the verification report. Minor edits and clarifications regarding this topic have been made throughout the verification report.</p>	
	<p><u>Verra Response</u></p> <p>The VVB has provided adequate assessment of the project's compliance with national laws. This is sufficient to close the finding.</p>	

<p><b>3 Clarification of issued land titles</b></p>		
<p><u>Issue</u></p> <ol style="list-style-type: none"> <li>1. Section 4.5.1 of the verification report states that the VVB received evidence that several community members have already received land titles. However, Sections 3.3 and 4.3.1 in the verification report state that the activity of providing land titles has not been carried out.</li> <li>2. If the project has carried out land titling activities, it is unclear how this has been done legally without a CCIR.</li> </ol> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must clarify if formal land titles have been</li> </ol>	<p><b>Round 1</b></p>	<p>Closed</p>
	<p><u>VVB Response</u></p> <p>The VVB received clarification from ISRC Investimentos e Acessorio Ltda. that land titles have not been provided to community members. Rather, the evidence previously provided to the VVB depicts maps of the lands to be titled to community members. Formal titling of lands is dependent on receipt of the CCIR (see response to Finding 2). Minor edits and clarifications regarding this topic have been made throughout the verification report. As no titles have been issued, an assessment of the legality of their provision is not required.</p>	

	<p>given out by the project and correct inconsistencies in the verification report where necessary.</p> <p>2. If the VVB determines that land titles have been issued, they must assess whether these titles are legitimate and how the project has remained in compliance with national and state laws.</p> <p><u>Program Rule(s)</u> Climate, Community &amp; Biodiversity Standards, v2.0, Section G5.1</p>	<p><u>Verra Response</u> The VVB has clarified that land titling activities have not been carried out. This is sufficient to close the finding.</p>	
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4 VVB assessment						
	<p><u>Issue</u> Sections 4.5.3, 4.5.5, 4.6.7, 4.6.8 of the verification report do not provide sufficient description of the VVB’s assessment of the relevant criteria.</p> <p><u>Action Required</u> The VVB must update each section to include a clear description of the steps taken during the audit to assess the project’s adherence with the relevant criteria or requirements.</p> <p><u>Program Rule(s)</u> Climate, Community &amp; Biodiversity Standards, v2.0, Section G5.1</p>	<table border="1"> <tr> <th data-bbox="997 633 1774 673">Round 1</th> </tr> <tr> <td data-bbox="997 673 1774 820"> <p><u>VVB Response</u> The referenced sections have been updated.</p> </td> </tr> <tr> <td data-bbox="997 820 1774 1141"> <p><u>Verra Response</u> The verification report has been updated to include the VVB’s assessment.</p> </td> </tr> </table>	Round 1	<p><u>VVB Response</u> The referenced sections have been updated.</p>	<p><u>Verra Response</u> The verification report has been updated to include the VVB’s assessment.</p>	Closed
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<p><u>VVB Response</u> The referenced sections have been updated.</p>						
<p><u>Verra Response</u> The verification report has been updated to include the VVB’s assessment.</p>						

5 Monthly reports from IMC ombudsman					
	<p><u>Issue</u> Section 4.3.6 of the verification report states that during interviews conducted by the VVB during the first site visit, the President of the IMC was unaware of the institute’s role as</p>	<table border="1"> <tr> <th data-bbox="997 1235 1774 1276">Round 1</th> </tr> <tr> <td data-bbox="997 1276 1774 1383"> <p><u>VVB Response</u> The VVB received clarification from ISRC Investimentos e Acessorio Ltda. that they would only receive the reports</p> </td> </tr> </table>	Round 1	<p><u>VVB Response</u> The VVB received clarification from ISRC Investimentos e Acessorio Ltda. that they would only receive the reports</p>	Closed
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<p>ombudsman for the project. It is unclear whether the IMC has continued to send monthly reports as described in Section 2.3.4 of the monitoring report.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must clarify whether the IMC has still been sending monthly reports of grievances to the project during the transition period to the new president.</li> <li>2. The VVB must clarify whether these reports were made available during the audit.</li> </ol> <p><u>Program Rule(s)</u>  <i>Climate, Community &amp; Biodiversity Standards, v2.0, Section G3.10</i></p>	<p>identified in Section 2.3.4 of the monitoring report should any grievances be raised and reported.</p> <p>As no grievances have been raised with IMC, the monthly reports have not been compiled or sent.</p> <p><u>Verra Response</u>  The VVB has clarified when the reports are to be sent from the IMC and has verified that there were no grievances. This is sufficient to close the finding.</p>	
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<b>6 Planting as a project activity</b>		
<p><u>Issue</u>  Section 5.1.4 of the monitoring report indicates that there is some planting occurring as part of project activities. However, Section 4.6.3 of the verification report states that no planting has occurred.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must clarify this discrepancy.</li> <li>2. If planting has occurred during this monitoring period, the VVB must revise Section 4.6.3 of the monitoring report.</li> </ol> <p><u>Program Rule(s)</u>  <i>Climate, Community &amp; Biodiversity Standards, v2.0, Section B1.3</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u>  Clarification was provided by the Project Proponent that the referenced text in Section 5.1.4 refers to community members planting locally appropriate, native species for their own subsistence. These plantings are not measured/monitored for carbon sequestration and their planting is not considered a project activity.</p> <p><u>Verra Response</u>  This clarification regarding the planting activities is sufficient to close the finding.</p>	<p>Closed</p>

7 Missing NPRR		
<p><u>Issue</u> The verification documents submitted for verification do not include a Non-Permanence Risk report.</p> <p><u>Action Required</u> 1. The VVB must ensure the project proponent submits/uploads the Non-Permanence Risk report corresponding to the current monitoring report on to the Verra Registry as public document.</p> <p><u>Program Rule(s)</u> <i>VCS Standard v4.4, Section 3.2.10</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> CarbonCo uploaded the Russas Project’s Non-Permanence Risk Report to the Verra Registry on June 14, 2023.</p>	Closed
	<p><u>Verra Response</u> The Non-Permanence Risk Report has been shared and reviewed. No further action is required. This finding is closed.</p>	

8 Missing ERR calculation sheets		
<p><u>Issue</u> ERR calculation sheets related to the current monitoring report were not submitted as part of the project documents.</p> <p><u>Action Required</u> 1. The VVB must ensure that the project proponent share the ERR calculation sheets related to the current monitoring report</p> <p><u>Program Rule(s)</u> <i>Registration and Issuance process, v4.3, Sections 4.2.4 &amp; 4.5</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> The confidential ERR calculation workbook has been shared with the VVB and the VVB is sharing with Verra under the strictest confidentiality.</p>	Closed
	<p><u>Verra Response:</u> The ERR calculation workbook has been shared and reviewed. No further action is required. This finding is closed.</p>	