

PROJECT REVIEW REPORT

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

Review Type	Registration & Verification
Project ID	2748
Project Name	Zhangye Improved Grassland Management Project
Program(s)	VCS & CCB
Verification Period	25 July 2017 – 31 December 2021
Project Proponent	Zhangye Academy of Forestry Sciences
Methodology	VM0026, Methodology for Sustainable Grassland Management (SGM), Version 1.1
Sectoral Scope(s)	14. AFOLU
VVB	TUV NORD CERT GmbH
Assessment Criteria	VCS Standard, v4.2, CCB Standard, v3.1
Date of First Issue	09 September 2022
Review Conclusion	03 November 2022
Date of Final Issue	03 November 2022

ASSESSMENT FINDINGS			
#	Description	Response	Status
1	<p>Lack of clarity on establishment of project and carbon rights</p> <p><u>Issue</u> The project proponent does not describe how the project and carbon rights are established between the landowners and the project proponent.</p> <p><u>Action required</u></p> <ol style="list-style-type: none"> The VVB must ensure the project proponent updates Section 2.5.9 of the project description (PD) and Section 2.5.1 of the monitoring report (MR) to describe how the project and carbon rights are established between the landowner and project proponent (e.g., via an agreement, contract). <p><u>Program rules</u> VCS Standard, v4.2, Section 3.6.1</p>	<p>Round 1: VVB Response: The project proponent has updated Section 2.5.9 of the PD and Section 2.5.1 of the MR with the description of how the project and carbon rights are established between the landowners and the project proponent. Via checking the Entrusted Development Agreement of Carbon Sequestration Project signed between project proponent Zhangye Academy of Forestry Sciences with the village collectives in the project area on 15-October-2016, VVB confirmed that an agreement has been signed so that the project and carbon rights are established between the landowner and project proponent. Besides, via site interview with the representatives from villagers, VVB confirmed that the decision of project development was made by the villagers' representatives in the routine villager assembly where all the villagers collectively voted to authorize the land ownership to Zhangye Academy of Forestry Sciences and entrust it as the project proponent to develop grassland carbon sequestration project. Hence, it is concluded that the project and carbon rights has been established between the landowners and the project proponent via the signed agreement which is in line with the VCS standard.</p> <p>Verra Review: The VVB confirms that Section 2.6.9 of the project description and Section 2.5.1 of the monitoring report have been update to state that an agreement has been signed by the project proponents and the village collectives. The village representatives made the decision after voting from the villager assembly. This finding is now closed.</p>	Closed

