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## Verification Assessment Report for:

Cordillera Azul National Park REDD Project;  
Centro de Conservación, Investigación y Manejo de  
Áreas Naturales (CIMA)

In

Peru

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# 1 Introduction

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## 1.1 Objective

The purpose of this report is to document the conformance of Cordillera Azul National Park REDD Project with the requirements of the Climate, Community, and Biodiversity Standard. The project was developed by Centro de Conservación, Investigación y Manejo de Areas Naturales - Cordillera Azul (CIMA-Cordillera Azul), hereafter referred to as "Project Proponent". The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent's systems and performance against the applicable standard(s).

## 1.2 Scope and Criteria

**Scope:** The scope of the audit is to assess the conformance and verify the implementation of the CIMA-Cordillera Azul National Park REDD project in Peru against the Climate, Community, and Biodiversity Standard during the period from 2008-2012. The objectives of this audit included an assessment of the project's conformance with the standard criteria. In addition, the audit conducted a re-assessment of the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 1,351,963.85 ha. The land is owned by the Government of Peru. The project has a lifetime of 20 years, and estimates it will remove and/or reduce 15,752,683 tCO<sub>2</sub>e over 10 years. During the period from 2008-2012 the project estimates it has reduced 5,772,071 tCO<sub>2</sub>e as evidenced by the verified quantities described in the corresponding monitoring report from 2008-2012 under the Verified Carbon Standard. As a result the scope of this audit focused the majority of its efforts on verifying claims related Community and Biodiversity criteria.

**Standard criteria:** Criteria from the following documents were used to assess this project:

- Climate, Community and Biodiversity Standard 2<sup>nd</sup> Edition;
- Rules for the use of the Climate, Community and Biodiversity Standards June 21, 2010; and
- All applicable methodologies used by the project.

**Materiality:** All GHG sinks, sources and/or reservoirs (SSRs) and GHG emissions equal to or greater than 5% of the total GHG assertion.

## 1.3 Level of assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

## 1.4 Project Description

The Cordillera Azul National Park REDD Project (PNCAZ) protects a large area of intact tropical montane forest in Peru. The PNCAZ is located in the eastern foothills of the Andes and covers parts of seven provinces in four departments of Peru: San Martin, Ucayali, Huanuco and Loreto. The project area covers 1,351,963.85 hectares within the limits of PNCAZ, which is owned by the Peruvian government, and is designated as a National Park. The buffer zone of PNCAZ was officially recognized by the Government of Peru in the Supreme Decree that established the PNCAZ. In 2007 and 2011, the buffer zone was expanded through official resolutions, extending its area to 2,303, 414.75 ha.

The mountain ranges in the PNCAZ are raised blocks, separated by Jurassic and Cretaceous strata that are predominant in the northeastern Andes of Peru, south of the Marañón River. Most of the tilted blocks are oriented north-south, but some have a slight east to west orientation. A distinctive geological feature, the Vivian Formation, consists of rows of flat and inclined triangles of rock up to 7 km wide at the base and 4 km along the ridge. They are well developed and are almost perfectly symmetrical in two areas of PNCAZ.

Within this landscape the protected area includes intact forests ranging from the lowlands (300 m) to mountain peaks (2,400 m) and protects the east side of the Andes, a region that has been isolated for a long time, and so massive speciation has occurred. The scientists behind the rapid biological inventory conducted by The Field Museum in 2000 estimated a total 4,000 to 6,000 plant species in the PNCAZ, with at least 12 species new to science (Alverson et al, 2001). During 3 weeks in the field, scientists observed 71 large mammal species, including bush dogs, spectacled bears, 10 species of primates, and huangana (peccary) herds. Bird diversity is extremely high, with more than 590 species already registered in the PNCAZ and current species richness probably exceeds 800 species. During the inventory, 58 amphibian species and 26 reptile species were recorded. However, these figures are low because the inventory was done during the dry season, when few bird species sing or are active. To date, inventories have confirmed 150 fish species, with a total expected richness greater than 250 species.

When the PNCAZ was established in 2002, CIMA signed an agreement with the State to support park management. The agreement was renewed every one to two years, until the total Administration Contract was signed in 2008, for a period of 20 years. The contract includes a legal authorization which allows CIMA to use the proceeds from the sale of carbon credits over a period of 20 years, coming from avoided deforestation of the PNCAZ.

The main objective of the project is to prevent deforestation in the PNCAZ, focusing on three primary goals: To strengthen the protection strategy of the PNCAZ; to apply a participatory approach in order to get local communities and other stakeholders involved in the management and to achieve financial sustainability of the park, and; to build local capacity for sustainable land use and to improve the quality of life of communities inside the buffer zone. All project activities support these goals. The project expects to reduce emissions by a total of 15,752,683 tCO<sub>2</sub>e over 10 years.

## 2 Audit Overview

<b>Based on Project's conformance with audit criteria, the auditor makes the following recommendation:</b>		
<b>Final Report Conclusions</b>		
<input checked="" type="checkbox"/>	Verification approved: <i>NCR(s) closed</i>	
<input type="checkbox"/>	Verification not approved: <i>Conformance with NCR(s) required</i>	
<b>Draft Final Report Conclusions</b>		
<input checked="" type="checkbox"/>	Verification approved: <i>NCR(s) closed</i>	The Project Proponent has 7 days from the date of this report to submit any comments related to the factual accuracy of the report or the correctness of decisions reached. The auditors will not review any new material submitted at this time.
<input type="checkbox"/>	Verification not approved: <i>Conformance with NCR(s) required</i>	
<b>Draft Report Conclusions</b>		
<input type="checkbox"/>	Verification approved: <i>No NCRs issued</i>	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open non-conformances (NCRs). If new material is submitted the auditor will review the material and add updated findings to this report and close NCRs appropriately. If no new material is received before the 30 day deadline, or the new material was insufficient to close all open NCRs the report will be finalised with the NCRs open, and validation and/or verification will not be achieved. If all NCRs are successfully addressed, the report will be finalised and proceed towards issuance of an assessment statement.
<input checked="" type="checkbox"/>	Verification not approved: <i>Conformance with NCR(s) required</i>	

### 2.1 Audit Conclusions

#### General Section

#### Conformance:

G1. Original Conditions in the Project Area	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G2. Baseline Projections	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G3. Project Design & Goals	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G4. Management Capacity and Best Practices	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G5. Legal Status and Property Rights	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

#### Climate Section

#### Conformance:

CL1. Net Positive Climate Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CL2. Offsite Climate Impacts ("Leakage")	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CL3. Climate Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

#### Community Section

#### Conformance:

CM1. Net Positive Community Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM2. Offsite Stakeholder Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM3. Community Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

#### Biodiversity Section

#### Conformance:

B1. Net Positive Biodiversity Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
B2. Offsite Biodiversity Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
B3. Biodiversity Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

#### Gold Level Section

#### Conformance:

GL1. Climate Change Adaptation Benefits	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	Optional
GL2. Exceptional Community Benefits	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>	Optional
GL3. Exceptional Biodiversity Benefits	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	Optional

#### CCBA Validation Level Attained:

Approved	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Gold	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

## 2.2 Nonconformance evaluation

*Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Each NCR is brief and refers to a more detailed finding in the appendices.*

*NCRs identified in the Draft Report must be closed through submission of additional evidence by the Project Proponents before Rainforest Alliance can submit an unqualified statement of conformance to the GHG program. Findings from additional evidence reviewed after the issuance of the draft report are presented in the NCR tables below.*

<b>NCR#:</b>	<b>01/14</b>
<b>Standard &amp; Requirement:</b>	Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Original Conditions at Project Site G1.7. Biodiversity Information.
<b>Report Section:</b>	Appendix A, General Section G1. Original Conditions at Project Site.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The project zone includes the project area and the buffer zone. All of the project area lies within the boundary of the Cordillera Azul National Park (PNCAZ). The PNCAZ covers 1,353,963 hectares and the buffer zone 2.3 million ha. A description of ecosystems, species diversity, endemism and unique species in the park is located in the Project Design Document (PD) Section 1.10.5 (pp. 47-52). This description is largely based on the results of a Rapid Biological Inventory carried out in 2000 (Alverson et al. 2001) though participating scientists were unable to make voucher collections to verify species identification due to lack of collecting permits. Description of the project area follows the suggested use of tools and methodologies suggested in the CCB Standard Appendix A and the Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects, Part 3 - Biodiversity impact assessment toolbox. Furthermore, Appendix 2 of the PD provides a table of the endemic, endangered and threatened species within the project area as classified by the International Union for Conservation of Nature (IUCN) Red List and official Peruvian government lists.</p> <p>Project documents do not, however, include a description of current biodiversity (species and ecosystems or habitats) in the buffer zone, which is illustrated in Map 1 of the CCB implementation report, (a large part of the project zone as defined by the proponent) hence there is no baseline to monitor. <b>(NCR 01/14).</b></p>	
<b>Corrective Action Request:</b>	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification
<b>Evidence Provided by Organization:</b>	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report (PIMR) v2.0
<b>Findings for Evaluation of Evidence:</b>	<p>The proponent has provided an amended description of habitats and biodiversity of the project zone that now includes the buffer zone as well as the project area; this information was added to the PIMR in Sections 1.2.3, 1.2.4 and 1.2.5 and supported by the addition of Maps 3a. <i>Structural habitats in the project zone</i> and 3b. <i>Locations where biological assessments have been conducted</i>. The maps and their descriptions provide clarification that the buffer zone includes some habitats that are not found in the project area and that assessments of flora and fauna have been carried out at numerous sites and at different sampling intensities outside of the project area and within the buffer zone.</p> <p>The amended Section 1.2.4 Biodiversity now contains descriptions of biodiversity in the project zone that includes the specific mention of some studies in the buffer zone that were not included in the previous PIMR. In some cases, however, the additional information is overtly general and no source of information is provided. For example in the section on mammals, the text states that “Where the buffer zone forests are intact, similar mammals are observed” without providing information as to who made those observations or where or when they were made <b>(OBS 09/14)</b>. Furthermore, it was noted that some biodiversity information (moved from a different part of the report) does not reflect updated taxonomic treatment (e.g. since 2003, the previously recognized plant family Bombacaceae – found to be polyphyletic through molecular evidence – is placed within Malvaceae) as well as spelling errors of plant genera (e.g. <i>Dipteryx</i>, <i>Erythrina</i>) and treaties</p>



	<p>(CITES). As CIMA is a conservation and research center, subsequent versions of this report should reflect current taxonomy (especially at higher levels) and spelling corrections (<b>OBS 10/14</b>).</p> <p>The proponent's revisions to the PIMR are acceptable as they fulfill the requirement to describe basic biological conditions of the project zone and now incorporate a description of biodiversity in the buffer zone, therefore this NCR is considered <b>CLOSED</b>.</p>
<b>NCR Status:</b>	CLOSED
Comments (optional):	Closure of NCR 01/14 led to the creation of OBS 09/14 and OBS 10/14.

<b>NCR#:</b>	<b>02/14</b>
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.1
Report Section:	Appendix A. General Section. G3. Project Design & Goals.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The implementation of planned activities towards the project's major climate, community and biodiversity objectives, as described in the PIMR were reviewed by the audit team with the following results:</p> <p>Implementation of planned initial project activities (2008-2009) (PIMR Table 2.1):</p> <ul style="list-style-type: none"> <li>The audit team found that the stated objective "to maintain and strategically expand relationships with local, regional and national government agencies" was lacking at the regional level (<b>NCR 02/14</b>). This was ascertained through interviews with some relevant regional government environmental authorities, who did not feel that they had been adequately informed about the PNCAZ REDD project activities and their implementation, and that official communication with regional authorities had been insufficient. (Note: as project activities are carried out over a large area, numerous regional authorities need to be kept informed about the status of the project).</li> </ul>	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification
Evidence Provided by Organization:	<p>The proponent provided copies of the following letters to regional environmental authorities, signed by Cinthia Mongylardi, Program Director for CIMA-Cordillera Azul and Frank Oyola, Director of PNCAZ:</p> <ol style="list-style-type: none"> <li>1. CARG DEFFS-GR UCAYALI0001</li> <li>2. cargo Aldo Lozano -PRMFFS-Contamana0001</li> <li>3. CARGO CARTA PRODATU II0001</li> <li>4. Cargo Cesar Torres _GRU</li> <li>5. Cargo David Moreno- Gob. Reg. Ucayali0001</li> <li>6. Cargo Franz Tang- Gob. Reg. Ucayali0001</li> <li>7. Cargo Nelino Florida-GRU</li> <li>8. Cargo Nelson Seijas-Gob.Reg. Ucayali0001</li> <li>9. Cargo Wilfredo Panduro-Gob.Reg. Loreto0001</li> <li>10. Cartas a GORESAM y MINAM</li> </ol> <p>Copies of courier receipts for document delivery:</p> <ol style="list-style-type: none"> <li>1. Estado entrega Aldo Lozano-GRL-Contamana0001</li> <li>2. Estado entrega ARA-GRSM0001</li> <li>3. Estado entrega DEARCN-GRSM0001</li> <li>4. Estado entrega Karla Mendoza0001</li> <li>5. Estado entrega Wilfredo Panduro Iquitos0001</li> </ol> <p>A schedule of upcoming meetings (January 2014) with regional authorities and example confirmations were also provided:</p>

