

PROJECT REVIEW REPORT

This project review report includes findings raised during Verra’s review of the project specified below. The VVB must address the results 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.

Project ID	3363
Project Name	Westphalen Forest Carbon Project
Review Type	Registration and verification approval requested
Program(s)	VCS Program
Verification Period	01/01/2018 – 31/12/2021
Project Proponent	Matthias Graf von Westphalen
Methodology	VM0012 Improved Forest Management in Temperate and Boreal forests (LtPF) v1.2
VVB	RINA Services S.p.A (RINA)
Assessment Criteria	VCS Standard v4.4
Date of First Issue	21 July 2023
Date of Second Issue	04 October 2023
Date of Third Issue	04 December 2023
Review Conclusion	Approved
Date of Final Issue	29 February 2024

FINDINGS

1	Table for listing the audit history of the project is missing					
	<u>Issue:</u> Section 1.1 of the joint PD/MR does not include the table listing the audit history of the project. <u>Action(s) Required:</u> The VVB must ensure Section 1.1 of the joint PD/MR includes the table listing the audit history of the project. The table should specify the validation date, all the monitoring periods, the program type, the VVB, and the number of years for verification. <u>Program Rule(s)</u> <i>VCS Joint Project Description Monitoring Report Template v4.2, Section 1.2, 4, Section 3.5.1</i>	<table><tr><th>Round 1</th></tr><tr><td> <u>VVB Response</u> PP has revised section 1.1 of the PD/MR and included the audit history table in Section 1.1 within the PD/MR v3.1 and it has been determined by the VVB that the information provided is correct and accurate. </td></tr><tr><td> <u>Verra Response</u> The table listing the audit history of the project has been included in section 1.1. The VVB and PP’s responses are sufficient to close the finding. </td></tr></table>	Round 1	<u>VVB Response</u> PP has revised section 1.1 of the PD/MR and included the audit history table in Section 1.1 within the PD/MR v3.1 and it has been determined by the VVB that the information provided is correct and accurate.	<u>Verra Response</u> The table listing the audit history of the project has been included in section 1.1. The VVB and PP’s responses are sufficient to close the finding.	Closed
Round 1						
<u>VVB Response</u> PP has revised section 1.1 of the PD/MR and included the audit history table in Section 1.1 within the PD/MR v3.1 and it has been determined by the VVB that the information provided is correct and accurate.						
<u>Verra Response</u> The table listing the audit history of the project has been included in section 1.1. The VVB and PP’s responses are sufficient to close the finding.						

2	Inadequate information on how the project is eligible under the scope of the VCS Program				
	<u>Issue:</u> Under Sections 1.3 and 3.2 of the joint PD/MR the PP has not elaborated how the project meets the eligibility criteria for VCS IMF-LtPFs projects. <u>Action(s) Required:</u> 1. The VVB must ensure that Sections 1.3 and 3.2 of the joint PD/MR are updated to explain how the project meets all the eligibility criteria for VCS IMF-LtPFs projects.	<table><tr><th>Round 1</th></tr><tr><td> <u>VVB Response</u> 1. PP has revised and updated the sections 1.3 and 3.2 of the PD/MR v3.1 to elaborate how the project meets the eligibility criteria of VCS Standard v4.4, Appendices A1.3 and A1.4 as well as VM0012 – Section 4. 2. Sections 1.3 and 3.2 of the PD/MR were reviewed and sections 3.1.2 and 3.4.2 of the VVR were updated to reflect the sections, standard, and methodology requirements reviewed. </td></tr></table>	Round 1	<u>VVB Response</u> 1. PP has revised and updated the sections 1.3 and 3.2 of the PD/MR v3.1 to elaborate how the project meets the eligibility criteria of VCS Standard v4.4, Appendices A1.3 and A1.4 as well as VM0012 – Section 4. 2. Sections 1.3 and 3.2 of the PD/MR were reviewed and sections 3.1.2 and 3.4.2 of the VVR were updated to reflect the sections, standard, and methodology requirements reviewed.	Closed
Round 1					
<u>VVB Response</u> 1. PP has revised and updated the sections 1.3 and 3.2 of the PD/MR v3.1 to elaborate how the project meets the eligibility criteria of VCS Standard v4.4, Appendices A1.3 and A1.4 as well as VM0012 – Section 4. 2. Sections 1.3 and 3.2 of the PD/MR were reviewed and sections 3.1.2 and 3.4.2 of the VVR were updated to reflect the sections, standard, and methodology requirements reviewed.					

	2. The VVB must assess the revised joint PD/ MR and update Sections 3.1.2 and 3.4.2 of the joint validation and verification report (VVR) as needed. <u>Program Rule(s)</u> VCS Standard v4.4, Appendices 1 A1.3 and A1.4, VM0012 v1.2, Section 4	<u>Verra Response</u> Additional information on how the project meets the eligibility criteria has been provided in the PD/MR. The VVB and PP's responses are sufficient to close the finding.	
--	--	--	--

3 Incorrect reference to the VCS Standard version			
	<u>Issue:</u> 1. The VCS standard version referenced in the joint PD/MR is incorrect and inconsistent throughout the document (e.g., Sections 1.3 and 6.3.1 refer to v4.3 while section 1.4.2 refers to VCS Standard v. 4.4). 2. Under Section 1.4 of the joint PD/MR, the PP has incorrectly referenced Section 3.5 of the VCS Standard, v4.4, on project documentation, instead of the section on including new project activity instances. <u>Action(s) Required:</u> 1. The VVB must ensure the correct version of the VCS Standard, i.e., v4.4, is referenced consistently throughout the project documents. 2. The VVB must ensure that PP refers to the correct section of the VCS Standard under Section 1.4.2 of the joint PD/ MR. <u>Program Rule(s):</u> VCS Standard v4.4, Section 2.2.1(Principles of consistency and accuracy)	Round 1 <u>VVB Response</u> 1. The joint PD/MR v3.1 has been amended to only reference VCS Standard v4.4 where appropriate. 2. Under Section 1.4.2 of the joint PD/MR, the reference to Section 3.5 of the VCS Standard v4.4 has been updated to the correct reference of Section 3.6 (Project Design). <u>Verra Response</u> The correct version of the standard is now referenced in the PD/MR, and the correct section is referenced for the project design. The VVB and PP's responses are sufficient to close the finding.	Closed

4 Discrepancy in the date when harvesting is stopped			
	Issue: Per section 1.8 of the joint PD/MR, there is no harvesting after the project start date i.e., 1st January 2018. However, this claim is not aligned with Figure 12, which shows an increase in harvesting in 2018/2019 compared to 2017/2018. Action(s) Required: 1. The VVB must ensure that the PP clarifies the difference between the claim made in section 1.8 and Figure 12. 2. The VVB must ensure the project meets the VCS Standard v4.4 requirements for IFM-LtPFs project i.e., harvesting must be curtailed after the project start date. 3. The VVB must assess all revisions and update the joint VVR as needed. Program Rule(s) VCS Standard v4.4, Sections 3.8 and A1.4(2)	Round 1 VVB Response 1. Section 1.8 refers to curtailment of harvesting in relationship to what is allowable under the Forest Management Plan. In the period referenced in Figure 12, the increase in harvesting is the result of calamities detailed further in Sec.7.4.1 of PD/MR 2. The VVB has ensured that the project meets the VCS Standard v4.4 requirements for IFM-LtPF projects as harvesting has been curtailed since the project start date, however, as allowed by VM0012, less than 20% harvesting for the purpose of forest health. 3. All revisions to the PD/MR have been reviewed and updates to the VVR have been made.	Closed
		Verra Response: The PP clarified that the harvest depicted in Figure 12 of the joint PD/MR is connected to sanitary operations. The VVB has confirmed that the harvest in Figure 12 of the joint PD/MR is connected to sanitary operations. The VVB and PP's responses are sufficient to close the finding.	