<p>2</p>	<p>Unable to reproduce quantification of estimated and actual baseline, project and leakage emissions</p> <p>Issue The project proponent does not include sufficient information about the emission factors, default values and intermediate parameters to reproduce the estimated baseline, project and leakage emissions.</p> <p>Action required</p> <ol style="list-style-type: none"> 1. The VVB must ensure the project proponent updates Sections 3.2.1, 3.2.2 and 3.2.3 of the PD and Sections 3.2.1, 3.2.2 and 3.2.3 of the MR to include sufficient information about the selection of emission factors and default values used to estimate the baseline, project and leakage emissions. 2. The VVB must request the project proponent to submit the quantification spreadsheet to Verra for internal reference. <p>Program rules <i>CCB and VCS Project Description Template, Version 3, Section 3.3</i></p> <p><i>CCB and VCS Monitoring Report Template, Version 3, Section 3.2</i></p>	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> 1. The project proponent has updated relevant content and source in Sections 3.2.1, 3.2.2 and 3.2.3 of the PD and Sections 3.2.1, 3.2.2 and 3.2.3 of the MR. Specially, for the values and other source information of emission factors, default values or other parameters selected has been updated in the Section 3.3.1 and 3.3.2 in revised PD and Section 3.1.1 and 3.1.2 in revised MR. The values and sources of all the related parameters are verified as correct and reasonable. 2. The quantification spreadsheet (ER table) has been submitted along with the revised PD and MR. <p>Verra Review: The VVB confirms that the emission quantification sections of the PD and MR have been updated with sufficient information. The VVB has also submitted the quantification spreadsheet to Verra. This finding is now closed.</p>	<p>Closed</p>
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<p>3</p>	<p>Use of outdated default factors</p> <p>Issue The project proponent does not use the most current version of the default factors (i.e., $EF_{4,MD}$, EF_t, $EF_{3,PRP,PPP}$, $EF_{3,PRP,SO}$, N_{exl}, $Frac_{GAS,MD}$, $EF_{CO2,k}$, NCV_k).</p> <p>Action required</p> <ol style="list-style-type: none"> 1. The VVB must ensure the project proponent is using the most current default factors in the 2019 IPCC Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas inventories for the data and parameters (Sections 3.3.1 – 2 of the PD and Sections 3.1.1 – 2 of the monitoring report (MR)), the quantification of the baseline, project and leakage emissions and net GHG ERRs (Section 3.2 of the PD and MR). 2. The VVB must review all updated data, parameters and quantification in the sections above, and provide an updated assessment in Section 3.3 of the validation report (ValR) and Section 4.4 of the verification report (VerR). 3. The VVB must update all summary and conclusion sections in the reports and ensure that the project proponent does the same. <p>Program rules VCS Standard, v4.2, Section 1.1 VCS Methodology Requirements, v4.2, Section 1</p>	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> 1. The updated PD and MR, ER sheet has been checked, VVB confirmed that PP has updated the default factors ($EF_{4,MD}$, EF_t, $EF_{3,PRP,PPP}$, $EF_{3,PRP,SO}$, N_{exl}, $Frac_{GAS,MD}$, $EF_{I,M}$) by using the most current version (2019 IPCC Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories). The values of $EF_{CO2,k}$, NCV_k has not been updated because the values are not changed in 2019 IPCC Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas inventories. But the source has been updated to the latest IPCC version. Finally the quantification of the baseline, project and leakage emissions and net GHG ERRs have been updated with the change of these parameters and the results are verified by VVB as correct. 2. Section 3.3 of the validation report (ValR) and Section 4.4 of the verification report (VerR) have been updated accordingly with the review of all updated data, parameters and quantification in the sections above and provided the related assessment. 3. All summary and conclusion sections in all the reports about above have been updated accordingly by both PP and VVB. <p>Verra Review: The VVB confirms that Section 3 of the PD and MR have been updated and assessed to ensure that all values from the 2006 IPCC Guidelines for National Greenhouse Gas inventories have been updated to the 2019 IPCC Refinement values. Section 3.3 of the ValR and Section 4.4 of the VerR have also been updated. This finding is now closed.</p>	<p>Closed</p>
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4	<p>Lack of information about VVB’s interview selection and no interview with grassland guardians.</p> <p>Issue The VVB did not discuss how households were selected for interview. Further, the VVB did not interview the grassland guardians although they were identified as important stakeholders of the project.</p> <p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must update Section 2.4 of the ValR and VerR to discuss how they selected households for the interview. 2. Further, the VVB must either: <ol style="list-style-type: none"> a) Update Section 2.4 of the ValR and Section 2.4 of the VerR to identify the grassland guardians that have been interviewed or; b) Justify how a reasonable level of assurance was reached when a key project stakeholder group was not interviewed. <p>Background Section 2.1.8 of the PD identifies the grassland guardians as one of the key project stakeholders.</p> <p>Program rules <i>CCB and VCS Validation Report Template, Version 3, Section 2.4</i></p>	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> 1. VVB has updated the section 2.4 of the ValR and VerR with discussion of how households were selected for the interview as below, <p>Via checking the PD during desk review, it is confirmed that the project affects 11,727 stakeholders including 952 permanent jobs and 10,775 temporary jobs. So before the VVB conducted the site visit, VVB asked PP to provide a name list of all the impacted stakeholders and VVB randomly selected samples (see below calculation of sample size) to interview during site visit with the local stakeholder representatives, due to the number of stakeholders involved was large and scattered to carry out a census during the site visit time, hence based on the principle of cost-effectiveness and the impact of COVID-19 which request to avoid large group people gathering, based on experience of local survey of the VVB, the sampling method was used for VVB to conduct the interview.</p> <p>Based on the “Sampling and Surveys for CDM Project Activities and Programme of Activities” version 09.0 and “Guideline of Sampling and surveys for CDM project activities and programmes of activities” version 04.0. it confirmed that the Sample size calculation by Simple Random Sampling can be done using following formulae:</p> $n \geq \frac{1.645^2 N \times p(1-p)}{(N-1) \times 0.1^2 \times p^2 + 1.645^2 p(1-p)}$ <p>Where</p> <table border="0"> <tr> <td>n</td> <td>Sample size</td> </tr> <tr> <td>N</td> <td>Total number of people</td> </tr> <tr> <td>P</td> <td>Expected proportion, which is defined as 0.95 based on the experience of survey of VVB</td> </tr> <tr> <td>1.645</td> <td>Represents the 90% confidence required</td> </tr> <tr> <td>0.1</td> <td>Represents the 10% relative precision</td> </tr> </table> <p>N is 11,727 as determined of total impacted stakeholders, P is determined as 95% (due to the expected proportion of participation is 95%), as per the level of confidence, VVB expects that 90% of the samples taken shall comply with the project requirements.</p> <p>Hence the n is calculated as</p> $1.645^2 * 11,727 * 0.95 * (1-0.95) / ((11,727-1) * 0.1^2 * 0.95^2 + 1.645^2 * 0.95 * (1-0.95)) = 15.$	n	Sample size	N	Total number of people	P	Expected proportion, which is defined as 0.95 based on the experience of survey of VVB	1.645	Represents the 90% confidence required	0.1	Represents the 10% relative precision	Closed
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	<p><i>CCB and VCS Verification Report Template, Version 3, Section 2.4</i></p>	<p>Hence, during the site interview, VVB interviewed 18 stakeholders (as randomly selected stakeholders from the list, 18 stakeholders including 4 grassland guardians) from impacted 11,727 which is verified as reasonable based on the “Sampling and Surveys for CDM Project Activities and Programme of Activities” version 09.0 and “Guideline of Sampling and surveys for CDM project activities and programmes of activities” version 04.0.</p> <p>2. a), the Section 2.4 of the ValR and Section 2.4 of the VerR have been updated to identify the grassland guardians that have been interviewed, VVB listed the grassland guardians originally as “work for grassland management”, to be clear, now changed all the words to “grassland guardians”.</p> <p>b) N/A as the grassland guardians have been interviewed as above assessment.</p> <p>Verra Review: The VVB updated Section 2.4 of the ValR and Section 2.4 of the VerR to provide more information about the VVB’s sampling approach. Further, the VVB clarified that grassland guardians were interviewed. This finding is now closed.</p>	
5	<p>Inconsistent crediting period start and end dates</p> <p>Issue The MR provides different crediting period start and end dates compared to the PD.</p> <p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must clarify why Section 2.1.6 of the MR has a different crediting period start and end date compared to Section 2.1.15 of the PD. <p>Background Section 2.1.15 of the PD states that the crediting period is from 25 July 2017 to 24 July 2057. Section 2.1.6 of the MR states that the crediting period is from 25 June 2017 to 24 July 2057.</p>	<p>Round 1: VVB Response: PP has revised the typo in Section 2.1.6 of the MR by providing the correct crediting period from 25-July-2017 to 24-July-2057 which verified by VVB as correct now.</p> <p>Verra Review: The VVB confirms that the crediting period is from 25 July 2017 to 24 July 2057. This finding is now closed.</p>	Closed