	CUADRO CARTAS REDD Propuesta Reunión
Findings for Evaluation of Evidence:	<p>The proponent prepared letters that include links to key project documents. These were sent by courier to the Regional Government Authorities (listed in the PIMR, Table 2.2a, p. 59) beginning the week of December 2, 2013. In these letters, the proponent requested to schedule a meeting to present project information to authorities in person and answer any questions. During these meetings, the proponent has said that it will determine the preferred frequency and type of communication with the regional so that communication can be strengthened.</p> <p>As these individuals and organizations have now been included in the PIMR (Table 2.2a, p. 59), they will automatically receive any general updates or documents issued by the project and the proponent has committed to contacting them formally at least once a year. Several of the authorities will receive more frequent updates as part of regional REDD groups and if any authority requests more frequent updates, the proponent will comply with to these requests.</p> <p>The audit team conducted telephone interviews with some regional authorities and they have confirmed that they have received the letter and have revised the information generated through the website of CIMA Cordillera Azul. In addition, the authorities have expectations for the meeting that has been scheduled with project staff; they have also expressed to the audit team that the approach and the proposals for communication referred by the project proponent are satisfactory. There is interest to learn more details about activities and have greater dissemination of results among the technicians of the regional government.</p> <p>In the PIMR (Section 2.7.1), the proponent has also listed the Ministry of the Environment, SERNANP, Regional Environmental Authority in San Martin. CIMA coordinates the San Martin REDD Bureau and CIMA has continued to support the national policy discussions and regional development of baselines, specifically that of San Martín.</p> <p>The audit team has determined that direct communications with the regional authorities, sending links to share publications, and the joint meetings have served to strengthen relationships with local, regional and national governments agencies. This approach is acceptable as it will ensure direct, project-specific contact with a multitude of regional authorities at least once a year and hence, this NCR is considered <b>CLOSED</b>.</p>
<b>NCR Status:</b>	CLOSED
Comments (optional):	N/A

<b>NCR#:</b>	<b>03/14</b>
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.1
Report Section:	Appendix A. General Section. G3. Project Design & Goals.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The implementation of planned activities towards the project's major climate, community and biodiversity objectives, as described in the PIMR (Section 2.2.3, p. 40) were reviewed by the audit team with the following results:</p> <p>The PIMR provides a list of project activities for 2008-2009 (Table 2.1, p. 38) and the Plan Maestro outlines goals for activity implementation for the period 2011-2016 (Section 2, p. 27), but the proponent does not provide information about goals, project activities and their implementation for 2010 (<b>NCR 03/14</b>).</p>	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification



Evidence Provided by Organization:	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report v2.0
Findings for Evaluation of Evidence:	The proponent amended the PIMR to make it clear that most of the project goals, sub-goals and activities that were presented in the Plan Maestro (2011) had begun implementation well prior to the publication of that official document, specifically that they began during the period of 2008-2011. This text (PIMR, pp. 40 & 42) clarifies the project goals and activities underway during 2010. This NCR is therefore considered <b>CLOSED</b> .
<b>NCR Status:</b>	CLOSED
Comments (optional):	N/A

<b>NCR#:</b>	<b>04/14</b>
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards General Section. Project Design & Goals. G3.1
Report Section:	Appendix A. General Section. G3. Project Design & Goals.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The 2011-2016 Plan Maestro outlined three specific goals and respective sub-goals for project activity implementation (PIMR pp. 28-31) with explanation as to why some activities for three sub-goals had not been reached. The corresponding activities for the goals/sub-goals were reviewed by the audit team to determine successful implementation with the following findings:</p> <p>Goal 1, Subgoal 1, Activities 1, 2 &amp; 4: implementation verified;</p> <p>Goal 1, Subgoal 1, Activity 3: Over the course of the field audit, no evidence was found to verify recovery of degraded areas nor is there information in the PIMR as to the location or environmental condition of those degraded areas (<b>NCR 04/14</b>).</p>	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification
Evidence Provided by Organization:	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report v2.0
Findings for Evaluation of Evidence:	<p>The proponent amended language in the PIMR to clarify that this activity refers to degraded areas inside the park (the project area) that were created by illegal loggers, farmers and ranchers prior to the project's start. The proponent included information in the PIMR regarding the multiple methods used to monitor and verify the recovery of those degraded areas (pp. 42-43): an annual review of aerial imagery to track regrowth of forest cover, inspection by park guards and field-monitoring to determine if additional patrols are needed. The proponent also amended the PIMR to include a chronosequence of recovery as seen in aerial imagery (Figure 3b: Example of monitoring degraded area recovery - Las Palmas Sector (2003, 2007, and 2013).</p> <p>As a result of these amendments that sufficiently clarify the location and monitoring of degraded areas, this NCR is considered <b>CLOSED</b>.</p>
<b>NCR Status:</b>	CLOSED
Comments (optional):	N/A

<b>NCR#:</b>	<b>05/14</b>
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.1
Report Section:	Appendix A. General Section. G3. Project Design & Goals.
<b>Description of Non-conformance and Related Evidence:</b>	
<p>Goal 2, Subgoal 2, Activity 2: Park guards were not equipped with essential field gear to identify wildlife and record observations or infractions such as binoculars and cameras that are necessary to effectively manage PNCAZ. This deficiency was acknowledged by the proponent as well as the Park Director and was attributed to lack of funds (<b>NCR 05/14</b>).</p>	

Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification
Evidence Provided by Organization:	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report v2.0; Equipos Ptos de Control del PNCAZ en revision; Responses to Findings 12-19-13.
Findings for Evaluation of Evidence:	<p>The proponent amended text of the PIMR (Goal 2.2, p. 45) to acknowledge that funding from carbon credits has taken longer than originally expected and that field equipment expenses to date have focused on safety (first aid, GPS units), communication (radios), and setting up park boundaries (control posts and signs).</p> <p>The proponent indicates in <i>Responses to Findings</i> (p.3) that &gt;75% of the binoculars and 40% of the original cameras are still in use by park guards. As well, the proponent cites evidence that suggests that the lack of either of these tools does not detract from the performance of the park guards.</p> <p>The project is currently in negotiations for sales of credits with potential buyers. Due to the confidential nature of the negotiations, this information is not included in the PIMR although the amended text states (Goal 2.2, p. 46) that as more funding is secured, additional equipment will be provided to park guards. The proponent anticipates that additional REDD funding will be available to the project in 2014. Appendix 1 and 2 in <i>Equipos Ptos de Control del PNCAZ en revision</i> presented by the proponent indicates the intention to purchase six new binoculars and nine new cameras for park guards in 2014. Presently, CIMA staff and the Park Director are identifying additional equipment that would be helpful for park guards and effective for expansion of buffer zone activities. This renewed effort by the proponent to identify and prioritize equipment for monitoring activities by park guards and communities as well as to determine which institution (CIMA or SERNANP) will take responsibility for equipment is sufficient to consider this NCR as <b>CLOSED</b>.</p>
<b>NCR Status:</b>	CLOSED
Comments (optional):	N/A

<b>NCR#:</b>	<b>06/14</b>
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.1
Report Section:	Appendix A. General Section. G3. Project Design & Goals.
<b>Description of Non-conformance and Related Evidence:</b>	
Goal 3, Subgoal 2, Activities 1 & 2: These economic activities for local people were just beginning in some of the communities visited in Sept 2013; implementation was far from complete ( <b>NCR 06/14</b> ).	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
<b>Timeline for Conformance:</b>	Prior to Verification
Evidence Provided by Organization:	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report v2.0; Avances de los procesos sociales en las comunidades de la Zona de Amortiguamiento del PNCAZ (Agosto 2012) (Appendix 2 of the PIMR).

Findings for Evaluation of Evidence:	<p>The proponent provided a spreadsheet (Appendix 2 of the PIMR) detailing the true status (updated from the expected status) of the project's social processes with communities in the buffer zone of the Park, as of August 2012. As well, the proponent amended text and included a summary table of activities conducted during the monitoring period to the PIMR to provide adequate detail regarding the status of implementation of activities with more realistic expectations and updated timeframes for completion. The PIMR now contains explicit language about implementation of project activities recognizing that...“The intervention process, similar to any social process, is slow and long term (p. 46).” and that.. “project activities have evolved over time based on the effectiveness of the intervention and the commitment of the communities to building a sustainable community.”</p> <p>The text of the amended discussion also acknowledges lessons learned regarding (a) the amount of financial resources required to implement community activities:  <i>CIMA's strategy has been successfully replicated in new communities but is currently limited by funds and the size of the team available to work with such a large number of communities over such a large geographical expanse (p.47);</i>  and (b) the timeframe needed for successful community work in the buffer zone:  <i>Another limiting factor is the amount of time it takes to develop the trusting relationship and community self-reflection on which this model is based (p. 47).</i>  In updated text, the proponent concludes that:  <i>Initial project schedules significantly underestimated the length of time and resources needed for each step.</i>  In summary, as a result of the verification audit findings, the proponent has realized the need for regular self-evaluations to determine if projected activities have achieved goals under stated timeframes and if they have not, determine the reasons for this and make necessary changes. This lesson learned is now provided in writing in the amended PIMR (p. 51) (to be adhered to in the future by the proponent) and for this reason this NCR is considered <b>CLOSED</b>.</p>
NCR Status:	CLOSED
Comments (optional):	N/A

NCR#:	07/14
Standard & Requirement:	Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B3.Biodiversity Impact Monitoring. Indicator B3.1
Report Section:	Appendix A. Biodiversity Section. B3. Biodiversity Impact Monitoring
<b>Description of Non-conformance and Related Evidence:</b>	
<p>The proponent has developed an initial plan for selecting biodiversity variables or indicators for monitoring and has established the frequency of monitoring and reporting for each type of indicator. Tables 5.6 and 5.7 (PIMR pp.82-84) list the variables and indicators selected for biological monitoring, the method of data collection, data source, reporting frequency, rank (to quantify indicator) and the description of each rank to minimize ambiguity. Indicator species for biodiversity monitoring were selected for their practicality (ease of identification by park guards) and their status as a target of harmful human impact, namely hunting. This monitoring protocol that depends on park guards' observations and records is a good fit for this project, especially as it is incorporated in regular park patrols and interacts in a positive way with the social component of the project (as per suggested in the SBIA Biodiversity impact assessment toolbox). The audit team found that the selection of biodiversity indicators was limited in scope and detected the following deficiencies in the monitoring protocol as it is presently carried out:</p> <ul style="list-style-type: none"> <li>Indicator species that were selected represent only a small sample of species threatened by human activities and therefore may not thoroughly convey information about anticipated impacts of all human activities in the project zone. For example, though fishing is an important human activity in the buffer zone, no fish species were selected as indicators for monitoring purposes nor were any commercially-valuable tree species selected. Some residents of buffer zone communities clearly expressed to the audit team that some previously abundant native fish species preferred for food had been overfished from some rivers and streams (and/or fish populations negatively affected by other factors as well) to the point that it was much harder to find or only found in smaller sizes than had previously been captured by local residents.</li> </ul>	

<ul style="list-style-type: none"> <li>Data collected by park guards were not collected in a systematic fashion so any observed differences would be difficult to compare over space and time. For example, observations of indicator species made while park guards were on patrol were opportunistic rather than correlated with specific areas, habitat types or frequency/intensity of effort (e.g. the amount of time spent on the patrol routes). These sporadic observations – usually consisting of the presence of the species and sometimes the number of individuals - would not necessarily relate to the conservation target of confirming healthy populations of a specific game species, and it is unclear how these opportunistic presence/absence or count data would be used by the proponent to inform management decisions (<b>NCR 07/14</b>).</li> </ul>	
Corrective Action Request:	<p>Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.</p>
Timeline for Conformance:	Prior to Verification
Evidence Provided by Organization:	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report v2.0
Findings for Evaluation of Evidence:	<p>The proponent attended to the verification audit findings in three parts:</p> <ol style="list-style-type: none"> <li>As a result of the audit findings, the proponent realized that the PIMR had incorrectly stated that biodiversity monitoring was only being carried out in the project area when, in reality, many park guard patrol routes that were used to collect data in the first monitoring period were actually in the buffer zone (confirmed by review of recorded locations for observations). More location data were recorded in 2012 than in 2008, but for both years observations were made in both the buffer zone and in the park although analyses in the original PIMR (Section 8) did not distinguish between those areas.</li> </ol> <p>To correct the mischaracterization of the monitoring locations and to clarify that results demonstrate net positive impacts over the 'without project' scenario in the project zone, the proponent amended language in both the monitoring plan (Section 5.5 of the PIMR) and the results section of the PIMR (Summary of Park Protection Activities, p. 47). As well, additional information obtained through community work and ongoing scientific research was included in the amended PIMR.</p> <ol style="list-style-type: none"> <li>The proponent amended the PIMR (Section 5.5) to describe the use of proxy indicators for biodiversity and how the project uses scientific research, community, technician, and park guard reports to identify local biodiversity trends and supplement the formal biodiversity monitoring program.</li> <li>The proponent added language to the PIMR (Section 5.5) regarding improvements for future monitoring such that subsequent data collection will be made on a more systemic basis to yield results that are comparable over time and space.</li> </ol> <p>In summary, the proponent has eliminated major inconsistencies with respect to the representation of biodiversity monitoring in the PD and PIMR v2.0. Stated improvements to the monitoring methodology have yet to be implemented and verified but since the principle ideas of the findings have been captured and accepted, this NCR is <b>CLOSED</b> but has been downgraded to an OBS. See <b>OBS 11/14</b></p>
NCR Status:	CLOSED
Comments (optional):	Closure of NCR 07/14 led creation of OBS 11/14

## 2.3 Observations

*Note:* Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed. Unlike NCRs, observations are not formally closed. Findings from the field audit related to observations are discussed in Appendix A below.