5 Missing information on the AFOLU specific safeguards			
	Issue: 1. Under section 2.5 of the joint PD/MR, the PP has not detailed the following:	Round 1 VVB Response 1a. The PP has utilized proprietary standard operating procedures: Zimmfor GHG – Stakeholder Consultation + Engagement SOP (Oct '22) (submitted as Confidential to the registry for Verra review but not for public distribution).	Closed

	a. How the negative impacts and risks due project implementation in Table 11 have been addressed. b. The stakeholder identification process including a description of the social, economic, and cultural diversity of local stakeholder groups and the differences and interactions between the groups. 2. Under section 3.3.5 of the joint VVR, the VVB has not detailed the steps taken to assess the following: a. The risks to local stakeholders due to project implementation and how the project will mitigate such risks. b. The processes to ensure ongoing communication and consultation, including a grievance redress procedure to resolve any conflicts that may arise between the project proponent and local stakeholders. Action(s) Required: 1. The VVB must ensure that Section 2.5 of the joint PD/MR is updated with the following information: a. The stakeholder identification process including a description of the social, economic, and cultural diversity of the local stakeholder groups and the differences and interactions between them. b. How the negative impact/risks due to project implementation have been addressed. 2. The VVB must under section 3.3.5 of the joint VVR detail the steps taken to assess the following: a. The risks to local stakeholders due to project implementation and how the project will mitigate such risks. b. The processes to ensure ongoing communication and consultation, including a grievance redress procedure	Section 2.5 of the joint PD/MR v3.1 has been updated to describe the social, economic, and cultural diversity of the local stakeholder groups and the differences and interactions between them. 1b. There are no negative impacts or risks due to project implementation identified in Table 11. Procedures for mitigating risks from impacts if they are identified can be found within the Zimmfor GHG – Stakeholder Consultation + Engagement SOP within the Section “Risks to Local Stakeholders”. Also please refer to Section 2.1 of the joint PD/MR v3.1, which states “There are no known or anticipated potential negative environmental and socio-economic impacts related to the Westphalen Forest Carbon Project, specifically due to the nature of the project being the retention of natural forests.” 2a. Information detailed within 1b above has been included within section 3.3.5 of the joint VVR, including steps taken to assess risks to local stakeholders due to project implementation. The VVB agrees that due to the nature of the project (conservation of private forests without restricting public access for recreation), has not created any negative impacts to the or risks to local stakeholders. 2b. The PP has demonstrated they have a process in place for on-going communication and consultation with local stakeholders evidenced by having a stakeholder feedback form available at all times on the zimmfor.com website. A stakeholder grievance form is also made available at the same location. Procedures for grievance redress can be found within Appendix 3 of the Zimmfor GHG – Stakeholder Consultation + Engagement SOP (Oct ’22). Verra Response The joint PD/MR and VVR have been updated with information on AFOLU safeguards, and the Stakeholder Consultation + Engagement SOP has been provided to Verra as a confidential document. However, this finding cannot be closed. Issue 1) The information regarding inputs received during the stakeholder consultation process is inconsistent, and it remains unclear whether these inputs were received and how due account has been taken.	
--	--	--	--

	to resolve any conflicts that may arise between the project proponent and local stakeholders. <u>Program Rule(s):</u> VCS Standard v4.4, Section 3.18.3, 3.18.4, 3.18.5 and 3.18.1, VCS Joint Validation and Verification Report Template, v4.2, Section 3.3.5	2) Section 2.5.1 of the joint PD/MR does not include sufficient detail on the grievance redress procedure and references a confidential document, Stakeholder Consultation + Engagement SOP. <u>Action Required:</u> 1) The VVB must ensure that section 2.2 of the joint PD/MR clarifies whether inputs have been received during the stakeholder consultation process. If inputs have been received, the PP must detail how they have been adequately considered. 2) The VVB must ensure that the Section 2.5.1 of the joint PD/MR sufficiently details the project's grievance redress procedure. 3) The VVB must review the updated PD/MR and update the joint VVR as necessary. <u>Program Rule(s):</u> VCS Standard v4.4, Section 3.18.19 and 3.18.20 <u>Background</u> Per the VCS Standard, Section 3.18.19, the procedure, and documentation of disputes resolved shall be made publicly available. Section 2.2 of the joint PD/MR describes the stakeholder consultation process differently. • Paragraph 2: All responses from the online form were automatically entered into a Consultation Database managed by Zimmfor. • Paragraph 3: All public comments received through the online comment form were recorded within the Consultation Database. Responses and any required project design updates to the project design relating to comments received from Stakeholders were also tracked within the Consultation Database. • Paragraph 4: To date, no comments have been received through the local stakeholder consultation process.	
		Round 2	

		<u>VVB Response</u> 1) Section 2.2 of the joint PD/MR was revised to clarify wording. Comments/ inputs were not received during the stakeholder consultation process. 2) Section 2.5.1 of the joint PD/MR has been revised to include all detail originally provided in the Stakeholder Consultation + Engagement SOP. Additionally, Procedures for Grievance Redress is publicly available via the Zimmfor Website (https://www.zimmfor.com/carbon.html#Stakeholder) . 3) The updated PD/MR has been reviewed and the VVR has been updated with the review process. <u>Verra Response</u> The joint PD/MR clarifies that no inputs were received during the stakeholder consultation process and the grievance redress procedure is clearly described. The validation report was updated accordingly.	
--	--	---	--