	<p><u>Program rules</u> N/A</p>		
6	<p>Lack of clarity on how the surveys for the PRA were distributed</p> <p><u>Issue</u> Section 2.3.7 of the PD does not include information about how the PRA surveys were distributed in a representative manner.</p> <p><u>Action items</u></p> <ol style="list-style-type: none"> The VVB must ensure that the project proponent updates Section 2.3.7 of the PD to provide more information about how they selected the representatives for the PRA survey. If any sampling guidelines were used, the project proponent may mention them. The VVB must assess any updates to Section 2.3.7 as needed. <p><u>Program rules</u> N/A</p>	<p>Round 1: VVB Response: The updated section 2.3.7 of PD has been checked, VVB confirmed that PP has added the specific information about how the PRA surveys were distributed. The initial stakeholder consultation was conducted during PRA survey in November 2016, including some household interviews and questionnaires collected by survey team. The survey team of PRA came from Zhangye Forestry and Grassland Bureau who went to the villages in the villages where the project located and took the household interviews with local residents to collect the basic information of the villagers and characteristics of local communities. There are totally 8,668 households from 863 village collectives involved in the project, a randomly sampling method was applied to distribute the survey questionnaires. According to Guideline of Sampling and Surveys for CDM project Activities and Programmes of Activities (Ver 04.0), the total sampling size was calculated as 68 (see the following equations for details), and the final number has been adjusted into 80 to make sure the household interview could represent the different community group, such as local Yugur nationality, women, herders and grassland guardians.</p> $n \geq \frac{1.645^2 N \times P(1 - P)}{(N - 1) \times 0.1^2 \times P^2 + 1.645^2 P(1 - P)}$ <p>Where:</p> <p>n = Sample size</p> <p>N = Total number of households</p> <p>P = Expected proportion, which is defined as 0.8 based on the empirical value provided by Zhangye Academy of Forestry Sciences.</p>	Closed