<b>OBS 01/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. CCB General Section. Original Conditions at Project Site G1.7. Biodiversity Information
<p>Description of findings leading to observation:</p> <p>Threats to the integrity of the park also affect biodiversity and the PD (p.21) lists threats as new roads, logging, mining, and oil concessions. Based on field observations, the audit team suggests that human colonization and recent and on-going human immigration to the western buffer zone is the greatest threat to the park. During the audit, the proponent verbally recognized the threat posed by continued immigration to the buffer area but immigration is not listed as a threat in the PD.</p>	
<p>Observation:</p> <p>The proponent should update the list of threats to the project area based on available evidence from the buffer zone to ensure a complete enumeration of the major threats to the park.</p>	
<b>OBS 02/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.1
<p>Description of findings leading to observation:</p> <p>The audit focused on buffer zone activities that had been implemented on the western side of the project area. The auditors verified activities through a review of ZEE reports, MUF data from 2008, education modules and two formal environmental education guides (a) <i>Classrooms in Action</i> and (b) <i>Protecting our Watershed</i>), formal agreements with UGELs and other institutions, and community outreach. Reports or other information about some community activities (e.g. the RARE program) was not made available to the audit team</p>	
<p>Observation:</p> <p>The proponent should provide information about the RARE program to verify all implemented activities.</p>	
<b>OBS 03/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.2
<p>Description of findings leading to observation:</p> <p>The audit team found that project activities and their implementation are or will be relevant to achieving climate, community and biodiversity impacts consistent with the project's objectives. For example, methodological tools (e.g. MUS) and disseminated products (e.g. maps of community land use planning &amp; zoning) were consistent with increasing community self-determination, reducing negative environmental impacts of farming activities and improving understanding of the parks climate, community and biodiversity benefits. As well, the community meetings and personal interviews with local residents, local authorities and park guards that were carried out during the audit process, indicated a fairly good understanding of the park's environmental services (particularly water provision and refuge for animals) and a largely positive relationship between local people and the park. In communities, the relationship between avoided deforestation and degradation and climate change (i.e., the REDD project) was generally not understood even though there might be REDD project posters hanging in a visible place.</p>	
<p>Observation:</p> <p>The proponent should communicate information about climate change to buffer zone communities on a continual basis.</p>	
<b>OBS 04/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Project Design & Goals. G3.4
<p>Description of findings leading to observation:</p> <p>The Greenhouse Gas (GHG) accounting period is 20 years from August 8, 2008-August 7, 2028, a time period that corresponds to the length of the current management contract between CIMA and Peru's National Protected Areas Service (SERNANP). The project's implementation schedule with key dates and major project milestones (2008-2018) is presented as a table on pp. 24-25 of the PD. The audit team verified that most milestones were reached within the 2008-2012 timeframe but noted that some milestones/events were not reached in 2012 as planned, but in 2013.</p>	
<p>Observation:</p> <p>The proponent should update the PIMR according to implementation activities.</p>	

<b>OBS 05/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B1.Net Positive Biodiversity Impact. Indicator B1.1
Description of findings leading to observation: Methods for evaluating and monitoring changes in biodiversity in the biogeographically large and diverse area of the project's buffer zone have been discussed by proponents (ICC, Section II.2) but have not yet been implemented.	
Observation: The project proponent should implement biodiversity evaluation and subsequent monitoring in the buffer zone.	
<b>OBS 06/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B1.Net Positive Biodiversity Impact. Indicator B1.4
Description of findings leading to observation: Both the PD and the PIMR state that "no invasive or exotic species were used in project activities." While it is certain that non-native crop species were not selected for use by the project proponent, these species are presently providing food security and income for local families and are thereby essential to improve the standard of living of buffer zone communities which is a principal objective of the project. A textual modification is necessary to recognize of the use of these common cultivated species in the project zone towards the project's social goals.	
Observation: The project proponent should modify text to reflect the reality of community use of cultivated exotic species in the project zone.	
<b>OBS 07/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B1.Net Positive Biodiversity Impact. Indicator B1.4
Description of findings leading to observation: The most likely adverse effects that the cultivation of agricultural and tree crops (both coffee and native cocoa) may have on the environment are (a) conversion of natural forest through slash and burn to create new production areas and (b) poor management techniques that result in plant disease that propagates, loss of soil quality, soil erosion and increased siltation in local streams that could have a negative impact on aquatic diversity. The following negative environmental impacts of crop cultivation were observed in buffer zone communities: <ul style="list-style-type: none"> <li>Land conversion for crop production – though not promoted by the project - was observed in numerous buffer zone communities. Slash and burn techniques were employed to remove virtually all native forest vegetation, including understory and leaf litter. There was also evidence of uncontrolled burns that spread unintentionally to forested areas.</li> <li>Poor management of coffee plantations that likely played a role in the propagation of a widespread fungal outbreak in 2012 that devastated production throughout the region (much of San Martín Dept.). The project proponent recognizes that coffee growers in the buffer zone would benefit from technical assistance to improve management practices that would decrease disease and increase production. The proponent has not, however, developed a general proactive mitigation plan for handling diseased crops that could have economic and environmental consequences in the buffer zone; facilitating or providing technical assistance for improved management practices could be one component of such a plan.</li> </ul>	
Observation: The proponent should work with communities to develop proposals to improve land clearing and crop/agroforestry management practices.	



<b>OBS 08/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B3.Biodiversity Impact Monitoring. Indicator B3.3
Description of findings leading to observation: The project proponent states that it is using the Index of Conservation Compatibility (ICC), a planning and monitoring tool developed by CIMA and The Field Museum that incorporates social, biological, institutional and operational aspects to determine conservation successes and limitations (PIMR p.81). The ICC is complemented with annual landscape-scale monitoring of forest cover in the project area using satellite images, with deforestation in the project area being an indicator of negative impact to biodiversity. At the level of biological communities the monitoring plan states (PIMR p.82) that “the focus is on animals that indicate habitat health and are easy to sight and identify, specifically, sensitive ( <i>to what?</i> ) game animals (e.g. tapir, deer, curassow, monkeys and large carnivores).” The auditors question if the proponent and/or the park make decisions as to what species are allowed to be hunted in the park and how many individuals of each species are allowed? The auditors also question if – as is written in the text p. 82 - large carnivores are game animals in the local context, and if so, which ones?	
Observation: The proponent should revise text to make clear how decisions are made about game species permitted for hunting in the park and allowed quantity. The proponent should also revise text to indicate if large carnivores are considered game animals in the local context and if so which ones as most large carnivores in the park are threatened or endangered species.	

<b>OBS 09/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Original Conditions at Project Site G1.7. Biodiversity Information.
Description of findings leading to observation: The amended PIMR v2.0 (Section 1.2.4 Biodiversity) now contains descriptions of biodiversity in the project zone that includes the specific mention of some studies in the buffer zone that were not included in the previous PIMR. In some cases, however, the additional information is overtly general and no source of information is provided. For example in the section on mammals, the text states that “Where the buffer zone forests are intact, similar mammals are observed” without providing information as to who made those observations or where or when they were made.	
Observation: The proponent should revise text to include citation of the source and date of the observations.	

<b>OBS 10/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. General Section. Original Conditions at Project Site G1.7. Biodiversity Information.
Description of findings leading to observation: It was noted that some biodiversity information (Section 1.10.5, moved from a different part of the report) does not reflect updated taxonomic treatment (e.g. since 2003, the previously-recognized plant family Bombacaceae – found to be polyphyletic through molecular evidence – is placed within Malvaceae) as well as spelling errors of plant genera (e.g. <i>Dipteryx</i> , <i>Erythrina</i> ) and treaties (CITES) (p. 59 of PD). As CIMA is a conservation and research center, subsequent versions of this report should reflect current taxonomy (especially at higher levels) and spelling corrections.	
Observation: The proponent should be familiar with current taxonomic revisions of all biota wherever possible and especially with respect to commonly-used upper level taxonomic treatments. More care should be taken to use correctly spelled scientific names of species to avoid confusion and demonstrate institutional knowledge.	

<b>OBS 11/14</b>	Reference Standard & Requirement: Climate, Community, and Biodiversity Alliance (CCBA) Standards. Biodiversity Section B3.Biodiversity Impact Monitoring. Indicator B3.1
Description of findings leading to observation: The proponent eliminated major inconsistencies with respect to the representation of biodiversity monitoring in the PD and PIMR v2.0. Nonetheless, stated improvements to the monitoring methodology have yet to be implemented and verified.	
Observation:	

The proponent should take care to implement the improvements to the monitoring protocol expressed in the updated text found in the PIMR v2.0 as well as other future improvements as conditions – such as increased funding and knowledge - allow.

## 2.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy)

Action Taken by Project Proponent following the issuance of the Draft Report		Date
Additional documents submitted to audit team (additional documents listed below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Dec 19, 2014
Additional stakeholder consultation conducted (evidence described below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Jan 8-13, 2014
Additional clarification provided	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	March 3, 2014
Documents revised (document revision description noted below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	Jan 8-13, 2014
GHG calculation revised (evidence described below)	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	

Included in the actions taken by the Project Proponent to address NCRs was the submission of the following revised files:

Ref	Title, Author(s), Version, Date	Electronic Filename
1a.	Carta Multiple N° 013-2013-CIMA-CMC/DP CIMA-PNCAZ Version unknown December 2013	CARG DEFFS-GR UCAYALI0001.pdf cargo Aldo Lozano -PRMFFS-Contamana0001.pdf CARGO CARTA PRODATU II0001.pdf Cargo Cesar Torres _GRU.pdf Cargo David Moreno- Gob. Reg. Ucayali0001.pdf Cargo Franz Tang- Gob. Reg. Ucayali0001.pdf Cargo Nelino Florida-GRU.pdf Cargo Nelson Seijas-Gob.Reg. Ucayali0001.pdf Cargo Wilfredo Panduro-Gob.Reg. Loreto0001.pdf Cartas a GORESAM y MINAM.pdf Estado entrega Aldo Lozano-GRL-Contamana0001.pdf Estado entrega ARA-GRSM0001.pdf Estado entrega DEARCN-GRSM0001.pdf Estado entrega Karla Mendoza0001.pdf Estado entrega Wilfredo Panduro Iquitos0001.pdf
2a.	Resumen de Cargos de entrega de cartas. CIMA Version unknown December 2013	Cuadro cartas REDD Propuesta Reunión.xlsx
3a.	Cuadro Resumen de Equipos de Guardaparques del PNCAZ en revisión. Anexos 1 y 2. CIMA Version unknown December 2013	Equipos Ptos de Control del PNCAZ en revisión.xls
4a.	Cordillera Azul National Park REDD Project. Monitoring and Implementation Report CIMA-Field Museum-Terra Carbon-SERNANP Version 2.0 December 2013	PNCAZ PIMRDecember2013.pdf
5a.	Avances de los procesos sociales en las comunidades de la Zona de Amortiguamiento del PNCAZ (Agosto 2012) CIMA Version unknown August 2012	Appendix 2 Community Summary August 2012.xls
6a.	Responses to Findings in the Draft Verification Report Dated 11/14/13. CIMA Version unknown December 2013	Responses to Findings12-19-13.doc
7a.	Response to CCB Public Period Comments Received CIMA-PNCAZ	Response to CCB Public Comment Period Comments Received03132014.doc

	Version unknown March 2014	
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## 3 Audit Methodology

### 3.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
Violeta Colan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Margaret Stern	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ian Starr	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Janice O'Brien	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Auditor qualifications:

Auditor(s)	Qualifications
Violeta Colán Lead Auditor	Forestry Engineer with Master degree in Integrated Management of Renewable Natural Resources and a specialization in Natural Forest Silviculture. She has participated in formal FSC forest certification auditing courses, volunteer forestry certification, gradual approximation to certification system, chain of custody and environmental auditing ISO 14001. She has also been trained by Rainforest Alliance in carbon verification auditing. Violeta has, to date, participated in over 50 forest management evaluations, certification auditing for FSC P&C in Bolivia, Chile, Colombia, and Perú; and over 20 carbon validation processes in Colombia, Paraguay, Uruguay, Bolivia and Perú. Currently she is the Rainforest Alliance Program Representative for Andean Region.
Margaret Stern Auditor	Margaret has 32 years of basic and applied research and consulting services on tropical forest conservation, measuring and monitoring biodiversity, natural resource management, and land use planning including potential REDD+ and environmental services projects with rural communities in Latin America; she has participated in technical project evaluations of USAID environmental regulations and other environmental assessments of rural sustainable development projects financed by USAID, DFID, and others in Mexico, Nicaragua, Guyana, Peru, Ecuador, Bolivia and Colombia. Margaret received her PhD degree from the University of California, Davis.
Ian Starr Technical reviewer	Ian is a forester and resource manager with personal and professional experience in North America, Central and South America, and Africa. His principal interest lies in improving conservation and forest management practices of forests, particularly in the tropics. He currently serves as the Technical Specialist for the Rainforest Alliance's Climate Program. To date he has participated in auditing or advising on over a dozen forest carbon offset projects in Africa and South America either designed for the voluntary markets or as early action projects. Ian also conducts trainings on the voluntary carbon standards and provides technical expertise to other Rainforest Alliance departments and projects. In addition he has collaborated on a variety of forestry and natural resource management projects in both Amazonia, and the temperate hardwood forests of the Northeastern United States. These projects have included modelling the carbon sequestration potential of various reforestation systems as well as designing and participating in several forest inventories in the northern United States to plan timber sales based on natural regeneration. Ian received his Master's degree in Forestry from the Yale School of Forestry and Environmental Studies with a focus on tropical forest and resource management, and received his B.A. from Colgate University where he concentrated in Native American Studies with a focus on Central and South America. He is fluent in Spanish and Portuguese.