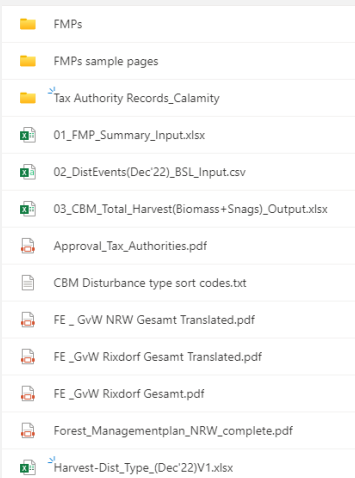
6	Missing demonstration on how the applicability conditions of tools are met		
	<u>Issue:</u> Section 3.1 of the joint PD/MR does not demonstrate how the project activity meets each of the applicability conditions of the tools applied. <u>Action(s) Required:</u>	Round 1 <u>VVB Response</u> 1. Section 3.1 & 3.2 of the joint PD/MR v3.1 has been revised to further demonstrate how the project activity instance meets each of the applicability conditions of the tools utilized. 2. Section 3.4.2 of the joint VR/VR has been updated to conclude that all applicability conditions have been met.	Closed

	1. The VVB must ensure that Section 3.1 of the joint PD/MR details how the project activity meets each of the applicability conditions of the tools. 2. The VVB must assess the revised joint PD/MR and update section 3.4.2 of the joint VR/VR as needed. Program Rule(s): VCS Joint Project Description Monitoring Report Template v4.2, Section 3.2, VCS Standard v4.4, Sections 3.5.1	Verra Response: A clear reference to relevant annexes and other sources of information has been added to the joint PD/MR and section 3.4.2 of the V/VR has been updated accordingly. The VVB and PP's responses are sufficient to close the finding.	
--	--	--	--

7	Incomplete information on the ex-ante estimation of emission reductions and removals (ERRs)		
	Issue: 1. Sections 5.1 and 5.2 of the joint PD/MR do not elaborate on the approach and steps for calculating the ex-ante baseline and project ERRs. 2. Only equations have been included in the referenced Appendix 5. Appendix 5 does not explain and justify all relevant methodological choices (e.g., with respect to selecting emission factors and default values). The values used for quantifying the baseline and project emissions are	Round 1 VVB Response 1. Sections 5.1 and 5.2 of the joint PD/MR v3.1 were updated to elaborate on the approach and steps for calculating the ex-ante baseline and project ERRs. 2. Values for emission factors and default values have been included within Sections 5.1 and 5.2 where relevant. 3. The ERR calculation spreadsheet has been uploaded to the registry for Verra review by the PP. 4. The revised joint PD/MR v3.1 has been reviewed and the VVR has been updated as needed. The audit team recalculated and confirmed the calculation associated with Equation 59 via the GHG Estimate spreadsheet (ref 8) During on-site audit, VVB assessed the ER estimation directly by selecting the samples and taking the measurement (DBH and height of the trees) to confirm the volume of harvest and estimation for carbon dioxide removal resulting into emission reduction. Verra Response: The missing information had been included in the joint PD/MR and the ERR calculation spreadsheet has been provided to Verra. However, this finding cannot be closed. Issues: 1. It is unclear whether the data from Rixdorf and NRW Management Plans used to produce the baseline scenario (Section 6.2.1 of the joint PD/MR) represent the whole PAI#1. 2. The suitability of the CBM-CFS3 regionally specific forest dynamics of Romania to the project area (Section 4.1.6 of the joint PD/MR) has neither been demonstrated by the PP nor assessed by the VVB. 3. Per the joint PD/MR in the baseline scenario, all timber in the SCA is harvested through clear cutting, and	Closed

missing. 3. An ERR calculation spreadsheet to facilitate Verra's review of results has not been provided. Action Required: 1. The VVB must ensure that Sections 5.1 and 5.2 of the joint PD/MR are updated to detail the approaches and steps to quantify the ex-ante baseline and projects ERRs. 2. The VVB must ensure that all relevant methodological choices (e.g., with respect to selecting emission factors and default values) are explained and justified in the joint PD/MR. 3. The VVB must submit an ERR calculation spreadsheet to Verra to facilitate the results' review. 4. The VVB must assesses the revised joint PD/MR and update the joint VVR as needed. The VVB must detail the steps to cross-check the correctness of the results.	management activities are assumed to begin at year 1 (2018). The VVB has not assessed whether clear cutting 772ha of forest is legally permissible in Germany. Action Required: 1. The VVB must ensure that section 7.2.1 of the joint PD/MR provides clear evidence to demonstrate that the data from Rixdorf and NRW Management Plans is representative of the entire PA#I. 2. The VVB must ensure that the regionally specific forest dynamics of Romania are the most appropriate for modelling the carbon dynamics of the project area. A list of available regional forest dynamics scenarios and the justification for selecting the Romanian one must be added to the joint PD/MR and assessed by the VVB. 3. The VVB must determine whether clear cutting 772 hectares of forest is permissible in Germany. If it is not permissible, the VVB must ensure the project's baseline harvesting assumptions are adjusted to comply with the Germany's legal requirements. Round 2 <u>VVB Response</u> 1. Section 7.2.1 of the joint PD/MR was revised to clarify that all PAIs are covered by the respective Management Plans. Further to the above, during field review/ validation, the Management Plan was referenced and demonstrated the individual polygon are adequately identified and described. Section 3.4.4 of the VVR was revised accordingly. The VVB has retained photos as evidence. 2. The reference to Romania in Section 5.1.6 was an oversight/ typo within the PD and has been corrected. The CBM model run/ set-up was reviewed and details the following as it relates to regional modelling dynamics (also see Section 5.1.3 regarding model use and selection – step 6): Administrative Boundary: Germany (mapped to default administrative boundary Germany) Ecological Boundary: CLU45 (mapped to default ecological boundary CLU45) Spatial Unit: 1 (Intersection of Germany, CLU45) Spatial Unit Group: SPU Group 1, contains {1,} Source: WF Project Summary.txt file received from PP and reviewed. No changes to the VVR have been made in regard to this issue. 3. This issue seems to be in reference to equation 25 where 'clearcutting' default value for HARVEST is used in the estimate/ calculation of carbon emitted during harvesting activities. This has been clarified in the PD. Further to the above, Section 7.2.1 was revised to further describe the Silviculture patterns used in development of the legal and approved management plan(s). Source: '20201218_Silviculture_Patterns_GvW_Gerst_CE' file added. No changes to the VVR have been made in regard to this issue. <u>Verra Response</u> The VVB validates that the management plan is representative of all PAIs included in validation. The VVB validates that	
--	--	--