		<p>1.645 = Represents the 90% confidence required</p> <p>0.1 = Represents the 10% relative precision</p> <p>As N is 8,668 as determined of total number of households, P is determined as 80% based on the empirical value provided by Zhangye Academy of Forestry Sciences, and taking 90% level of confidence, n is therefore calculated as</p> $1.6452 * 8,668 * 0.8 * (1 - 0.8) / ((8,668 - 1) * 0.12 * 0.82 + 1.6452 * 0.8 * (1 - 0.8)) = 68.$ <p>The questionnaires were distributed to 60 households from surrounding villages, covering different community groups of local herders, local residents around project area, local Yugur nationality, local women, grassland guardians. The other 20 questionnaires were distributed to representatives of village collectives, Zhangye Forestry and Grassland Bureau, County Forestry and Grassland Bureau and local government.</p> <p>Hence, based on checking the above sampling method used and comparing against the sampling guideline and standard, VVB confirmed that the sampling method used by PP is in line with the requirements and sampling size is determined as reasonable, and site interviewed stakeholders' number is sufficient comparing with the sample size.</p> <p>Verra Review: The VVB confirms that the project proponent updated Section 2.3.7 of the PD to provide more information about the sampling selection for the stakeholder survey. Additionally, the VVB confirms that the sampling size adheres to the sampling guideline and standard. This finding is now closed.</p>	
7	<p>Unclear if other stakeholder groups have proper consultation channels</p> <p><u>Issue</u> Section 2.3.9 of the PD only mentions consultation channels for local residents, but not</p>	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> The project proponent has clarified in Section 2.3.9 of revised PD with requested descriptions. Via checking the information in Section 2.1.8 of PD (Stakeholder identification), VVB confirmed that local herders, women, Yugur nationality and grassland guardians are all identified included in the community group of local residents, the 	Closed

	<p>for local herders and grassland guardians that have been identified as important stakeholders.</p> <p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must ensure that the project proponent updates Section 2.3.9 of the PD to clarify whether local herders and grassland guardians are directly consulted, or their legitimate representatives are consulted. 2. The VVB must assess any updates to Section 2.3.9 of the PD and update Section 3.2.24 of the ValR. <p>Program rules</p> <p><i>CCB & VCS Project Description Template, v3.0, Section 2.3.9</i></p> <p><i>CCB & VCS Validation Report Template, v3.0, Section 3.2.24</i></p>	<p>consultation channels for local herders and grassland guardians are verified same as the local residents.</p> <ol style="list-style-type: none"> 2. Section 3.2.24 of the ValR has been updated with the change of PD. <p>Verra Review: The VVB confirms that Section 2.3.9 of the PD has been updated to identify the different stakeholder groups that were directly consulted. This finding is now closed.</p>	
8	<p>Lack of information about the relocation of grazing activities</p> <p>Issue</p> <p>Section 2.5.4 of the PD mentions the relocation of grazing activities and the distribution of subsidies. However, there is no information about any forms of agreement (e.g., formal or informal) that was made with the free, prior and informed consent of the herders. Further, Section 4.2.2 of the PD does not mention the frequency of the subsidy program.</p>	<p>Round 1:</p> <p>VVB Response:</p> <ol style="list-style-type: none"> 1. The project proponent has updated the Section 2.5.4 and 4.2.2 in the revised PD. There is a formal government document named Implementation Plan of the new round of grassland ecological protection subsidy and reward policy (2016-2020) in Zhangye City that was made with the free, prior and informed consent of the herders to inform the subsidy standard of grassland ecological protection subsidy and reward policy after project implementation which is verified in line with the government standard. As per the plan, the herders in the project area can receive corresponding subsidies vary from county to county, ranging from 2.17 RMB/mu to 3.35 RMB/mu which is verified as in line with the plan and confirmed through interview with local officers. Via checking the information in Section 2.3.7 of the PD, VVB confirmed that project proponent has conducted full 	Closed