Janice O'Brien	Janice has a Master's Degree in Forest Conservation from the University of Toronto and has been with Rainforest Alliance for almost 7 years. Janice acts as both the Canadian Verification and Chain of Custody Coordinator. She has task managed Carbon methodology assessments, pre-validations, and validation projects internationally, for 5 years. She has completed a training program in GHG Accounting for Forests and participated as an auditor in 3 Carbon Pre-Assessments, and 5 Carbon Validation/Verification Projects, in Canada, Africa, India, the US and Central America. She has coordinated approximately 800 Chain of Custody audits and assessments, conducted approximately 30 assessments/audits, and participated in 1 Forest Management Audit. Prior to joining Rainforest Alliance she worked in operational and financial risk management for 13 years.
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### 3.2 Description of the Audit Process

The verification process took place taking three main aspects into account: 1) the visit to the project area; 2) interviews of the institutions and communities that are part of the project; 3) interviews of other project stakeholders.

1. Visit to the project zone: The audit team visited four sectors within buffer zone of PNCAZ: Biabo, Chazuta, Las Palmas, and Shamboyacu, Landscape and biodiversity conditions were verified in each sectors.
2. Interviews of project counterparts. The interviews took place at 12 communities during visit to the project zone, in Community Meeting.
3. Interviews of other stakeholders. Regional Government Authorities were taken into account in these interviews; also conservations organization, Protected Area National Service.

In November 2013, the audit team submitted a draft document to the project proponent that contained seven Non-Conformity Reports that required attention prior to finalizing project verification as well as numerous Observations. The proponent submitted questions to the auditors and following their clarification, used available information to produce an updated PIMR v2.0 (December 2013). To verify some of the new information provided by the project proponent, the audit team made telephone interviews with selected stakeholders.

The updated information provided by the proponent was found to be sufficient to close the NCRs. As a result, the Project was found to comply with all of the CCB Standard verification requirements.

At the end of verification process, the internal Report Review and Approval (RRA) identified that the field audit had concluded after the one-year timeframe from the initiation of the CCB Public Comment Period had expired. , The audit team determined that the proponents demonstrated a satisfactory level of stakeholder consultation at the field level; however the audit team consulted with the CCBA and determined that the Project Implementation and Monitoring Report had to be reposted for a new public comment period of 30 days. The Project Implementation and Monitoring Report was re-posted from Feb. 7 –March 9<sup>th</sup> 2014 and generated questions by one member of MINAM. The audit team determined that the propnent's responses were sufficient to justify no further changes to the project documents and that the new public comment period had been successfully completed and considered by the proponent. More details are provided in table G3.9 of Annex A.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
CIMA Headquarters in Lima	Sept 23, 2013	1 day	Violeta Colán, Margaret Stern
SERNANP Headquarters in Lima	Sept 24, 2013	0,5 day	Violeta Colán, Margaret Stern
CIMA Regional Office in Tarapoto	Sept 24, 2013	0,5 day	Violeta Colán, Margaret Stern
Moyobamba, meeting with stakeholders	Sept 25, 2013	1 day	Violeta Colán, Margaret Stern
Fieldwork in rural communities, Biabo Sector	Sept 26, 2013	1 day	Margaret Stern
Fieldwork in rural communities, Chazuta Sector	Sept 26, 2013	1 day	Violeta Colán



Fieldwork in rural communities, Las Palmas Sector	Sept 27-Oct 1, 2013	5 day	Margaret Stern
Fieldwork in rural communities, Shamboyacu Sector	Sept 27-Oct 1, 2013	5 day	Violeta Colán
CIMA Regional Office in Tarapoto. Staff interview. Documentation review.	Oct 2, 2013	1 day	Violeta Colán, Margaret Stern
CIMA Headquarters in Lima	Oct 3, 2013	1 day	Violeta Colán, Margaret Stern

### 3.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Request for Proposal CCB Verification of the Cordillera Azul National Park REDD Project, Christina Magerkurth, 2013.	RFP Verification_final2013.pdf
2	Cordillera Azul National Park Monitoring and Implementation Report (PIMR), Prepared by CIMA-Cordillera Azul with technical assistance from the Field Museum, Chicago, and TerraCarbon, Peoria USA. Version 1.0, September 9, 2013.	PNCAZ PIMRSeptember8.pdf
3	Cordillera Azul National Park REDD project (PD), Prepared by CIMA-Cordillera Azul with technical assistance from the Field Museum, Chicago, and TerraCarbon, Peoria USA. Version 4.0, December 20, 2012.	Validated PD_20DEC2012.pdf
4	Camino a un Monitoreo Integral en el Parque Nacional Cordillera Azul y su zona de amortiguamiento, Tatiana Pequeño S. 2007.	Hard copy
5	Resultados del Mapeo de Usos y Fortalezas, 2012, varias comunidades	Various
6	Informe de análisis del Mapeo de Usos y Fortalezas, Miguel Orlando Macedo Bravo, Enero 2013.	Informe Final Análisis MUF 2012 para personal CIMA
7	Protocolo de Seguridad de CIMA-Cordillera Azul, sin autor, sin fecha	Protocolo Seguridad del Programa de Protección al PNCAZ
8	Peru: Biabo Cordillera Azul. Rapid Biological Inventories Number 2. The Field Museum. Alverson, W. S., L. O. Rodriguez and D. K. Moskovitz (Eds.). Chicago, Illinois. Version unknown. 2001.	<a href="http://fm2.fieldmuseum.org/rbi/pdfs/peru02/cdAzulEntireEng.pdf">http://fm2.fieldmuseum.org/rbi/pdfs/peru02/cdAzulEntireEng.pdf</a>
9	Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects: Part 3 – Biodiversity Impact Assessment Toolbox. Forest Trends, CCBA, Rainforest Alliance and Fauna & Flora International, Washington, DC. Pitman, N. 2011.	<a href="http://www.forest-trends.org/documents/files/doc_2998.pdf">http://www.forest-trends.org/documents/files/doc_2998.pdf</a>
10	Climate, Community & Biodiversity Project Design Standards Second Edition. CCBA, Arlington, VA. CCBA. 2008.	<a href="http://www.climate-standards.org">www.climate-standards.org</a>
11	Contract between CIMA-Cordillera Azul and INRENA for full management control of the PNCAZ. Version unknown. 8 August 2008	2008CIMASERNANPcontract.pdf
12	List of agreements between CIMA and other institutions for the period 2008-2012. CIMA. Version unknown. 2012.	Lista de Convenios del 2008 al 2012 (Hard copy)
13	PNCAZ Plan Maestro 2011-2016. CIMA. Version unknown. 2011.	PlanMaestro2011-2016.pdf
14	PNCAZ Diagnóstico del Proceso de Actualización, Plan Maestro 2011-2016. CIMA. Version unknown. 2011.	DPMPNCAZ202011-2016.pdf
15	Letter 179-2009-SERNANP-J from SERNANP to CIMA, 30 Dec 2009	carta sernanp opinion favorable proy redd
16	Email from CIMA to SERNANP (22 Aug 2012) about revenue sharing from potential carbon credit sale	sernanprevenuesharingemail
17	List of research studies carried out in PNCAZ from 2008-2012	Copia de Lista Investigaciones 2008-2012
18	Ponce Mariños, M.E. January 2008. Informe de sistematización Mapeo de Usos y Fortalezas 2008 (Informe Final)	INFORME FINAL MUF 2008.pdf

19	Mapa Concesiones forestales y áreas de conservación municipal en la zona de amortiguamiento del PNCAZ 2013 CIMA SERNANP	M1_30set_ConcesionesForestales Verificacion.jpg
20	Resultados del Mapeo de Usos y fortalezas. La Conquista 2012	Pucallpa CARTILLA MUF 2012.pdf
21	Resultados del Mapeo de Usos y fortalezas. Pongo Isla 2012	Pongo Isla - CARTILLA MUF 2012.pdf
22	Resultados del Mapeo de Usos y fortalezas. Paraiso 2012	PARAISO-CARTILLA-MUF 2012.pdf
23	Resultados del Mapeo de Usos y fortalezas. Nuevo Picota 2012	Nuevo Picota - Cartilla - MUF 2012.pdf
24	Resultados del Mapeo de Usos y fortalezas. Alto Ponaza 2012	ALTO PONAZA-CARTILLA-MUF-2012.pdf
25	Reglamento interno de trabajo CIMA 2008	RIT CIMA (v.1.4).pdf
26	2012 Climate Monitoring Report CIMA Version 2.0 2012	2012ClimateMonitoringReport.pdf

### 3.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
Sept 23 y Oct 3, 2013	Roxana Otarola	GIS specialist, CIMA, Lima
Sept 23 y Oct 3, 2013	Tatiana Pequeño	Institutional Development and Monitoring specialist, CIMA, Lima
Sept 23 y Oct 3, 2013	Jorge Aliaga	Chief Administrator, CIMA, Lima (Board of Directors, CIMA)
Sept 23 y Oct 3, 2013	Jorge Luis Martínez	Information and Monitoring specialist, CIMA, Lima
Sept 23, 2013 (skype)	Debra Moskovits	VCS/CCB Advisor, The Field Museum
Sept 23-24, 2013	Christy Magerkurth	VCS/CCB Advisor, The Field Museum
Sept 23, 2013 (skype)	Rebecca Dickson	TerraCarbon
Sept 23, 2013	Teddi Peñaherrera	Independent consultant, conservation specialist esp. San Martín
Sept 24, 2013	Johana Garay	Advisor to the Director, SERNANP
Sept 24, 2013	Marcos Pastor	Technical Advisor, SERNANP
Sept 24, 2013	Renzo Barrón	Technical team, SERNANP
Sept 24, 2013	Rubén Paytan	Technical team, SERNANP (ex-Director, PNCAZ)
Sept 24, 2013	Lucía Ruiz O.	Advisor to the Minister, MINAM (ex-Director, CIMA)
Sept 24, Oct 1, 2013	Ivonne Bernal	Environmental education specialist, CIMA, Tarapoto
Sept 24-27, 2013	Cinthia Mongylardi	Director, Protection Program, CIMA, Tarapoto
Sept 24-30, 2013	Alex Reátegui	Territorial Planning & Zoning, CIMA, Tarapoto
Sept 24-26, 2013	Frank Oyola	PNCAZ Director, SERNANP
Sept 24, 2013	Gerardo Acuña	Information specialist, SERNANP
Sept 24, 2013	Angel Acuña	Technical support to PNCAZ, CIMA
Sept 24, 2013	Ramón Linares	Technical specialist, SERNANP
Sept 25, 2013	Karla Mendoza	Climate Change specialist, MINAM

Sept 25, 2013	Silvia Reátegui	Environmental Authority, Regional Government of San Martín
Sept 25, 2013	Marisel Allende	Net Zero Deforestation Program, The Nature Conservancy-Peru
Sept 25, 2013	Milagros Sandoval	Environmental Policy, Conservation International-Peru
Sept 25, 2013	Karina Pinasco	AMPA Director
Sept 25, 2013	Miguel Tang	AMPA, Director Green Market
Sept 26, 2013	Pedro Flores	Field technician, CIMA
Sept 26, 2013	Amado Racho	Park guard, control post 18
Sept 26, 2013	Nelson Racho	Community assistant park guard, control post 18
Sept 26, 2013	Wilder Guerrero Jimenez	Park guard, control post 19
Sept 26, 2013	Vanessa Soria Huaman	Park guard, control post 19
Sept 26, 2013	Hipólito Reyes	Park guard, control post 20
Sept 26, 2013	Agustín Vergara	Park guard, control post 20
Sept 26, 2013	Pueblo Libre (km 45), community meeting (Biavo region)	20 men, 2 women participated, including teniente político
Sept 26, 2013	Miguel Vásquez	Responsable sector Chazuta, CIMA
Sept 26, 2013	Jimmy Rios	Técnico de campo de Chazuta, CIMA
Sept 26, 2013	Quinto Inuma Alvarado	Guardaparque de San Jose de Yanayacu
Sept 26, 2013	Abilio Falcón Salas	Guardaparque de San Jose de Yanayacu
Sept 26, 2013	13 moradores	Comunidad Pucallpa
Sept 26, 2013	12 moradores	Comunidad Pongo Isla
Sept 27-30, 2013	Walter Aguirre	Community communication, CIMA, Tarapoto
Sept 27, 2013	Felix Ushiñahua Pinchi	Guardaparque Oficial Responsable – Puesto de Control Mishquiyaquillo, en Comunidad Porvenir Cordillera Azul
Sept 27, 2013	Gianina Tuesta Bocanegra	Guardaparque Oficial Adjunto – Puesto de Control Mishquiyaquillo, en Comunidad Porvenir Cordillera Azul
Sept 27, 2013	Alex Pinedo Dávila	Guardaparque PC15
Sept 27, 2013	Giover Quinto Delgado	Agente Municipal Porvenir Cordillera Azul, Guardaparque Voluntario
Sept 27, 2013	Cintia Lopez Piña	Voluntaria Sector Alto Ponaza, CIMA
Sept 27, 2013	Andrea Alegría Zegarra	Voluntaria Sector Chambira, CIMA
Sept 27, 2013	Johan Del Castillo Inga	Promotor Proyecto Deforestación Neta Zero, CIMA
Sept 27, 2013	Palermo García	Teniente Gobernador Alto Ponaza
Sept 27, 2013	Celi Guevara Ruiz	Agente Municipal Alto Ponaza
Sept 27, 2013	13 comuneros en Comunidad Alto Ponaza	Asamblea Comunal
Sept 27, 2013	Las Palmas community meeting (Biavo region)	10 men, 2 women participated incl. agente municipal, rep.Club de Madres
Sept 28, 2013	Selva Andina community meeting (Biavo region)	10 men, 1 women participated incl. 3 park guards, elementary teacher, town vice president, agente municipal, teniente político
Sept 28, 2013	10 comuneros en Comunidad La Conquista	Asamblea Comunal
Sept 28, 2013	Darwin Córdova Vásquez	Técnico Campo CIMA
Sept 28, 2013	Carlos Upiachihua Ushiñahua	Guardaparque Oficial PC17 Ipururo
Sept 28, 2013	Huber Carrasco Torres	Guardaparque Oficial, Centro de Guardaparque Nuevo Loreto
Sept 28, 2013	Gerson Ruiz Pinedo	Guardaparque oficial BPAM
Sept 28, 2013	Jaime Vásquez Cavero	Guardaparque Voluntario CG Nuevo Loreto
Sept 28, 2013	10 comuneros en Comunidad El Paraiso	Asamblea Comunal
Sept 29, 2013	14 comuneros en Comunidad Nuevo Picota	Asamblea Comunal
Sept 30, 2013	Juan Vásquez	Park guard stationed at refuge within the park
Sept 30, 2013	Nexar Elí Yajahuanca	Field technician, CIMA
Sept 30, 2013	Nuevo Trujillo community meeting (Pinqiyacu region)	11 men, 3 women participated incl. agente municipal
Oct 1 <sup>st</sup> , 2013	Los Angeles community meeting	1 man, 4 women participated