Program Rule(s): VCS Standard v4.4, Sections 3.15 and 3.5.1, VM0012 v1.2, Sections 8.1 and 8.2, VCS Registration and Issuance Process v4.3, Section 4.2.4, VCS Joint Project Description Monitoring Report Template v4.2, Sections 5.1 and 5.2	the reference to “Romania” was a typo/oversight, and that the selected forest carbon dynamics are applicable to the project area. Lastly, the VVB validates that the proposed timber harvesting plan for the baseline scenario meets all legal and regulatory requirements. However, this finding cannot be closed. <u>Issue</u> 1. It is unclear whether clear-cutting is performed during the final felling in the baseline scenario. 2. It is unclear whether the PP accounts for emissions from logging that would have continued in the project scenario in the baseline. For example, section 5.1.3 of the joint PD/MR suggests that part of the harvested volume is due to compulsory sanitary harvest. It is unclear if this has been accounted for in the baseline. 3. It is unclear whether all areas under PAI#1 (772 ha) are legally harvestable at the project start date, i.e., have reached the minimum harvesting age. <u>Action Required</u> 1. The VVB must ensure that the project proponent clarifies whether clear-cutting is performed during the final felling in the baseline scenario. 2. If performed, the VVB must assess whether clear-cutting during the final felling complies with Germany’s harvesting regulation and update the VVR as needed. 3. The VVB must ensure that only the emissions from logging absent in the project scenario are accounted for in the baseline. 4. The VVB must present the valid government-approved management plan and cutting permits specific to the project area to Verra for review. <u>Background</u> Section 3.4.3 of the joint PD/MR states that forest harvesting in the baseline involves thinning, which is inconsistent with silvicultural practices in a stand that has reached its minimum harvesting age.														
	<u>VVB Response</u> 1. Via onsite inspections by VVB Local/Regional Experts, interviews with Forest Manager/Project Development Team and review of CBM modelling confirms clear cut harvesting does not occur in the baseline scenario. Project Proponent practices “Continuous Cover Forestry”. Stands are mixed age and mixed species. The term “clear cut” is referenced in the CBM User Manual but only to indicating a stand replacing event (i.e., final felling occurs and the tree(s) are to regrow). Appendix 6. Continued <table><tr><th>Disturbance type</th><th>ID</th><th>Description</th><th>Stand-replacing</th><th>Multiyear</th><th>Application</th><th>Source</th></tr><tr><td>Clear-cut harvesting without salvage</td><td>204</td><td>The harvesting of 85% of merchantable trees from a stand and the transfer of all snags to the Medium DOM carbon pool.</td><td>√</td><td></td><td>No specific rule.</td><td>Developed by the CFS-CAT.</td></tr></table> 2. VVB confirmed clear-cutting does not occur however legislation indicate “clear cuts” could occur based on the	Disturbance type	ID	Description	Stand-replacing	Multiyear	Application	Source	Clear-cut harvesting without salvage	204	The harvesting of 85% of merchantable trees from a stand and the transfer of all snags to the Medium DOM carbon pool.	√		No specific rule.	Developed by the CFS-CAT.
Disturbance type	ID	Description	Stand-replacing	Multiyear	Application	Source									
Clear-cut harvesting without salvage	204	The harvesting of 85% of merchantable trees from a stand and the transfer of all snags to the Medium DOM carbon pool.	√		No specific rule.	Developed by the CFS-CAT.									

	following (VVR has been updated to include specific legal referenced): - Clear cuts up to 2 ha are legal in NRW (§10 (2) LFoG NRW, https://recht.nrw.de/lmi/owa/br_text_anzeigen?v_id=10000000000000000274 - Clear cuts up to 0.3 ha are legal in SH (§5 (3) LWaldG SH, https://www.gesetze-rechtsprechung.sh.juris.de/bssh/document/jlr-WaldGSH2004rahmen/part/X). 3. VVB reviewed MS Excel files titled: Emissions_BSL_Estimate (Dec'22) and Emissions_PRJ_Estimate (Dec '22). Confirmed that only the emissions from logging absent in the project scenario are accounted for in the baseline. 4. VVB has provided all Forest Management Plans (FMPs) applicable to the project via the following MS SharePoint folder (note: accessible to Verra/Public until January 15, 2024). VVB has provided Tax Authority approval letters which illustrate the harvest areas and volumes (which are sourced consistent with FMP). VVB confirmed the polygons scheduled for harvest have the appropriate volumes entered into CBM for modelling. Specifically, within the FMP volumes are set for each Polygon based on merchantable available volume. VVB verified polygons within the FMP against the inventory spreadsheet that was used to calculate the carbon calculations (input files into CBM-CFS3). Example Polygon = 633-A-1. Within FMP polygon size = 1.25 ha (verified in inventory spreadsheet), thinning volume set to 90 m3/ha (21 m3/ha, 26 m3/ha and 43 m3/ha per species breakdown). These thinning volumes were verified within the inventory spreadsheet. Note: Cutting Permits are not issued, however cutting areas are reviewed by the Tax Authority. Evidence reviewed in the form of Tax Authority approvals that correspond with the NRW and SH FMP.  https://zimmfor.sharepoint.com/:f:/s/Zimmfile/EiOJxoapki9EjYT6iHLC8g8BiLZTUCLQsRQ59RJ1_ux_xA?e=KJigNY	
--	--	--

		<u>Verra response</u> The VVB confirms that clear cutting is not performed in the baseline scenario and only the trees that have achieved the minimum harvesting age are included in the model.	
--	--	--	--

8	Missing information on the non-permanence risk assessment		
	Issue: - The non-permanence risk report (NPRR) does not include the following information: - The risk score and mitigation measures for all the internal and external risks. - The overall non-permanence risk rating and buffer determination. - It is unclear whether the non-permanence risk has been assessed for each geographic area specified in the project description. Action(s) Required: - The VVB must ensure that the NPRR is revised to include: - The risk score and mitigation measures for all the internal and external risks. - The overall non-permanence risk rating and buffer determination. - The VVB must ensure that the non-permanence risk is assessed for each geographic area specified in the project description. - The VVB must assess the updated NPRR and update Section 3.5 of the joint VVR accordingly. Program Rule(s) VCS Standard v4.4, Sections 3.2.10 and 3.6.19 VM0012 v1.2, Section 8.5.2, AFOLU Non-Permanence Risk Tool v4, Section 2.1.2 Background: Per the VCS Standard v4.4, AFOLU non-permanence risk analyses shall be assessed for each geographic area specified in the project description. Where a project is divided into more than one geographic area for risk	Round 1 <u>VVB Response</u> - The Risk Report Calculation Tool has been appended to the NPRR and includes: - The risk score and mitigation measures for all the internal and external risks. - The overall non-permanence risk rating and buffer determination. - The Westphalen Forest Carbon Project is designed as a grouped project to allow the potential addition of other project activity instances (PAIs) and project proponents. The project's initial period Non-Permanence Risk Assessment encompasses one single geographic area, and one proponent (Westphalen) inclusive of the following states: Lower Saxony, North Rhine-Westphalia, Schleswig-Holstein and Thuringia. The risks associated with all four states were assessed and determined to be the same, and therefore were grouped into one Non-Permanence Risk Assessment for one geographic area. - Section 3.5 of the joint VVR has been updated to clarify the scope of the assessment as covering the entire geographical area. <u>Verra Response:</u> The risk report calculation has been annexed to the PD/MR. However, this finding cannot be closed. Issues: - A score of 1 is assigned for Pest and Disease Outbreaks. However, as stated in the NPRR: <i>"On all Westphalen owned properties, within the last 5 years, 45% of the total forest stock was harvested due to "calamities" such as beetle kill, and copper worm"</i>.	Closed