	<p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must ensure that the project proponent updates Section 2.5.4 of the PD to provide more information around agreements reached with the herders, whose grazing activities have been displaced. The project proponent must also update Section 4.2.2 of the PD to include information about the frequency of the subsidy provision. 2. The VVB must assess any updates to Sections 2.5.4 and 4.2.2 of the PD and update Sections 3.2.42 and 3.4.6 of the ValR as needed. <p>Program rules <i>CCB & VCS Project Description Template, v3.0, Sections 2.5.4 and 4.2.2</i></p> <p><i>CCB & VCS Validation Report Template, v3.0, Sections 3.2.42 and 3.4.6</i></p>	<p>consultation with herders. Finally, these herders agreed to the grassland ecological subsidy policy and were satisfied with the subsidy results as the figures are in line with the government policy. The frequency of the subsidy program is defined as once a year confirmed by checking the subsidy records.</p> <ol style="list-style-type: none"> 2. Sections 3.2.42 and 3.4.6 of the ValR have been updated accordingly with above assessment. <p>Verra Review: The VVB confirms that Section 2.5.4 of the PD has been updated to provide more information about the subsidy program and how the herders have been consulted. Further, the VVB updated Sections 3.2.42 and 3.4.6 of the ValR with an assessment conclusion of this information. This finding is now closed.</p>	
9	<p>No information about community's relationships with natural resources</p> <p>Issue The description of the communities at the project start, Section 4.1.1 of the PD, does not discuss the community's relationship with natural resources, even though the local herders rely on the land for grazing (per Section 2.1.1 of the PD).</p>	<p>Round 1: VVB Response: Section 4.1.1 of the PD has been updated. The project proponent has added the description of community's relationship with natural resources especially the contradiction between the livelihood of local herders and grassland degradation. Via site inspection and interview with the local herders and officers and checking the baseline survey results, VVB confirmed that animal husbandry plays a leading role in household income of herders and the quantity and quality of grassland directly affect the local economic development and living standard of local herders. However, with the overgrazing, degradation, desertification and salinization of the grassland prior to the</p>	Closed

	<p>Action items</p> <ol style="list-style-type: none"> The VVB must ensure that the project proponent updates Section 4.1.1 of the PD to include more information about the community’s relationship to the project area’s natural resources. The VVB must assess these updates as needed. <p>Program rules CCB & VCS Project Description Template, v3.0, Section 4.1.1</p>	<p>project, the area of the whole degraded grassland exceeds 54% of the available grassland area and livestock production would be decreased by lack of natural resources. Hence, VVB confirmed that the information about the community’s relationship to the project area’s natural resources has been supplemented and reasonable.</p> <p>Verra Review: The VVB confirms that Section 4.1.1 of the PD has been updated to include information about the community’s relationship with natural resources. Specifically, about the local herders. This finding is now closed.</p>	
10	<p>Unclear how some community impact variables demonstrate changes in socioeconomic conditions</p> <p>Issue It is unclear how the variables listed in Section 4.4.1 of the PD demonstrates change in socioeconomic conditions listed under the “purpose of monitoring” or would allow the project to demonstrate the predicted impacts in Section 4.2.1 of the PD. Further, the variables are qualitative and subjective. Similarly, the results in Section 4.3.1 of the MR do not demonstrate change in socioeconomic conditions.</p> <p>This applies to the following variables:</p> <ol style="list-style-type: none"> Total numbers of community members whose well-being is expected to improve as a result of project activities 	<p>Round 1:</p> <p>VVB Response:</p> <ol style="list-style-type: none"> Via checking the demonstration in the theory of change in Section 2.1.11 of PD, it is confirmed that community well-being is a long-term project activity impact, which is reflected by numbers of income increase, skill improvement and equal provision of work for women which monitored by community variables listed in Section 4.4.1 of the PD except the Variable (a) and (b). From the long-term impact of the project implementation, residents' well-being can be improved. However, they are not variables that can be directly monitored by communities, but long-term community impacts obtained through theory of change. Therefore, the project proponent deleted variables (a) and (b) in Section 4.4.1 of the PD, and added relevant instructions in Section 4.2.1 of the PD. As described above, the project proponent has deleted variables (a) and (b) in Section 4.4.1 of the PD and Section 4.3.1 of MR, and relevant instructions have been added in Section 4.3.1 of the MR as per above clarification. The project proponent has updated the specific population of Yugur nationality in Section 4.3.1 of the MR. Section 3.4.12 of the ValR and Section 4.5.6 of the VerR have been updated accordingly with removal of Variables (a) and (b). 	Closed