	(Pinquiayacu region)	
Oct 1 <sup>st</sup> , 2013	Dr. David Neill	Botanist, specialist on sub-Andean sandstone vegetation
Oct 3 <sup>rd</sup> , 2013	Dr. Nigel Pitman	Forest ecologist, pan-Amazon forest expert

# APPENDIX A: Field Audit Findings

*Note: Findings presented in this section are specific to the findings resulting from the field audit as presented in the Draft Audit Report. Any non-conformances or observations identified during the field audit are noted in this section, and specific NCR and OBS tables are included in section 2 of this report for each identified non-conformance and observations. All findings related to audit team review of additional evidence submitted by the Project Proponent following the issuance of the Draft Audit Report by Rainforest Alliance, is included within section 2 of this report.*

## GENERAL SECTION

### G1. Original Conditions at Project Site - Required

#### Concept

The original conditions at the project area<sup>1</sup> and the surrounding project zone<sup>2</sup> before the project commences must be described. This description, along with baseline projections (G2), will help to determine the likely impacts of the project.

#### Indicators

The project proponents must provide a description of the project zone, containing all the following information:

#### General Information

1) The location of the project and basic physical parameters (e.g. soil, geology, climate).

Findings from Field Audit			
Sections 1.9.1 and 1.9.2 of the recently validated PDD and sections 1.2.1 and 1.2.2 of the project implementation report, describe soil conditions in the project area. Geological features are also described. Temperature and precipitation data were obtained from the ranger stations around PNCAZ. During the field visits the team verified that the soil and physiographic conditions vary across the buffer zone. The sectors near PNCAZ are steeper and tend to have less stability after agriculture, as described in the above sections of the PDD. The visited Ranger stations keep records of daily temperature and precipitation; this information is sent to the PNCAZ headquarters on a monthly basis. The audit team verified that these records are stored in the main office of Tarapoto and also at CIMA's headquarters in Lima. The information is permanently stored and updated as necessary. This information has been considered to adequately describe the fundamental physical characteristics of the project area.			
The audit team considers that the observed characteristics in the field and the information of PDD adequately describe the project area.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

2) The types and condition of vegetation within the project area.

Findings from Field Audit
The types and condition of vegetation within the project area have not been recently evaluated. The 21 structural habitats mentioned in the validated PDD and the Implementation and Monitoring Report (PIMR) are described in detail in the updated Master Plan (Section 2.3, Table 4).
During the field audit the team met with community members in the Shamboyacu, Chazuta, Biabo and Las Palmas sectors, and found that unauthorized activities (particularly harvest of biodiversity) inside the project area have ended and penalties have been established for those who break the rules. For example, if someone is found doing unauthorized activities that person must leave the area and their tools are confiscated particularly if their actions (unauthorized harvest or collecting) had been carried out repeatedly. The audit team also confirmed, through meetings with communities, that community rangers play a role in controlling and limiting entry of local residents into the Park.
The audit team visited two checkpoints located at the boundary of the project area; no evidence of wide paths or roads entering the Park was seen. Due to extremely difficult access and because the project was recently VCS verified, the team focused their field visits in the buffer zone. As there are strict restrictions on entry into the PNCAZ and park guards have documented few human activities in the project area there is no reason to believe that there has been changes in the condition of the vegetation

<sup>1</sup> The 'project area' is defined as the land within the carbon project boundary and under the control of the project proponent.

<sup>2</sup> The 'project zone' is defined as the project area and the land within the boundaries of the adjacent communities potentially affected by the project.

since its initial evaluation. Additionally, review of satellite images at the CIMA office in Lima indicated consistency of forest cover over time and vegetation recovery at previously deforested sites within the project area..			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

### 3) The boundaries of the project area and the project zone.

<b>Findings from Field Audit</b>			
<p>The limits of the project area have not been modified since the official declaration of the Cordillera Azul National Park (PNCAZ), by Supreme Decree 031-2001-AG.</p> <p>Map 1 of the PIMR shows the project area, the buffer zone modified in 2007 by Resolution N 144 -2007- IRENA and the surrounding municipalities that extend into the buffer zone. The project area is listed as 1,351,963.85 ha, while the buffer zone is listed as 2,303,414.75 ha which is defined as the project zone (see section 1.2 of the PIMR). These boundaries have been confirmed during previous validation and verification events under the Verified Carbon Standard and validation under the CCBS, therefore these area figures have been confirmed previously.</p> <p>The field visit also verified the existence of signs indicating the location of the PNCAZ boundary and the buffer zone. It was only possible to enter the project area via the Mishquiyaquillo boundary in the Shamboyacu sector, where the audit team verified the existence of a signs with reference to the location of the PNCAZ, its boundary, and also to its geographical location and altitude. These data were verified by the auditor with the use of GPS.</p> <p>Through monthly reports, along with the rangers of San Jose Yanayacu, Mishquiyaquillo, Ipururo and New Loreto, it was confirmed that the project activities include boundary maintenance, and border patrols between the buffer zone and the PNCAZ.</p> <p>In Shamboyacu and Mishquiyaquillo sectors the audit team verified that the boundaries of the project area are visible on the ground, and all boundaries are recognised by the nearby population.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## Climate Information

- 4) Current carbon stocks within the project area(s), using stratification by land-use or vegetation type and methods of carbon calculation (such as biomass plots, formulae, default values) from the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry and Other Land Use<sup>3</sup> (IPCC 2006 GL for AFOLU) or a more robust and detailed methodology.<sup>4</sup>

<b>Findings from Field Audit</b>			
<p>The project's stratification of the project area was conducted, according to the diversity of habitat, the altitudinal gradient, the topography, soil conditions and climate, plus overflights of the area, resulting in 21 structural habitats described in the Master Plan 2011-2016 (section 2.3).</p> <p>The areas visited during the verification process, ranged in altitudes from 300m (Chazuta) to 1200m (Mishquillaquillo) and were tracked using GPS. Using observed data from the field audit, satellite images and recent photographs of the area, the auditors' reconfirmed adequacy of the categories established for vegetation types, which, were later used for the determination of carbon calculations. It should be noted that these categories were already approved at validation.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## Community Information

<sup>3</sup> Volume 4 Agriculture, Forestry and Other Land Use <http://www.ipcc-nggip.iges.or.jp/public/2006gl/vol4.html>

<sup>4</sup> In cases where a published methodology is used, the full reference must be given and any variations from the published methodology must be explained.



- 5) A description of communities<sup>5</sup> located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific groups such as Indigenous Peoples<sup>6</sup> and describes any community characteristics.<sup>7</sup>

Findings from Field Audit			
<p>There are no settled communities inside the project area, so the majority of the project activities are concentrated in the buffer zone. The project has identified the areas of intervention on Map 6 of the PIMR. In Figure 4 of the same document, CIMA provides the model of intervention in communities, called FOCAL (Model for Strengthening Local Capacities for Land Management and Improving Quality of Life). The validated PDD includes a listing of relevant areas and communities who were considered at the beginning of the Project. Also, on Map 1.4 and Table 1.2 provides information about the population in each of the sectors.</p> <p>The model considers various aspects of the local communities including: the socioeconomic diagnosis, environmental physical diagnosis, participatory zoning, the establishment of standards of living, educational thematic modules. Socioeconomic diagnoses (MUFs) were made in 2003, 2005, 2008, and 2012.</p> <p>Community maps produced by CIMA along with community locations, roads access. The available information for each community was used during the field audit.</p> <p>The information reviewed by the audit team in the validated PDD (section 1.10.1) and PIMR (section 2.2.3 and PIMR Map 6) is sufficient to meet the requirements of the standard. Both documents provide sufficient information on the communities located in the project area (called intervention areas) and socio-economic status to develop a strong appraisal of any salient characteristics.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 6) A description of current land use and customary and legal property rights including community property<sup>8</sup> in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also **G5**).

Findings from Field Audit			
<p>The project area is a National Park, owned by the Peruvian state, and its use is limited by Act No. 26834. Communities living in the buffer zone of the Park have no legal rights to use the land, but they occupy areas granted as forest concessions, conservation concessions and mining concessions. As noted in the Forest Concessions Map and municipal conservation areas in the buffer zone of the PNCAZ, most communities settled west of the PNCAZ illegally occupied areas granted to timber concessions and conservation. CIMA provides information for communities to make the necessary arrangements if they require ownership.</p> <p>CIMA and SERNANP are currently set in a legal dispute because a cattle breeder located in the project area caused deforestation in order to spread pastures. This process is in advanced stages and a prompt judgment is expected. In the office of Tarapoto, the audit team reviewed all the documentation related to this trial.</p> <p>Section 3.2 of the PIMR clarifies all legal property rights process and includes comments about responsibility of CIMA, Field Museum and SERNANP. The audit team concludes that the project area is clearly described in the validated PDD and the PIMR, in terms of land uses and existing rights.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## Biodiversity Information

<sup>5</sup> 'Communities' are defined as all groups of people—including Indigenous Peoples, mobile peoples and other local communities—who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area. (See Appendix B: Glossary for more information.)

<sup>6</sup> 'Indigenous Peoples' are defined as distinct, vulnerable, social and cultural groups whose members identify themselves as belonging to an indigenous cultural group. (See Appendix B: Glossary for more information.)

<sup>7</sup> Community characteristics may include shared history, culture, livelihood systems, relationships with one or more natural resources, or the customary institutions and rules governing the use of resources.

<sup>8</sup> Including lands that communities have traditionally owned, occupied or otherwise used or acquired.

- 7) A description of current biodiversity within the project zone (diversity of species and ecosystems<sup>9</sup>) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.

Findings from Field Audit			
<p>The project zone includes the project area and the buffer zone. All of the project area lies within the boundary of the Cordillera Azul National Park (PNCAZ). The PNCAZ has an area of 1,353,190.85 hectares as defined in the Supreme Decree and an approximate perimeter of 974 km; a small amount of land within the park is privately owned, so the project area is 1,351,963.85 hectares and the buffer zone 2,303,414.75 ha. A description of ecosystems, species diversity, endemic and unique species in the park is located in the PD Section 1.10.5 (pp. 47-52). This description is largely based on the results of a Rapid Biological Inventory carried out in 2000 (Alverson et al. 2001) though participating scientists were unable to make voucher collections to verify species identification due to lack of collecting permits. Description of the project area follows the suggested use of tools and methodologies suggested in the CCB Standard Appendix A and the SBIA Manual, Part 3 - Biodiversity impact assessment toolbox. Furthermore, Appendix 2 of the PD provides a table of the endemic, endangered and threatened species within the project area as classified by the IUCN Red List and official Peruvian government lists.</p> <p>Project documents do not, however, include a description of current biodiversity (species and ecosystems or habitats) in the buffer zone, which is illustrated in Map 1 of the CCB implementation report, (a large part of the project zone as defined by the proponent) hence there is no baseline to monitor. (<b>NCR 01/14</b>). The buffer zone to the west of the park is affected by human activities and includes intact forests in headwaters and hills near the park boundary, as verified during the field audit. To the east, the buffer zone extends well beyond the project area in transitional and lowland Amazonian habitats with commercially valuable timber species and &gt;10,000 ha of wetlands (MINAG 2004) and representative lowland wildlife of north-central Peru (PD, p.48). This large area has not been deforested nor degraded to the extent of the buffer zone to the west of the project area. The PD (p.33) mentions the structural habitats (geology, soils, hydrology) of the project zone (includes buffer zone) described as a heterogeneous landscape of 21 unique structural habitats of which 18 occur in the park (PNCAZ Management Plan 2003-2008, INRENA 2006), implying that at least three distinct structural habitats and corresponding floristic/faunistic composition must occur in the buffer zone yet there is no baseline biological data provided by the proponent for these buffer zone areas.</p> <p>Threats to the integrity of the park also affect biodiversity; threats are listed (PD, p.21) as new roads, logging, mining and oil concessions. Based on field observations, the audit team suggests that human colonization and recent (mostly since 1998) and on-going immigration to the western buffer zone is the greatest threat to the park (<b>OBS 01/14</b>). Risks to the REDD project (deforestation, degradation) were covered with the VCS risk assessment. Elsewhere in the PD (p.62) the underlying threats in the buffer zone are listed, they are lack of legal land ownership, the presence of governmental timber, mining and oil concessions, illegal activities and social conflicts, and the proponent's proposed mitigating actions are described.</p>			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>NCR 01/14, OBS 01/14</b>		

- 8) An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:<sup>10</sup>

8.1. Globally, regionally or nationally significant concentrations of biodiversity values;

- a. protected areas<sup>11</sup>
- b. threatened species<sup>12</sup>
- c. endemic species<sup>13</sup>
- d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas).