	analysis, the project's monitoring and verification reports shall list the total risk rating for each area and the corresponding net change in the project's carbon stocks in the same areas.	According to table 10 of the AFOLU Non-Permanence Risk Tool v.4.0, this corresponds to a major loss of stock, with an historical likelihood of less than every ten years and the corresponding score is 20. 2. There are considerable differences in the environmental and geographical features between the areas in the North and those in the centre of Germany. The PD/MR does not provide a justification for considering the risks associated with all four states to be the same. Actions required: 1. The VVB must ensure that the correct score is assigned to the natural risk in the NPRR and that the total risk score and the buffer determination is adjusted accordingly. 2. The VVB must ensure that the joint PD/MR includes sufficient evidence to demonstrate that the risks associated with all four states of the current PAI can be considered the same. Round 2 VVB Response 1. Wording of the NPRR was revised to further reflect risks associated to the PAI. The original wording reflected the risk to Spruce (<i>Picea spp.</i>) within Germany as a whole and on all properties owned by the PP (i.e., properties not included in current PAI). VCS-Non-Permanence-Risk-Report-Westphalen (Oct '23) provided, reviewed and deemed appropriate. Minor changes to Section 3.5.7 of the VVR to reflect revised wording and provide further clarity. 2. As described in Section 1.12 of the PD and further clarified in the NPRR, the PAIs are considered as a single geographical area. The relevant natural risks (fire and pest/ disease) discussed in the NPRR are similar throughout the 9 administrative regions and the 8 forest ecosystem types. The PD correctly identifies all PAIs as being within the Temperate Oceanic Forests and as shown within Appendix 10. Minor changes to Section 3.5.7 of the VVR to reflect revised wording and provide further clarity. Verra Response The VVB validates that the pest and disease risk score is appropriate provided the low proportion of spruce forests in the project area. The VVB also validates that the relevant natural risks are appropriately similar across the designated geographic area.	
--	--	--	--

9	Incomplete description and assessment of the parameters and monitoring plan		
	Issue: - Sections 6.1, 6.2, and 7.1 of the joint PD/ MR do not include all the relevant parameters set out by the methodology. More specifically, parameters related to HWP and fossil fuel emissions from logging, transport, and manufacturing are missing. - Section 4.1 of the joint VVR does not detail how the parameters on HWP and fossil fuel emissions from logging, transport, and manufacturing have been assessed. - Section 4.1 of the joint VVR does not describe whether manual transposition errors between data sets have occurred. - The internal auditing and QA/QC procedures have not been described under Section 6.3 of the joint PD/MR. Action Required: - The VVB must ensure that Sections 6.1, and 6.2 of the joint PD/MR include all the relevant parameters. - The VVB must ensure that Section 6.3 of the joint PD/ MR details the procedures for internal auditing and QA/QC. - The VVB must describe the steps to assess the missing parameters under Section 4.1of the joint VVR. - The VVB must describe the steps to assess whether manual transposition errors between data sets have occurred. Program Rule(s): VCS Standard v4.4, Sections 3.16.1, 3.16.2 and 3.5.1, 4.1.16 and 4.1.1, VM0012, v1.2, Sections 9.1, 9.2 and 9.3, VCS Joint Project Description Monitoring Report Template v4.2, Sections 6.1, 6.2 and 6.3, VCS Joint	Round 1 VVB Response - All parameters set out in section 9.1 (Data and Parameters available at Validation) and 9.2 (Data and Parameters Monitored) of the methodology have been added to 6.1 & 6.2/ 7.1 respectively. There was no change to 6.2 or 7.1 as parameters related to HWP and fossil fuel emissions from logging, transport, and manufacturing are not monitored. - Internal auditing and QA/QC procedures are described as per Zimmfor Management Services Ltd. Monitoring Standard Operating Procedures (SOP) noted within Section 6.3 of the joint PD/MR. More specifically, the SOP describes QA/QC procedures for field measurements, data entry and data archiving and management. A confidential version of the SOP has been uploaded to the Verra Registry. Added detail on how the parameters on HWP and fossil fuel emissions from logging, transport, and manufacturing have been assessed (see ΔCHWP,t and details in Eq 18). - Section 4.1 of the VVR was updated to include procedures used to assess missing parameters see ΔCHWP,t). - No manual transposition errors between data sets were noted during the verification. All calculation spreadsheets were checked for data discrepancies, and none were noted (i.e., input data sources cross referenced with origin model data). Verra Response: The PP and VVB have provided the missing information. The VVB and PP's responses are sufficient to close the finding.	Closed

	Validation and Verification Report Template v4.2, Section 4.1	Verra Response (Pending)	
--	---	--------------------------	--

10	Unclear information on the activity shifting leakage		
	Issue: - Sections 5.3.1 and 7.4.1 of the joint PD/MR do not specify whether the PP controls any other lands besides the project area. It is unclear if the information on trends in harvest volumes is for the project area or other lands controlled by the PP. - It is unclear how the PP and VVB have concluded there is no activity shifting leakage considering the that per Figures 12 and 13, the harvest volumes are increasing over time. Action Required: - The VVB must ensure that Sections 5.3.1 and 7.4.1 of the joint PD/MR specify whether the PP controls other lands and if the information on trends in harvest volumes is for those other lands. - The VVB must ensure that Sections 5.3.1 and 7.4.1 of the joint PD/MR clarify how it was concluded that there is no activity shifting leakage considering the reported increase in harvest volumes. - The VVB must assess the revised Joint PD/MR and update the VVR as needed. Program Rule(s): VM0012, v1.2, Section 8.3.1 Background: Per VM0012,v1.2, project proponents must demonstrate annually that there is no activity shifting leakage to areas that are outside the project area but within the project proponents operating areas, and that the management plans and/or land-use designations of all other lands operated by the project proponent have not materially changed as a result of the project activity (e.g., harvest rates have not been increased).	Round 1 VVB Response - Sections 5.3.1 and 7.4.1 of the joint PD/MR have been revised to clearly identify and demonstrate trends in harvest volumes for lands outside of the project. - Sections 5.3.1 and 7.4.1 of the joint PD/MR conclude that there is no activity shifting leakage. The reported increase in harvest volume is attributed to calamity harvests being mandatory and not related to project implementation. Additionally, harvests on lands outside of the project boundary are continuing but within the allowable rates, minus the volume attributed to the curtailed harvest areas (refer to the Activity Shifting Leakage Threshold within Figure 12 and 13). - Section 3.4.6 of the VVR has been updated to address quantification of leakage.	Closed
		Verra Response: The PP has provided additional information on the activity shifting leakage. The VVB and PP's responses are sufficient to close the finding.	