<p>b) Number of women whose well-being is expected to improve as a result of project activities</p> <p>c) Number of Yugur nationality benefiting from project activities</p> <p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must ensure the project proponent updates Section 4.4.1 of the PD to clarify how the variables listed above are clearly connected to the purpose of monitoring and predicted impacts . For example, variable (a) listed above is qualitative and subjective, thus difficult to assess changes in “well-being”. 2. The VVB must ensure the project proponent updates Section 4.3.1 of the MR to clarify how the results of monitoring and change in well-being of variables (a) and (b) is different than other variables that monitor household income, living level and technical skill improvement. 3. The VVB must ensure the project proponent updates variable (c) in Section 4.3.1 of the MR to include the actual number of Yugur community members benefitting from the project activity. Currently, the results of monitoring only discusses the proportion of minorities in the community. 4. The VVB must assess any updates the project proponent implements and 	<p>Verra Review:</p> <p>The VVB confirms that Section 4.4.1 of the PD and Section 4.3.1 of the MR have been updated to remove two long-term project activity impacts that have been listed as monitored community variables. The VVB also confirms that Section 4.3.1 of the MR has been updated to provide more information about the number of stakeholders from the Yugur community involved in the project. Finally, Section 3.4.12 of the ValR and Section 4.5.6 of the VerR have been updated to remove the two variables (a) and (b). This finding is now closed.</p>	
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	<p>update the relevant sections of the VaIR and VerR as needed.</p> <p>Program rule CCB & VCS Project Description Template, v3.0, Section 4.4.1</p> <p>CCB & VCS Monitoring Report Template, v3.0, Section 4.3.1</p>		
11	<p>Lack of clarity on how stakeholders were notified about meetings and selected for PRA surveys for the monitoring period</p> <p>Issue Section 2.3.3 of the MR does not include information about how the stakeholders were notified about meetings and selected for the PRA surveys in a representative manner.</p> <p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must ensure that the project proponent updates Section 2.3.9 of the MR to provide more information about how they: <ol style="list-style-type: none"> a. Informed stakeholders about the meeting (i.e., stakeholder representatives meeting on 29 March 2021) b. Selected the stakeholders for the PRA survey. If any sampling 	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> 1. Section 2.3.3, 2.3.7 and 2.3.9 of revised MR has been checked by VVB. <ol style="list-style-type: none"> a) PP has added the informed ways of stakeholders about the meeting in Section 2.3.3 of revised MR. That is “The meeting notice was publicized on the village collective bulletin board. Local herders, local residents around project area, local Yugur nationality, local women, grassland guardians outside the project area directly impacted by the project were invited through their most convenient way: the routine villager assembly. The representatives of grassland guardians, village collectives, Zhangye Forestry and Grass Bureau, County Forestry and Grass Bureau, Zhangye Finance department were invited to attend the meeting by telephone/Email”. Via site interview with local stakeholders and site inspection of the village collective bulletin board, it is confirmed that the informed ways are reasonable and appropriate for local stakeholders. b) PP has added the specific information about how the PRA surveys were distributed. During this monitoring period, the survey team came from the Zhangye Forestry and Grassland Bureau who went to the villages where the project located and took the household interviews with local residents to collect the basic information of the villagers and characteristics of local communities from 16-September-2021 to 01-October-2021. There are totally 8,668 households from 863 village collectives involved in the project, a randomly sampling method was applied to distribute the survey questionnaires. According to Guideline of Sampling and Surveys for CDM project Activities and Programmes of Activities (Ver 04.0), the total sampling size was calculated as 68 (see 	Closed