Findings from Field Audit	
<p>The project zone is located within the Tropical Andes Biodiversity Hotspot which indicates a region that harbours extraordinary biological diversity and concentrations of endemic species across taxa and that is undergoing exceptional habitat loss. The PD</p>	

<sup>9</sup> Equates to habitat types, biotic communities, ecoregions, etc.

<sup>10</sup> These high conservation value criteria are based on those defined by the High Conservation Value (HCV) Resource Network <http://hcvnetwork.org/>. Practical help is available for using HCVs in each region, including generic guidance documents (Toolkits) and Country Pages.

<sup>11</sup> Legally protected areas equivalent to IUCN Protected Area Management Categories I-VI (see [http://www.iucn.org/about/union/commissions/wcpa/wcpa\\_work/wcpa\\_strategic/wcpa\\_science/wcpa\\_categories/index.cfm](http://www.iucn.org/about/union/commissions/wcpa/wcpa_work/wcpa_strategic/wcpa_science/wcpa_categories/index.cfm) for definitions) as well as areas that have been proposed for protected area status by the relevant statutory body but have not yet been officially declared, and including areas protected under international conventions (e.g., Ramsar sites, World Heritage Sites, UNESCO Man-and-Biosphere Reserves, etc.).

<sup>12</sup> Species that qualify for the IUCN Red List threat categories of Critically Endangered (CR), Endangered (EN) and Vulnerable (VU). (See [www.iucnredlist.org](http://www.iucnredlist.org) and Appendix B: Glossary for more information.) Additional national or regional listings should also be used where these may differ from the IUCN Red List.

<sup>13</sup> Species for which the entire global range is restricted to the site, the region or the country (the level of endemism must be defined).

(1.10.7., Table 1.4, p. 54 and Appendix 2) indicates that the project area contains all four categories of globally, regionally or nationally significant concentrations of biodiversity values. This is substantiated by Alverson et al. (2001), the IUCN Red list of Peru's threatened species and numerous scientific publications on endemic species (birds, mammals, amphibians) found in the park. It is clear that the conservation value of the project area is very high for the protection of biodiversity, including endemic, rare and endangered species across taxa and the provision of ecosystem services. The south-eastern side of the park may also include part of the geographical space used by an uncontacted human group.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

8.2. Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;

Findings from Field Audit			
The PD (1.10.7, Table 1.4, p. 54) indicates that the project area contains globally, regionally or nationally significant large landscape-level areas where viable populations of most, if not all, naturally occurring species exist in natural patterns of distribution and abundance. The audit team agrees with this assessment through review of scientific evidence (Alverson et al. 2001), first-hand observations of some unusual geologic formations in the field, and interviews with biological experts unrelated to the proponent and the project but with knowledge of the project area.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

8.3 Areas are in or contain threatened or rare ecosystems;

Findings from Field Audit			
The PD (1.10.7, Table 1.4, p. 54) indicates that the project area is located in forested ecosystems that are rare, one of the reasons that the Cordillera Azul was originally selected as a high priority area for protection. The audit team agrees with this assessment that is substantiated in Alverson et al. (2001) with descriptions of the park's unique biological communities and plant assemblages, such as spongy, short forests, elfin forests, and shrublands on upper slopes and ridge crests as conservation targets. As well, the unique nature of some forests and vegetation types in PNCAZ was verified through an interview with a botanist unrelated to the proponent and the project but with knowledge of the project area.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

8.4. Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);

Findings from Field Audit			
The PD (1.10.7, Table 1.4, p. 54) indicates that the project area provides basic ecosystem services in critical situations, specifically with natural vegetation that helps maintain water quality and prevent flooding, maintain slope stability and reduce the risk of fires to larger areas. This was verified by the audit team's professional knowledge of tropical Andean ecosystems and their role in provision of critical ecosystem services such as water capture, storage and provision, slope stabilization and erosion control.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

8.5. Areas that are fundamental for meeting the basic needs of local communities (e.g., for essential food, fuel, fodder, medicines or building materials without readily available alternatives); and

Findings from Field Audit			
Section 1.10 of the validated PDD describes the initial conditions of the populations inside the PNCAZ area and the buffer zone, indicating in Map 1.4a, the areas used by communities to meet their basic needs. Map 1.5 of the same document refers to licenses and permits granted by the state to extract resources in the buffer zone.			
During the field visit, the audit team found that there are multiple communities living in the buffer zone and therefore they occupy the mining concessions and permits. It was also verified that the communities are usually immigrants, coming from other areas, usually from the mountains. This was verified through interviews with the residents of the community and it was also confirmed by their customs related to construction and animal husbandry. Using the organizational tool "Mapping Uses and Strengths (MUFs)," the populations in the buffer zone of PNCAZ establish areas for the supply of fuelwood and construction materials. These communities do not depend on PNCAZ to meet those needs, but rather, establish communal forest areas for conservation. In the communities visited, hunting is not popular because it is not a custom of the immigrant population, but hunting does occur when			

wildlife is near to their homes or agricultural fields. Generally these recent immigrants do not depend on the forest for food but instead depend on their cattle and crops.			
As mentioned in the PDD and MUFs, the proponent describes in historical maps the population characteristics and the people using the forest surrounding the PNCAZ. Therefore, the proponent has complied with the analysis required by the standard.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

8.6. Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).

Findings from Field Audit			
The area of PNCAZ has many ecological and cultural values that are described in the PDD (Sections 1.10.5, 1.10.6, 1.10.7), including an area that is thought to be inhabited by indigenous peoples in voluntary isolation located in the area of Aguaytia (southeast of the PNCAZ) . In the eastern region (Contamana sector) sites of cultural importance to local communities have also been identified. In the buffer area to the west of the Park, no areas of high cultural values were identified. Similarly, within the project area, no areas of significant cultural, traditional or religious values were identified. The audit team considers that the proponent has completed this analysis within the jurisdiction of the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## G2. Baseline Projections- Required

### Concept

**A baseline projection is a description of expected conditions in the project zone in the absence of project activities. The project impacts will be measured against this ‘without-project’ reference scenario.**

### Indicators

The project proponents must develop a defensible and well-documented "without-project" reference scenario that must:

- 1) Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology,<sup>14</sup> describing the range of potential land-use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.

Findings from Field Audit			
According to the PDD, the activities analyzed for the without project scenario are still valid in the project area; given that the audit visit suggested that no major changes in land-use change, drivers, and agents of change have taken place. The most probable land use scenario without the presence of the project, previously identified in the PDD is still valid, meaning unplanned deforestation.			
In meetings with people of the visited communities, the audit team found that they have no support from state institutions to improve their crops, increase productivity, or install crops more suitable as a replacement for coffee. The population cannot find agricultural credit services or development projects that can provide opportunities for agriculture or livestock, which are the activities being performed along the buffer zone.			
The audit team determined through meetings at SERNANP's office, that government capacity to maintain or increase park guard positions is very limited, so the management contract with CIMA is considered a welcomed option to address the potential risks to project area carbon stocks.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

<sup>14</sup> In cases where a published methodology is used, the full reference must be given and any variations from the published methodology must be explained.



- 2) Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would likely affect land use and justifying that the benefits being claimed by the project are truly 'additional' and would be unlikely to occur without the project.<sup>15</sup>

Findings from Field Audit			
<p>Sections 1.11 and 2.5 of the validated PDD analyze the components of additionality claimed by the project. During the field audit, through interviews with SERNANP authorities and the Regional Government of San Martin, it was verified that the creation of PNCAZ would not have occurred without the participation of CIMA and Field Museum. Furthermore, the Regional Government recognizes that the creation of protected areas and private management are a regional strategy for the conservation of biodiversity and to reduce deforestation in the region. The authorities of the Regional Government of San Martin recognize that deforestation rates in the region have been high, but consider that the measures taken with the proponent ensure the conservation of ecosystems.</p> <p>Therefore, the audit team concludes that the additionality analysis conducted by the proponent and, which was previously validated continues to be valid.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Calculate the estimated carbon stock changes associated with the 'without project' reference scenario described above. This requires estimation of carbon stocks for each of the land-use classes of concern and a definition of the carbon pools included, among the classes defined in the IPCC 2006 GL for AFOLU.<sup>16</sup> The timeframe for this analysis can be either the project lifetime (see **G3**) or the project GHG accounting period, whichever is more appropriate.<sup>17</sup> Estimate the net change in the emissions of non-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O in the 'without project' scenario. Non-CO<sub>2</sub> gases must be included if they are likely to account for more than 5% (in terms of CO<sub>2</sub>-equivalent) of the project's overall GHG impact over each monitoring period.<sup>18</sup>
- Projects whose activities are designed to avoid GHG emissions (such as those reducing emissions from deforestation and forest degradation (REDD), avoiding conversion of non-forest land, or certain improved forest management projects) must include an analysis of the relevant drivers and rates of deforestation and/or degradation and a description and justification of the approaches, assumptions and data used to perform this analysis.<sup>19</sup> Regional-level estimates can be used at the project's planning stage as long as there is a commitment to evaluate locally-specific carbon stocks and to develop a project-specific spatial analysis of deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.<sup>20</sup>

Findings from Field Audit
<p>The PDD has been recently validated and the calculations have been reviewed during the VCS validation and verification processes. The proponent has used an approved VCS methodology and it was indicated in PD (Section 2.2), PIMR (Section 4.1) and VCS Verified Monitoring Report (Section 1.8).</p> <p>Since this information was already reviewed during the VCS validation and verification and CCB Validation this component was not re-assessed under the scope of this audit as it is not necessary to reevaluate the project's baseline during a CCB verification audit. As a result this criterion is not applicable under a verification audit. There has been no update to the calculations described in the PDD, but monitoring of deforestation is carried out through satellite images and explained in other sections of the PDD to be analyzed later in this report. The existing database for this monitoring data was reviewed and confirmed to reside at the CIMA headquarters in Lima. In conclusion, although this criterion is not applicable during verification, the audit team confirmed that monitoring activities are active and ongoing.</p>

<sup>15</sup> Project proponents must demonstrate that project activities would not have been implemented under business as usual due to significant financial, technological, institutional or capacity barriers. Actions implemented by the project must not be required by law, or project proponents must demonstrate that the pertinent laws are not being enforced. Project proponents must provide credible and well-documented analyses (e.g., poverty assessments, farming knowledge assessments, or remote sensing analysis) to demonstrate that the 'without project' reference scenario reflects land-use practices that are likely to continue or that otherwise differ from the land-use practices expected as a result of project activities.

<sup>16</sup> Above-ground biomass, below-ground biomass, deadwood, litter, soils.

<sup>17</sup> In some cases, the project lifetime and the project GHG accounting period may be different.

<sup>18</sup> The following CDM Executive Board tool can be used to test the significance of emissions sources:

[http://cdm.unfccc.int/EB/031/eb31\\_repan16.pdf](http://cdm.unfccc.int/EB/031/eb31_repan16.pdf).

<sup>19</sup> The analysis may use a model that is based on historical rates and patterns of deforestation and degradation or predict the expected increases or decreases in deforestation and degradation.

<sup>20</sup> The 'start of the project' is defined as the start of implementation of activities that will directly cause the project's expected GHG emissions reductions or removals.

Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	None raised		

- 4) Describe how the 'without project' reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services.

Findings from Field Audit			
The scenario without the project refers to the continuity of deforestation activities in the project area. Section 1.13.5 of the validated PDD discusses the potential consequences of the without project scenario as analyzed in a variety of ways including potential damage to water availability, soil erosion, habitat for wildlife on which communities depend, and areas of cultural significance. This scenario and analysis has not changed since validation and the audit team considers the justifications provided to remain valid. Section 4.4.2 and 4.4.3 of the PIMR replicate the analysis in the PDD, which was previously reviewed during validation.			
Since this component was already analyzed and approved during validation and its conclusions and analyses remain valid this criterion has been met.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 5) Describe how the 'without project' reference scenario would affect biodiversity in the project zone (e.g., habitat availability, landscape connectivity and threatened species).

Findings from Field Audit			
The proponent's 'without project' reference scenario (described in the PIMR 4.4.3), its identification of deforestation drivers and projections seem logical to the auditors and no evidence (from documents, interviews or observations) was obtained that would suggest that they have changed much since validation.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

### G3. Project Design & Goals - Required

#### Concept

The project must be described in sufficient detail so that a third-party can adequately evaluate it.