11	Missing information on the sampling plan		
	Issue: Section 2.1 of the joint VVR does not include a description of the sampling plan, important assumptions, and justification of the chosen approach. Action Required: The VVB must include a description of the sampling plan, important assumptions, and justification of the chosen approach under Section 2.1 of the joint VVR. Program Rule(s) <i>VCS Standard v4.4, Sections 4.1.16 and 4.1.17, VCS joint Validation and Verification Report Template v4.2, Section 2.1</i>	Round 1 VVB Response Further description of the sampling plan, important assumptions, and justification have been added to section 2.1 of the VVR. Verra Response: Information on the sampling plan has been added to section 2.1 of the joint VVR. However, this finding cannot be closed. Issues: 1. The VVB has not provided sufficient details on the sampling plan, including the physical locations of the areas visited and sampled to assess the accuracy of the forest inventory data. 2. In section 2.4 of the VVR it is reported that the assessment of project inventory was performed by “randomly sampling inventory plots within 434 ha of the project area”. However, it is not clear what was the sampling density and why the random sampling covered only part of the PAI (434 ha). 3. The VVB did not provide any quantitative result of the field assessment and of the comparison between the field assessment results and the project forest inventory data. 4. The criteria for the selection of the stakeholders to interview have not been provided. It is unclear how independency was guaranteed since only one of the interviewed stakeholders is not affiliated with the PP. Actions required: 1. The VVB must provide sufficient details on the sampling plan, including the physical location of the areas visited and sample plots for assessing the forest inventory and the evidence that visited areas represent the entire PAI. 2. The VVB must clarify why only a portion of the PAI was considered for the random sampling. Moreover, the VVB must include details on the number and the size of fields sampled.	Closed

		- The VVB must provide quantitative information on their field assessment results and how those results confirm the accuracy of the project forest inventory. - The VVB must explain the criteria for selecting the stakeholders they interviewed and justify how the sample's independence was guaranteed.	
		Round 2 <u>VVB Response</u> - The VVB reviewed geo-referenced maps, screen shots and geo-referenced photos provided. Further details regarding the sample plan including the physical location (via GIS_KEY) of the areas visited have been added to the VVR. The GIS_KEY suffix includes polygon name, stand age, analysis unit and area (ha). As the area has been stratified appropriately, as described in the PD, the Analysis Units visited represent the entire PAI. - As clarified in the VVR, the 'original' PAI of 779ha was considered in the sample design. Results of the sample analysis required a minimum of 1/3rd of the PAI needed to be verified. - As per the VCS_Validation_Verification_Manual_v3.2 physically observed data is considered reliable, and the VVR report provides a reasonable level of assurance. Quantitatively, the SOP - Zimmfor GHG Monitoring (Nov'22) v13.4 includes quality control processes that were reviewed and verified during the audit process and includes the following: Minimum threshold errors in measurement error are listed below: - Height (standing live and dead): $\pm 10\%$ standard error at 90% confidence interval (CI) - DBH (standing live and dead): $\pm 10\%$ standard error at 90% CI - Tree count: $\pm 10\%$ standard error at 90% CI - Further detail in regard to above is noted within Section 3.4.8 of the VVR. - The sample was taken from those in key and relevant roles and representative of diversity of stakeholders originally identified.	

		Minor wording revision to the VVR.	
		<u>Verra Response</u> (Pending) The VVR has been updated with information on the VVB sampling plan.	

12	Missing overall conclusion on project details		
	Issue: Section 3.1 of the joint VVR does not provide an overall conclusion on whether the project is likely to achieve estimated GHG emission reductions or removals. Action Required: The VVB must under section 3.1 of the joint VVR provide an overall conclusion on whether the project is likely to achieve estimated GHG emission reduction or removals, explaining that actual results may vary since the estimates are based on assumptions that are subject to change. Program Rule(s): <i>VCS Standard v4.4, Sections 4.1.16 and 4.1.17, VCS joint validation and verification report Template v4.2, Section 3.1</i>	Round 1 <u>VVB Response</u> Section 3.1 of the joint VVR (v1.1) has been updated to provide an overall conclusion stating the project is likely to achieve estimated GHG emission reductions and removals.	Closed
		<u>Verra Response</u> The overall conclusion and the clarification that the actual results may vary have been added to section 3.1 of the VVR. The VVB's responses are sufficient to close the finding.	

13	Insufficient evidence to demonstrate the project meets the regulatory surplus		
	Issue: In Section 3.4.5 of the VVR, the regulations referenced by the VVB to assess the regulatory surplus (namely the German construction (Grundbesitz) and German Civil Code (Bürgerliches	Round 1 <u>VVB Response</u> A thorough review of all the relevant laws, statutes, or other regulatory framework was completed to confirm that the project	Closed

	Gesetzbuch) is not sufficient to confirm the project meets the regulatory surplus. 2. There is a significant overlap between the project area and protected areas (pertaining to different IUCN categories). It is unclear if and how the VVB ensured that the project meets the regulatory surplus requirements in those areas. Action(s) Required: 1. The VVB must conduct a thorough review of all the relevant law, statute, or other regulatory framework to confirm that the project complies with the regulatory framework requirement and update section 3.4.5 of the VVR accordingly. 2. The VVB must ensure that no restriction to harvest is already existing in the protected areas that overlap with the project area. Program Rule(s): VCS Standard v4.4, Section 3.14.1	complies with the regulatory framework. An update to section 3.4.5 of the VVR has been made to describe this expanded review. 2. There are no restrictions on harvesting in the project area as outlined in the approved Forest Management Plans. This review included a review of the potential overlap with protected areas including IUCN and Natura 2000 sites. Verra Response: The VVB confirms that the project meets the regulatory surplus requirements in the selected area.	
--	---	---	--

14	Missing information on the assessment of the GHG ERRs quantification		
	Issue: 1. Section 3.4.6 of the joint VVR does not explain how the use of the CBM-CFS3 has been assessed by the VVB. Also, the VVB has not confirmed if a conservative and low-risk baseline has been considered for the project. 2. The VVB has not provided a summary of net ex-ante ERR under section 3.4.6 of the joint VVR. Action Required: 1. The VVB must explain how the modeling exercise was replicated and recorded. The VVB must also confirm that all the pools described in section 3.3 of the joint PD/ MR have been considered and appropriately modeled.	Round 1 VVB Response 1. Section 3.4.6 of the joint VVR was revised to clarify review of the modeling exercise. Additionally, a confirmation statement was added to confirm that all the pools described in section 3.3 of the joint PD/MR were considered and appropriately modeled. 2. CBM outputs have been assessed to ensure that the equations of the methodology were appropriately applied. The PP has uploaded to the registry the GHG estimate table, which further describes equation use for the determination of GHG estimates. 3. A summary of net ex-ante ERR under section 3.4.6 of the VVR has been provided.	Closed