	<p>guidelines were used, the project proponent may mention them.</p> <p>2. The VVB must assess any updates to Section 2.3.9 of the MR as needed.</p> <p>Program rules <i>CCB & VCS Monitoring Report Template, v3.0, Section 2.3.9</i></p>	<p>above finding 6 for the sample size calculation process), and the final number has been adjusted into 80 to make sure the household interview could represent the different community group (see the response to findings 6). The questionnaires were distributed to 60 households from surrounding villages, covering different community groups of local herders, local residents around project area, local Yugur nationality, local women, grassland guardians. The other 20 questionnaires were distributed to representatives of village collectives, Zhangye Forestry and Grassland Bureau, County Forestry and Grassland Bureau and local government. The representatives of grassland guardians, village collectives, Zhangye Forestry and Grass Bureau, County Forestry and Grass Bureau, Zhangye Finance department were invited to attend the meeting by telephone/Email and the investigation approach is mainly semi-structured interview. For local herders, local residents around project area, local Yugur nationality, local women, grassland guardians outside the project area directly impacted by the project were invited through their most convenient way: the routine villager assembly and notice posted on collective bulletin board. Hence, based on checking the above sampling method used and comparing against the sampling guideline and standard, VVB confirmed that the sampling method used by PP is in line with the requirements and sampling size is determined as reasonable, and site interviewed stakeholders' number is sufficient comparing with the sample size.</p> <p>2. See above assessment. Also section 4.3.5 of the VerR has been updated with above assessment accordingly.</p> <p>Verra Review: The VVB confirms that Sections 2.3.3, 2.3.7 and 2.3.9 of the MR have been updated to include more information about how stakeholders were informed about the meetings and how stakeholders were sample for PRA surveys. The VVB also updated Section 4.3.5 of the VerR to confirm that the sampling methods are appropriate. This finding is now closed.</p>	
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<p>12</p>	<p>Missing key variables for community benefits</p> <p><u>Issue</u> The following key variables are reported in Section 4.3.1 of the MR but are missing from Section 4.4.1 of the PD:</p> <ul style="list-style-type: none"> a) Number of herdsmen subsidized by the government due to the implementation of the project and the amount of subsidy b) Number of tourists received in the project area each year <p><u>Action items</u></p> <ul style="list-style-type: none"> 1. The VVB must ensure that the project proponent updates Section 4.4.1 of the PD to include the key variables mentioned above. The VVB shall assess this update. <p><u>Program rule</u> N/A</p>	<p>Round 1: VVB Response: PP has added the variable(a) and (b) in Section 4.4.1 of the revised PD. Section 3.4.12 of ValR has also been updated with the missing variables.</p> <p>Verra Review: The VVB confirms that Section 4.4.1 of the PD has been updated to include the missing variables. Section 3.4.12 of the ValR has also been updated. This finding is now closed.</p>	<p>Closed</p>
<p>13</p>	<p>Missing biodiversity changes</p> <p><u>Issue</u> The following biodiversity change is reported in Section 5.2.1 of the PD but missing in Section 5.1.1 of the MR and Section 4.6.1 of the VerR:</p> <ul style="list-style-type: none"> a) Missing grassland coverage of project area <p><u>Action items</u></p>	<p>Round 1: VVB Response:</p> <ul style="list-style-type: none"> 1. PP has added the variable (a) in Section 5.1.1 of the revised MR. 2. VVB has updated Section 4.6.1 of the VerR accordingly. <p>Verra Review: The VVB confirms that Section 5.1.1 of the MR has been updated to include the missing variable. Section 4.6.1 of the VerR has also been updated. This finding is now closed.</p>	<p>Closed</p>