**Projects must be designed to minimize risks to the expected climate, community and biodiversity benefits and to maintain those benefits beyond the life of the project. Effective local participation in project design and implementation is key to optimizing multiple benefits, equitably and sustainably. Projects that operate in a transparent manner build confidence with stakeholders and outside parties and enable them to contribute more effectively to the project.**

#### Indicators

The Project proponents must:

- 1) Provide a summary of the project's major climate, community and biodiversity objectives.

Findings from Field Audit			
The implementation of planned activities towards the project's major climate, community and biodiversity objectives, as described in the PIMR were reviewed by the audit team with the following results:			
1. Implementation of planned initial project activities (2008-2009) (PIMR Table 2.1):			
<ul style="list-style-type: none"> <li>Park protection activities (a-h) were verified during the audit process to have been successfully implemented, particularly on the western side of the project zone which was the focus of the field audit. The audit team verified implementation of park control and monitoring selected animal species through review of monthly park guard reports and interviews with park staff.</li> <li>Buffer zone activities had been implemented (again, audit focused on the buffer zone west of the project area), as verified by review of Ecological and Economic Zoning (ZEE) reports, MUF data from 2008, education modules and two formal environmental education guides (<i>Classrooms in Action</i> and <i>Protecting our Watershed</i>), formal agreements with the Local Education Management Units (UGELs) and other institutions. Regarding project efforts for community involvement, the audit team verified regular community meetings with CIMA personnel and that project activities being implemented (or those in the planning stage) had been identified through community participation. The audit team was told about the RARE</li> </ul>			



program that is the methodological tool used by CIMA for community extension, but was not provided with information about it (**OBS 02/14**).

- The audit team found that the stated objective “to maintain and strategically expand relationships with local, regional and national government agencies” was lacking at the regional level (**NCR 02/14**). This was ascertained through interviews with some relevant regional government environmental authorities who did not feel that they had been adequately informed about the PNCAZ REDD project or project activities and their implementation, and that official communication with regional authorities had been insufficient. (Note: as project activities are carried out over a large area, numerous regional authorities need to be kept informed about the status of the project.)

2. The PIMR provides a list of project activities for 2008-2009 (described above) and the Plan Maestro outlines goals for activity implementation for the period 2011-2016 (listed below), but the proponent does not provide information about goals, project activities and their implementation for 2010 (**NCR 03/14**).

3. The 2011-2016 Plan Maestro outlined three specific goals and respective sub-goals for project activity implementation (PIMR p. 28-31) with explanation as to why some activities for three sub-goals had not been reached. The corresponding activities for the goals/sub-goals were reviewed by the audit team to determine successful implementation with the following findings:

- Goal 1, Subgoal 1, Activities 1, 2 & 4: Implementation verified through visual inspection of satellite images (Activity 1), discussion with the Park Director and parkguards about patrols (Activity 2) and field verification of the quality of park guard station infrastructure (Activity 4);
- Goal 1, Subgoal 1, Activity 3: There was no evidence of the project’s field visits to verify recovery of degraded areas nor information in the PIMR as to the location or environmental condition of those degraded areas (**NCR 04/14**);
- Goal 1, Subgoal 2, Activities 1 & 2: Not completed as per the justification provided in the PIMR;
- Goal 1, Subgoal 2, Activity 3: Implementation verified through discussions of patrol plans with community guards and other community members living near the park (Activity 3);
- Goal 1, Subgoal 3, Activities 1 & 2: Implementation verified through discussions with local organizations and authorities about their security issues (Activity 1) and discussions with community members, local leaders and local schoolteachers about dissemination of information related to the project (Activity 2);
- Goal 1, Subgoal 3, Activity 3: Not completed as per the justification provided in the PIMR;
- Goal 2, Subgoal 1, Activities 1 & 2: Implementation verified through park planning documentation reviewed in CIMA/PNCAZ office in Tarapoto (Activity 1) and discussion with the Park Director and park guards in the field about ways to improve communication among parties (Activity 2);
- Goal 2, Subgoal 1, Activity 3: Advance of implementation project results were presented to diverse regional and national events;
- Goal 2, Subgoal 1, Activity 4: Not completed as per the justification provided in the PIMR;
- Goal 2, Subgoal 2, Activities 1 & 3: Implementation verified by inspection of the Park Guard Control Plan that indicates specific routes that park guards follow on their patrols and maps with locations of control posts (Activity 1) and personal interaction and discussion between the audit team and park guards that confirmed that they are qualified for their posts (Activity 3);
- Goal 2, Subgoal 2, Activity 2: Park guards were not equipped with essential field gear to identify wildlife and record observations or infractions such as binoculars and cameras that are necessary to effectively manage PNCAZ. This deficiency was acknowledged by the proponent as well as the Park Director and was attributed to lack of funds (**NCR 05/14**);
- Goal 2, Subgoal 3, Activities 1-5: The audit team reviewed the files containing field reports and relevant documentation regarding community information. Official community-approved actions and decrees were also reviewed, which demonstrate community analysis and approval of the information gathered by the proponent. No major issues were identified.
- Goal 2, Subgoal 4, Activities 1 & 2: Implementation verified as per validation and this process of verification of PNCAZ’s REDD project that includes the required modelling and monitoring (Activity 1) and through conversations with representatives of cooperating institutions (public and private) that are interested in strengthening park management (Activity 2);
- Goal 2, Subgoal 5, Activities 1-3: implementation verified, short scientific research was carried out between 2008-2012 that would strengthen base-line biodiversity information in the project area and buffer zone;
- Goal 3, Subgoal 1, Activity 1: Implementation verified through discussions with CIMA field personnel and community members about their efforts to delimit their villages and agricultural lands and visual examination of land use zoning maps that had been completed for some buffer zone communities (Activity 1).

<ul style="list-style-type: none"> <li>Goal 3, Subgoal 1, Activity 2: Implementation verified in some communities, the PIMR (p. 90) indicated how many communities participated in this activity during the verification period;</li> <li>Goal 3, Subgoal 2, Activities 1 &amp; 2: These economic activities for local people were just beginning in some of the communities visited in Sept 2013, implementation was far from complete (<b>NCR 06/14</b>);</li> <li>Conduct environmental education programs in communities</li> <li>Strengthen local organizational capacities</li> <li>Develop plans for quality of life (Communal Strategic Plans) compatible with land use</li> <li>Support development of conservation initiatives at local levels</li> <li>Goal 3 Subgoal 3, Activities 1-4: Implementation verified through discussion with CIMA environmental education staff in Tarapoto and review of educational materials developed especially for the PNCAZ REDD project; and with local schoolteachers and community youth and adults about implementation of environmental education in their communities (Activity 1), though discussions with buffer zone community members about the strengths and weaknesses of their local organizations (Activity 2), though review of numerous Community Strategic Plans and land use planning maps with different degrees of progress in each of the 10 communities visited (Activity 3) and through discussions with CIMA Tarapoto staff and buffer zone community members about conservation and production initiatives of interest to them (Activity 4)..</li> </ul>			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>NCR 02/14, NCR 03/14, NCR 04/14, NCR 05/14, NCR 06/14</b> <b>OBS 02/14</b>		

- 2) Describe each project activity with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.

<b>Findings from Field Audit</b>			
<p>The audit team found that project activities and their implementation are or will be relevant to achieving climate, community and biodiversity impacts consistent with the project's objectives. For example, methodological tools (e.g. MUFs) and disseminated products (e.g. maps of community land use planning &amp; zoning) were consistent with increasing community self-determination, reducing negative environmental impacts of farming activities and improving understanding of the parks climate, community and biodiversity benefits. As well, the community meetings and personal interviews with local residents, local authorities and park guards that were carried out during the audit process, indicated a fairly good understanding of the park's environmental services (particularly water provision and refuge for animals) and a largely positive relationship between local people and the park. In communities, the relationship between avoided deforestation and degradation and climate change (i.e., the REDD project) was generally not understood even though there might be REDD project posters hanging in a visible place (<b>OBS 03/14</b>).</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>OBS 03/14</b>		

- 3) Provide a map identifying the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).

<b>Findings from Field Audit</b>			
<p>The proponent provides various maps to fulfill this requirement. In the PIMR:</p> <p>Map 1. Location of PNCAZ (project) and buffer zone;</p> <p>Map 2. Topographic map of PNCAZ and buffer zone;</p> <p>Map 4. Locations of CIMA offices outside Lima and PNCAZ park guard control posts and centers;</p> <p>Map 6. Location of intervention areas in the buffer zone; and</p> <p><i>Parque Nacional Cordillera Azul</i>, a large map with topographic, infrastructure and urban/demographic detail (CIMA, Dec 2010)</p> <p>Outside of the project zone, no surrounding locations are predicted to be impacted by leakage (as per findings B.2.1).</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 4) Define the project lifetime and GHG accounting period and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.

<b>Findings from Field Audit</b>			
<p>The proponent defines the project lifetime as likely greater than 100 years as the project area is a legally-recognized national park and the Peruvian government has shown commitment to ensure that it continues to be privately managed and protected. The audit team verified this commitment through meetings with SERNANP authorities in Lima. The GHG accounting period is 20 years</p>			

from August 8, 2008-August 7, 2028, a time period that corresponds to the length of the current management contract between CIMA and SERNANP (Claúsula Quinta, Plazo del Contrato); the accounting period could be lengthened as contract is extended. The project's implementation schedule with key dates and major project milestones (2008-2018) is presented as a table on pp. 24-25 of the PD. The audit team verified that the following milestones were reached within the 2008-2012 timeframe:

- first round of MUS;
- regional community meetings;
- large-scale buffer zone activity participatory strategy;
- new PNCAZ Master Plan 2011-2016;
- second round of MUS;
- VCS doc (PD) issued Dec 2012.

The exceptions are the following milestones/events that were not reached in 2012 as planned, but in 2013 (**OBS 04/14**):

- VCS validation and verification Feb 2013;
- CCB validation Feb 2013;
- CCB doc (PIMR) issued Sept 2013;
- CCB verification in progress.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>OBS 04/14</b>		

- 5) Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures adopted to mitigate these risks.

Findings from Field Audit			
CIMA identified four principal human risks to project benefits (PIMR p.38) and outlined a mitigation strategy for each that was verified during the audit process.			
<ol style="list-style-type: none"> <li>1. Timber, mining and oil concessions in the buffer zone: The audit team verified that CIMA staff is knowledgeable about the status of concession activities and that CIMA has raised awareness of laws and regulations in communities to facilitate community monitoring and reporting of infractions. Through field interviews and community meetings, it was verified that park guard patrols in the buffer zone and <i>rondas campesinas</i> (a type of local law enforcement authority) have been supported and strengthened by CIMA.</li> <li>2. Lack of land tenure in the buffer zone: Auditors verified that CIMA has implemented participatory land-use zoning with border demarcation and maps as a way to reduce land conflicts within and between communities. This was accomplished through first-hand observation of large printed demarcation and zoning maps at three communities visited, and discussions about the zoning process during community meetings. CIMA personnel have supported land tenure processes. The presence of regional field technicians, especially long-term technicians who have developed especially good rapport with community members, has greatly facilitated constant communication with communities where CIMA is operating.</li> <li>3. Illegal activities in the buffer zone: Auditors confirmed that CIMA has raised awareness of laws and regulations to facilitate community monitoring and reporting of illegal activity (Goal 1, Subgoal 1). The constant presence of CIMA field technicians in communities as well as the participation of park guards (perceived as presence of government authority) in community meetings and events, facilitates on-going communication with communities and promotion of activities to improve life quality (Goal 2, Subgoals 1 &amp; 3; Goal 3, Subgoal 1).</li> <li>4. Increased tensions between communities CIMA is initially working with and those that will be worked with in the futureThe audit team verified that CIMA has on-going communication with the communities in which it is working. It was also verified that some people living in communities where CIMA is not working are aware of the park and CIMA, though tensions were not apparent (Goal 2, Subgoals 1, 2 &amp; 3).</li> </ol>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 6) Demonstrate that the project design includes specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified in **G1** consistent with the precautionary principle.<sup>21</sup>

Findings from Field Audit
All project activities described in section 2.2.3 of PIMR are directed to local communities with the main objective of conserving the identified attributes. Based on interviews with community members, park guards, and government officials, the restrictions to enter

<sup>21</sup> The 'precautionary principle' is defined in the Preamble to the *Convention on Biological Diversity* (1992): '[W]here there is a threat of **significant reduction** or loss of biological diversity, lack of full scientific certainty should not be used as a reason for postponing measures to avoid or minimize such a threat.'

the PNCAZ area and the control and surveillance measures are in place and are constantly refined to minimize the risks of resource extraction in the PNCAZ.

When visiting communities and ranger stations, it has been verified that patrols occur at least monthly and they can be coordinated with local communities. It has also been verified that each community identifies community rangers to patrol and enforce the PNCAZ management plan. The audit team's assessment concludes that the proponent has taken measures to adequately maintain areas of HCV in the project area.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 7) Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.