	- The VVB must demonstrate how the outputs from the model have been assessed to ensure that the exact equations of the methodology were appropriately applied and confirm if a conservative and low-risk baseline has been considered. - The VVB must include a summary of net ex-ante ERR under section 3.4.6 of the joint VVR. Program Rule(s): VCS Standard v4.4, Sections 3.4.1.16 and 4.1.17, VM0012 V1.2, Section 8.1.1	Verra Response: The spreadsheet with the GHG estimate table summarizes the key steps of the GHG accounting process. The VVB reassessed the CBM inputs and outputs and confirms the correctness of the modelling. The VVB's responses are sufficient to close the finding.	
--	--	---	--

15	Incomplete information on the quality of evidence to determine GHG Emission Reductions and Removals		
	Issue: Section 5 of the joint VVR does not include the following: - A validation conclusion stating the reasonableness of assumptions, limitations, and methods that support the claim about the outcome of future activities, whether the project is likely to achieve estimated GHG emission reduction or removals, explaining that actual results may vary since the estimates are based on assumptions that are subject to change. - The level of assurance on the quantity of GHG emission reductions or removals in tCO₂e achieved during the verification period.	Round 1 VVB Response Section 5 of the joint VVR has been revised to include the following: - A validation conclusion stating the reasonableness of assumptions, limitations, and methods that support the claim about the outcome of future activities. - Assurance on the quantity of GHG ERR in the verification period. - A declaration that the GHG statement was conducted in accordance with ISO 14064-3. - A claim acknowledging the percentage difference and /or justification for the difference has been included within the VVR (Section 5).	Closed

	3. An opinion/declaration that the validation and/or verification of the GHG statement was conducted in accordance with ISO 14064-3. 4. The percentage difference and justification for the difference. Action(s) Required: The VVB must ensure that Section 5 of the joint VVR is revised to include the following: 1. A validation conclusion stating the reasonableness of assumptions, limitations, and methods that support the claim about the outcome of future activities, whether the project is likely to achieve estimated GHG emission reduction or removals, explaining that actual results may vary since the estimates are based on assumptions that are subject to change. 2. The level of assurance on the quantity of GHG emission reductions or removals in tCO₂e achieved during the verification period. 3. An opinion/declaration that the validation and/or verification of the GHG statement was conducted in accordance with ISO 14064-3. 4. The percentage difference and justification for the difference Program Rule(s): VCS Standard v4.4, Section 4.1.16, 4.1.17 and 4.1.19, VCS joint Validation and Verification Report Template v4.2, Section 5	Verra Response: Section 1.3 of the joint VVR indicates that the assessment's assurance level is reasonable. Although the VVB has not provided a clear statement regarding the assurance of GHG EERs in tCO₂e achieved during the verification period, the VVB responses are sufficient to close the finding.	
--	---	---	--

16	Quantification of market leakage is not in compliance with the methodology		
	Issue: The quantification of the market leakage does not follow the requirements set out in the methodology. More specifically, the PP does not compare the ratio of merchantable biomass to total biomass in the project versus the leakage area to determine the appropriate discount factor for market leakage. Action Required:	Round 1 VVB Response The use of the MARKetz Leakage Tool for the Salvador project as described in Section 3.6 and 7.4.2 of the project description and monitoring Report is found to not “negatively impact the conservativeness of the quantification of reductions or removals, except where they result in increased accuracy of such quantification. All data sources and analysis inputs were review and cross checked for accuracy.	Closed

	1. The VVB must ensure the PP revises the quantification of the market leakage to clearly and strictly follow VM0012 requirements. 2. The VVB must assess the revised joint PD/MR and update the validation report accordingly. Program Rule(s): VM0012, v1.2, Section 8.3.3 (Note 30), VCS Standard, v4.4, Section 3.15.9, Table 3 Background: Per VM0012 v1.2, project proponents must use the VCS AFOLU Program Update (VCS Standard, v4.4) specifying the ratio of merchantable biomass to total biomass in the project versus the leakage area to determine the appropriate market leakage discount factor.	Section 3.1.14 of the VVR has been updated with details of the review process and provides a conclusion that the deviation meets the criteria of section 3.19 of the VCS V4.4 standard.	
		<u>Verra Response</u> The VVB has validated the data sources and analysis inputs are reliable and that the deviation does not negatively impact the conservativeness of the quantification of reductions or removals.	

17	Insufficient information on commercially sensitive information.		
	Issue: 1. The project proponent indicates that some information is confidential under several Joint PD/MR sections. However, Section 1.18 does not list any commercially sensitive information. 2. The VVB does not describe how they concluded that the information included as sensitive meets the requirements to be included as commercially sensitive. 3. Commercially sensitive information has not been provided to Verra. Action(s) required:	Round 1	Closed
		<u>VVB Response</u> 1. Section 1.18 of the PD/MR was revised to address commercially sensitive information. 2. In response, Section 3.1.15 of the VVR was revised to further address how the information withheld from the public version of the PD/MR meets the definition of commercially sensitive information. 3. Although VCS Standard v4.4, Section 3.5.3 does not state that all commercially sensitive must be provided to the Verra, commercially sensitive information has been provided to Verra via the project registry.	
		<u>Verra Response:</u>	

	1. The VVB must ensure the project proponent includes all commercially sensitive information indicated throughout the joint PD/MR under Section 1.18. 2. The VVB must explain how they concluded that the information included as sensitive meets the requirements to be included as commercially sensitive. 3. All commercially sensitive information must be provided to Verra. <u>Program rule:</u> VCS Standard v4.4, Section 3.5.3	Clarifications on all commercially sensitive information have been provided, and the PD/MR and VVR have been updated. However, this finding cannot be closed. <u>Issue</u> 1) The public comments have been classified as commercially sensitive. However, the PP has not shown how each comment satisfies the criteria for commercially sensitive information. 2) Similarly, the VVB has not justified how they concluded the public comments satisfy the criteria for commercially sensitive information. <u>Action Required</u> 1) The VVB must ensure that the project proponent demonstrates how each public comment satisfies the criteria for commercially sensitive information. 2) If conditions in action item 1 are not met, the VVB must ensure that section 3.3.4 of the joint PD/MR is revised to describe the public comments and how they were considered or show that the comments were irrelevant or insignificant. 3) The VVB must assess the updated MR and revise the joint VVR as needed. <u>Background</u> Program Definitions v4.3: Commercially sensitive information includes trade secrets, financial, commercial, scientific, technical, or other information whose disclosure could reasonably be expected to result in a material financial loss or gain, prejudice the outcome of contractual or other negotiations or otherwise damage or enrich the person or entity to which the information relates. Round 2 <u>VVB Response</u> Public comments have been added to the PD and the joint VVR has been updated accordingly. <u>Verra Response</u> The public comments were added to the PD. However, this finding cannot be	
--	--	--	--

		closed. <u>Issue</u> 1. The project proponent states under section 2.4 of the joint PD/MR that public comments are not relevant to the project design, but this is incorrect. 2. The PP's response to the public comments on the project's intention to maintain activities after the crediting period is inconsistent with the response in the PRR. <u>Action Required:</u> 1. The VVB must ensure that section 3.3.4 of the joint PD/MR is revised to describe how the public comments were considered and ensure responses are consistent with other project documents. 2. The VVB must assess the revised joint PD/MR and update the joint VVR as needed. <u>Background:</u> The PP clarifies in Finding 19 in the PRR that the project intends to maintain activities for 100 years. However, the response to the public comment suggests it may only choose to continue after the 30-year crediting period as the project activities are not considered conservation areas. Round 3 <u>VVB Response</u> The public comments received during the global stakeholder consultation period have already been addressed by VVB and PP provided the clarifications to CL numbers 08 to 11 and the same has been updated by PP in the revised PD/MR. VVB has verified that the PP has communicated to the Verra Secretariat that the PP intends to maintain activities for 100 years and requested this clarification be forwarded to the individual/entity that submitted the comment. Additionally, PD/MR section 2.4 has been updated with the following: <i>"UPDATE: PD/MR updated to clarify intent to maintain the project for 100 years. Clarification communicated to Verra Secretariate."</i>	
--	--	---	--