	<ol style="list-style-type: none"> 1. The VVB must ensure the project proponent updates Section 5.2.1 of the MR to include the missing variable, or remove it from Section 5.2.1 of the PD. 2. If the project proponent updates Section 5.1.1 of the MR, the VVB must also update Section 4.6.1 of the VerR. <p><u>Program rule</u> N/A</p>		
14	<p>Insufficient justification of change and monitoring methods for threats to endangered animals</p> <p><u>Issue</u> The biodiversity element “Threats to endangered animals” does not have sufficient justification of change. Further, the monitoring method for indicator “Reduced threats to endangered animals “Reduced grazing days and wildlife theft” does not directly demonstrate reduced threats. .</p> <p><u>Action items</u></p> <ol style="list-style-type: none"> 1. The VVB must ensure the project proponent updates Section 5.2.1 of the PD to provide more justification of change (i.e., evidence that well-establishes reduce threats from restoration of grasslands). 2. The VVB must ensure the project proponent updates Section 5.4.1 of the PD (page 149-150) to provide more information about how the monitoring 	<p>Round 1: VVB Response:</p> <ol style="list-style-type: none"> 1. PP has updated the justification of change for the biodiversity element “Threats to endangered animals” in Section 5.2.1 of the PD and 5.1.1 of the MR. That is the loss of wildlife habitat due to grassland degradation is a major threat to wildlife survival. The project can effectively restore grassland vegetation, alleviate grassland degradation, and restore wildlife habitat, thereby reducing the threat of wildlife by reseeding grass which has been verified by site inspection of the project area and interview with local herders and officers and checking the biodiversity survey record for this monitoring period recorded by monitoring staffs. 2. As clarified above, the project proponent has updated the monitoring index in Section 5.4.1 of the PD and provide more information about how the monitoring method will allow the project proponent to demonstrate the “Reduced threats to endangered animals”. The grassland guardians need to patrol the management and protection area regularly, once every 15 days, supervise the area of vegetation restoration and report the protect situation to the county Forestry and Grassland Bureau which is verified by VVB as the reasonable monitoring method. 3. As clarified above, the project proponent has updated the Section 5.3.1 of the MR. 	Closed

	<p>method will allow the project proponent to demonstrate that there are clear “Reduced threats to endangered animals”. Currently, the monitoring method only patrols the area.</p> <p>3. The VVB must ensure the project proponent updates information provided for indicator “Reduced threats to endangered animals” Section 5.3.1 of the MR (page 123) if there are any changes needed based on the outcomes of actions items 1 and 2.</p> <p>4. The VVB must assess all updates to the PD and MR and update the ValR and VerR as needed.</p> <p><u>Program rule</u> <i>CCB & VCS Monitoring Report Template, v3.0, Section 5.3.1</i></p> <p>Background All impacts must be supported by one or more monitoring variables. All impacts must also have clear justification of change.</p>	<p>4. Section 3.5.15 of the ValR and Section 4.6.1 and 4.6.11 of the VerR have been updated with above assessment accordingly.</p> <p>Verra Review: The VVB confirms that Section 5.2.1 of the PD and Section 5.1.1 of the MR have been updated to include more information and justification of change for the “Reduced threats to endangered animals” parameter. Section 3.5.15 of the ValR and Section 4.6.1 of the VerR have also been updated to reflect this information and justification. This finding is now closed.</p>	
15	<p>Missing monitoring results for biodiversity monitoring indicator</p> <p><u>Issue</u> The monitoring results for “Number of fires occurred” is missing.</p>	<p>Round 1: VVB Response: 1. PP has added the monitoring results for “Number of fires occurred” in Section 5.3.1 of the revised MR, via checking the statistical results of the Forestry and Grassland Bureau, there was no fire in the project area during this monitoring period which is also confirmed by site interview with local officers.</p>	Closed

	<p>Action items</p> <ol style="list-style-type: none"> 1. The VVB must ensure the project proponent updates Section 5.3.1 of the MR (page 124) to include the monitoring results for monitoring indicator “Number of fires occurred”. The VVB shall assess the updates. <p>Program rule N/A</p>	<p>Verra Review: The VVB confirms that Section 5.3.1 of the MR has been updated to include the monitoring results for “Number of fires occurred”. This finding is now closed.</p>	
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