		From: Jason Zimmermann To: NAttamini@verra.org Cc: Verra Secretariat; Dr. Johannes Gerst Bcc: Marika Forge; Trevor de Zeeuw; Zoe Richards; Dave Brown Subject: VCS Project ID 3363 - Westphalen Forest Carbon Project - Pipeline listing request [CASE: 9172] Date: December 12, 2023 4:01:00 PM Attachments: Re VCS Project ID 3363 - Westphalen Forest Carbon Project - Pipeline listing request (under development) - PCP Closed - CASE9172.msg Hello Nafil, I trust this email finds you well. We are continuing with the validation/verification process of VCS Project ID 3363; during the Verra Project Review Report process a finding was issued which noted <i>"the Project Proponents response to the public comments on the project's intention to maintain activities after the crediting period is inconsistent with the response in the PRR"</i>. On August 30, 2022 you communicated the following stakeholder comment (refer to attached email for context/reference) were received from the Public Comment period relating to the Project Listing Document (v1.0): <i>"What happens to the area after the end of the crediting period of 30 years, is it guaranteed that the area remains declared as a conservation area?"</i> Comment received as 2022-VPC-01c. Our corresponding August 30, 2022 response was: <i>"The project proponent may choose to continue the carbon project; as per VCS VM0012, the project activity instances are not considered conservation areas."</i> Since the time of the initial evaluation and response relating to the Project Listing Document v1.0, we have provided further clarity in the Joint Project Description & Monitoring Report (PD/MR) that <i>"it is the intention of the project proponent to maintain the project activities for 100 years."</i> We kindly ask (and if appropriate) you provide an update to the individual/entity that submitted this comment or refer them to the Verra Registry for the most current version of the PR/MR. If there questions, please do not hesitate to contact me directly. J  Jason Zimmermann, RPF 2218-D Airport Drive • Campbell River, BC • V9H 0E2 Office +1.250.287.9167 • WhatsApp/Mobile +1.604.619.1585 www.zimmfor.com		
		<u>Verra Response</u> The PD has been updated		

18	Project additionality is not demonstrated according to the VCS requirements		
	<u>Issue:</u>	Round 1 <u>VVB Response</u> 1. Issuance costs have been excluded from the investment analysis related to the project.	Closed

	1) The investment analysis does not follow the requirements in the tool VT0001. Specifically, the registration, validation/verification, and issuance costs have been included in the investment analysis. 2) Section 3.5 of the joint PD/MR indicates that the Net Present Value (NPV) analysis data is commercially sensitive while per VCS Standard, v4.4, information related to baseline scenario determination, demonstration of additionality, and estimation and monitoring of GHG emission reductions and removals shall not be commercially sensitive and shall be provided in the public versions of the project description. Action(s) Required: 1. The VVB must ensure that the registration, validation/verification, and issuance costs are excluded in the investment analysis. 2. The VVB must ensure that all NPV analysis data is included under Section 3.5 of the joint PD/MR. 3. The VVB must assess the revised joint PD/MR and provide a conclusion regarding commercially sensitive information under section 3.1.15 of the joint VR/VR. Program rule(s): VCS Standard, v4.4, Section 3.5.3, VT0001 v3.0, Section 2.2.5 Background: Per Section 2.2.5(a) of the tool VT0001, the suitable financial indicator for the proposed VCS AFOLU project should be calculated without VCS related finances.	2. NPV analysis data is included under Section 3.5 of the joint PD/MR (see 3 below). 3. Zimmfor/GreenRaise provided a “blanket exemption” letter for the exclusion of sensitive financial information as it relates to baseline scenario determination within public documentation. The commercially sensitive information was reviewed and a conclusion statement under section 3.1.15 of the joint VR/VR has been revised accordingly. Verra Response: The PRR incorrectly indicates that Zimmfor/GreenRaise provided a “blanket exemption” letter to exclude sensitive financial information related to baseline scenario determination within public documentation. Regardless, more details on the NPV analysis are now included in the updated PD/MR. The VVB has assessed and confirmed the appropriateness of the data used in the NPV analysis.	
--	---	---	--

19	The project intention is unclear		
	Issue:	Round 1 VVB Response	Closed

	Per Section 1.11 of the joint PD/MR, the project will generate GHG emission reductions by <u>deferring</u> harvesting, road building, and other forest-related operations for the project crediting period. Considering that projects assumed to have generated GHG emissions for their subsequent reduction, removal, or destruction, are excluded from VCS scope, it is unclear whether the project is eligible to VCS certification. Action(s) Required: 1. The VVB must ensure that the joint PD/MR is revised to clarify the intention of the IFM-LtPFs project to stop - and not defer - harvesting. 2. The VVB must assess the revised joint PD/MR and describe how they have confirmed that the project intention is not to resume harvesting after the end of the crediting period. The joint VVR must be updated accordingly. Program Rule(s): VCS Standard, v4.4, Section 2.1.2	1. The PD/MR has been updated to remove the use of the word “deferred” and is now more accurately using the terms “cease” and “curtail”. 2. The PD/MR, Section 1.1 has been updated to clarify the intention of the project proponent to maintain the project activities for 100 years. 3. Interviews completed with the Project Proponent Project Developer, Implementation Partner and Authorized Representative have confirmed the intent to maintain the project activities for 100 years. 4. The PP has acknowledged they will adhere to the program rules via signing of the Listing Representation Deed. The following sections apply: 2.2.2 The Project Description and any other Project Documents for which the Listing Representatives are collectively responsible, and are supplying to the Verra Registry and any other person in relation to the operation of the Project under the VCS Program Rules, are true and accurate in all material respects and do not contain any false, fraudulent or misleading statements or information. 2.3.3 The Listing Representatives have read, understood and will abide by the VCS Program Rules; Verra Response: The project intention has been clarified and PD/MR has been updated accordingly. The VVB and PP’s responses are sufficient to close the finding.	
--	--	---	--