Findings from Field Audit			
The activities and implementation plan described in the PIMR are designed to maintain and enhance the project's benefits during the twenty-year project lifetime and beyond, especially through the project's emphasis on community engagement in the buffer zone and the inclusion of community indicators in the PNCAZ Master Plan. Furthermore, the Ministry of the Environment of Peru (MINAM) officially expressed a favorable opinion and commitment to the REDD project in the PNCAZ (letter 179-2009-SERNANP-J, 30 Dec 2009, from the Director of SERNANP to the Exec. Dir. of CIMA) and the audit team verified that CIMA maintains an excellent relationship with SERNANP and MINAM and that the establishment of an endowment is underway to ensure continued funding for park management activities beyond the project lifetime.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 8) Document and defend how communities and other stakeholders<sup>22</sup> potentially affected by the project activities have been identified and have been involved in project design through effective consultation,<sup>23</sup> particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input.<sup>24</sup> A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project.

Findings from Field Audit			
During plenary meetings with the visited communities, community members demonstrated adequate knowledge and consent of the project's activities. Through records in their meeting logs, communities have shown that the proponent keeps permanent project affiliates in the area. Also, they carry out scheduled monitoring of activities carried out in and around the communities. Each community recognized and could speak about CIMA's field staff and field technicians and also identified the mechanisms for dissemination of the activities.			
The audit team determined that the project proponent maintains constant dialogue with the communities located in the buffer zone, according to the information provided by the communities.			
The proponent has submitted the supporting documentation of the work done in each community, according to the FOCAL intervention model: - the PIMR (Section 2.2.3 and Figure 4) describes the FOCAL intervention model, which begins with approaches to spread environmental education to communities and schools. This has been verified with the populations where there are posters about environmental education produced by the community itself. The Mapping of usage and strengths has been			

<sup>22</sup> 'Other stakeholders' are defined as the main groups potentially affected by the project activities that are not living on or adjacent to the project site.

<sup>23</sup> Effective consultation requires project proponents to inform and engage broadly with all community groups and other stakeholders using socially and culturally appropriate methods. Consultations must be gender and inter-generationally inclusive and must be conducted at mutually agreed locations and through representatives who are designated by the communities themselves in accordance with their own procedures. Stakeholders affected by the project must have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design, both before the project design is finalized and during implementation.

<sup>24</sup> In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with a preliminary community consultation, provided there are plans for appropriate full engagement before the start of the project. Where conformance with the Standards is being applied to a project already under implementation, project proponents must either provide documentation of appropriate consultation during the project design phase or demonstrate how more recent consultations have been effective in evaluating community benefits and adapting project design and implementation to optimize community and stakeholder benefits and respect local customs.

reviewed in publications on this issue in the office of Tarapoto and also in the communities there are maps worked with promoters and technicians. The environmental physical diagnosis is not an activity performed in all communities, but only in those that had the social diagnostics. Plans for coexistent rules and quality of life plans are also made with the community and has been verified that communities maintain materials and graphics prepared by them.

The audit team assessed that the revised documents (MUFs, environmental action plans, and living standards) in the office of Tarapoto and the confirmations made by the communities in the interviews, sufficiently demonstrate that the project maintains dialogue with and consent by the people involved in the design of the project.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 9) Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period<sup>25</sup> to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents must play an active role in distributing key project documents to affected communities and stakeholders and hold widely publicized information meetings in relevant local or regional languages.

#### Findings from Field Audit

The project was validated a few months ago, but previously a Spanish version of the PDD was distributed among communities. The audit team confirmed that the CIMA office in Tarapoto, has documented the distribution of these documents. Furthermore, the audit team determined that the proponent keeps documents and records of requests for information by the community. For example, the proponent has records that some residents of the communities that approached the Tarapoto offices to review more information about the project. The communication outreach taken by the proponent involved, the dissemination of written documents about the project and necessary third-party verification audit. The communities visited during the audit were selected by the audit team before the field visit according to risk-based criteria, in order to obtain a sampling of those areas with closest proximity to projected areas of deforestation. The audit team verified in the field that communities were sufficiently informed about the project activities during the consultation process.

Meetings with community members were held without the participation of project proponent staff, so they could participate, report and freely provide their opinions on the project activities. None of them have disclosed or sent comments on the project and indicated they had been sufficiently informed and granted consent to the project proponent and the proposed and ongoing project activities.

During the internal report and review process conducted by Rainforest Alliance the audit team concluded that the field verification had in fact occurred after the one year period from the initiation of the original public comment period (2012) had concluded. Despite the strong evidence of community and stakeholder consultations the project's window for completing verification had technically expired. The audit team consulted with the CCBA and determined that the acceptable course of action was for the proponent to re-post the project documents to the CCBA website and conduct a new 30-day public comment period (7 Feb- 9 March 2014), but that the evidence gathered during the field audit remained valid. The CCBA received only one set of questions from the same stakeholder within MINAM (for the 2008-2012 monitoring period) during the public comment period. The proponent provided a response to these comments to the audit team and asserted that no additional changes were necessary to the PIMR on the basis that the questions posed had either already been answered in the PDD or were not applicable to the project or to the monitoring period in question. The proponent has indicated that it will be contacting the government official to address their questions directly. The audit team agreed with this assessment and approach and that the comments had already been fully incorporated and addressed by the PDD and PIR, and corroborated in the field.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 10) Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process must be publicized to communities and other stakeholders and must be managed by a third party or mediator to prevent any conflict of interest. Project

<sup>25</sup>The CCBA public comment period' is the process whereby CCBA posts project documents that are under evaluation by an auditor for conformance with the Standards on [www.climate-standards.org](http://www.climate-standards.org) for at least 30 days with an invitation and link for public comments to which the auditor must respond in the audit report.



management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.

Findings from Field Audit			
In section 2.7 of the PIMR, main and secondary stakeholders are identified. Documentation was reviewed in the CIMA office in Tarapoto, including correspondence sent by CIMA to communities and vice versa, drawing attention to various situations, especially the participation in workshops to disseminate the project in cooperation between CIMA and the head of PNCAZ. During meetings in the communities it has been found that they repeatedly sent written communications with the field technicians, asking for some support. During interviews, communities said they recognise that in the event of any major issues, they should communicate those to the field technicians. No claims were found related to the project activities.			
The proponent provides ongoing communication through field technicians as a means for clear and formal mechanisms to deal with any complaint or dispute that might arise as part of project implementation. Therefore the proponent continues to maintain clear channels for identifying and handling any potential conflicts and grievances.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 11) Demonstrate that financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.

Findings from Field Audit			
In CIMA headquarters in Lima, the audit team received a detailed explanation about the financial mechanisms adopted by the project proponent. In the case of confidential information, calculations were reviewed and it was found that estimates ensure sufficient flows of funds to realize project implementation and attain conservation goals, which is the main target of the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

#### G4. Management Capacity and Best Practices - Required

##### **Concept**

The success of a project depends upon the competence of the implementing management team. Projects that include a significant capacity-building (training, skill building, etc.) component are more likely to sustain the positive outcomes generated by the project and have them replicated elsewhere.

**Best practices for project management include: local stakeholder employment, worker rights, worker safety and a clear process for handling grievances.**

##### **Indicators**

The project proponents must:

- 1) Identify a single project proponent which is responsible for the project's design and implementation. If multiple organizations or individuals are involved in the project's development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.

Findings from Field Audit
The project proponent is the Center for Conservation, Research and Natural Area Management – Cordillera Azul (CIMA), a Peruvian NGO, with the following responsibilities: Coordinate and oversee all project activities including interactions with national, regional and local governments, communications and relationships with buffer zone communities, input and review of project documentation, data collection and project monitoring and mapping. As CIMA is the project proponent and implementer and the organization's personnel was found to be extremely well-qualified to carry out all technical, administrative and legal responsibilities it is unclear why CIMA staff is not listed as the contact on project documentation (PD and PIMR).
An organizational chart for the project, including institutions as well as the personnel most directly responsible for each thematic section, is presented as Figure 3 (p. 21) of the PD. Staff positions were verified and roles of other institutions involved in the project follow: CIMA Staff are involved in National REDD Network and San Martin Regional Group. This Network supports the Government in developing REDD policy, and it is recognized by regional government decree.

The Field Museum, with the following responsibilities: Provide technical, strategic and administrative support to all areas of the project as requested by CIMA. The audit team observed that Field provided the project tools, such as the MUS, for community engagement and has provided technical support in the design and implementation of the REDD project. Through 2012, Field played the role of intermediary between USAID and CIMA for funding; currently, CIMA has submitted a new project to USAID, and, if approved, would be a direct recipient of funds. Field is currently seeking potential international investors for PNCAZ carbon on the voluntary market (VCS).

TerraCarbon LLC with the following responsibilities: Provide technical assistance in the application of REDD methodologies and development of portions of the project documentation. Through a skype interview, the audit team verified that TerraCarbon follows VCS protocol to the letter and has no community role. TerraCarbon has been training CIMA personnel to do their own carbon accounting with the objective of weaning them from support from TerraCarbon and eventually from Field as well. Hope was expressed that CIMA will shortly manage the project on its own.

Peru's National Protected Areas Service (SERNANP): The Cordillera Azul National Park (project area) is owned by the Peruvian Government; all park guards are part of the national park system overseen by SERNANP. CIMA works closely with SERNANP to design annual work plans, monitor all park guard operations and design and implement strategies for managing the park. CIMA has full management control over PNCAZ through a 20-yr contract with the Peruvian government; the contractual document, dated 8 August 2008, was verified by the audit team. During audit interviews in Lima, a close working relationship between CIMA, SERNANP and the Ministry of the Environment of Peru (MINAM) was made evident. The MINAM representative in Lima who was interviewed by the audit team was extremely knowledgeable about the history of the PNCAZ and the development and implementation of the REDD project as she had been Executive Director of CIMA for seven years; though her comments were insightful, it would be hard to consider them objective. In Tarapoto, the SERNANP-appointed Park Director and his small staff were observed to have an excellent relationship with CIMA and have offices in the same building. Finally, CIMA field technicians and park guards (under direction of the park director but paid by CIMA) were observed to work well together in buffer zone communities.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Document key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.

#### Findings from Field Audit

The project team, led by CIMA, has undergone some changes during the project period (2008-2012). For example the Executive Director of CIMA, based in Lima, has changed, some personnel in the Tarapoto office have changed and field technicians have changed and been rotated (as dictated by project policy) to different areas of the buffer zone. During the audit process, the auditors interviewed numerous CIMA staff in their offices (Lima and Tarapoto) and in the field, observed their work and application with rural communities and park guards and the field, and interviewed regional colleagues (e.g. staff of other NGOs and government officials). Through these means, the audit team verified that most if not all current CIMA personnel possess the experience and required expertise to manage and implement the tasks that are assigned to them.

Some PNCAZ personnel have also changed during the project period, including the Park Director and that position shifted from CIMA to SERNANP (MINAM) which, as a government representative, served to increase the Director's authority. As would be expected, the current Park Director has different personal strengths and weaknesses than the previous one, but both were described as skilled leaders by people interviewed during the audit. In fact, it was pointed out by several people external to CIMA that one of the great assets of the CIMA/SERNANP relationship was the strength and fearlessness of the present leadership team formed by the director of CIMA's Tarapoto office and the Park Director who is also based in Tarapoto.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Include a plan to provide orientation and training for the project's employees and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, including minority and



underrepresented groups. Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost.

Findings from Field Audit			
<p>The proponent has provided workshops to implement the FOCAL model, for which communities recognize that MUFs mechanisms, environmental education workshops and living standards are useful to ensure the conservation of resources and improve their living conditions.</p> <p>Regarding project workers, CIMA has internal regulations, with detailed mechanisms and obligations to ensure employee participation. In interviews with technicians the audit team verified that they receive ongoing training, some of them are engaged in specific courses. Similarly park rangers participate in joint training events with the staff of CIMA.</p> <p>The audit team finds that the activities are implemented to empower communities and compliance with the internal rules of CIMA, and are adequate for building capacity in communities and staff.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 4) Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.

Findings from Field Audit			
<p>In interviews with communities and community members, the audit team found that villagers are unwilling to pursue jobs outside their community, and most think they have enough work on their farms so that seeking additional work is not deemed necessary. While recognizing that the proponent communicates to them when new staff is needed, villagers frequently expressed unwillingness to apply for those positions. The Community ranger position is taken by certain locals because it only requires meetings and sporadic interventions or patrols. In the case those activities were permanent, many would not participate. The audit team found that populations are informed of employment opportunities but often are not interested in them. Therefore the proponent complies with the requirement of the standard.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 5) Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe how the project will inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights<sup>26</sup> and, where relevant, demonstrate how compliance is achieved.

Findings from Field Audit			
<p>The proponent makes a complete list of the rules in section 3 of PIMR. Regarding the activities proposed by the proponent, the team verified through field observations and interviews with other stakeholders that they are committed to enforcing the rules on protected natural areas, especially the conservation of biodiversity and landscapes.</p> <p>Similarly, the activities of Aguaytia sector include protecting indigenous peoples in voluntary isolation. Through interviews with officials, it has been confirmed that CIMA is leading the efforts to ensure recognition of isolated peoples in this sector as applicable to relevant laws.</p> <p>With respect to labor norms, CIMA has implemented a safety protocol for a wide variety of potential incidents that could occur in the implementation of its activities. Similarly, it has been found that workers know the safety protocol and the rules for various scenarios.</p> <p>Furthermore the audit team verified through formal document view that the proponent complies with wage policies, based on the contracts and tax payments associated with them.</p>			

<sup>26</sup> 'Workers' are defined as people directly working on project activities in return for compensation (financial or otherwise), including employees, contracted workers, sub-contracted workers and community members that are paid to carry out project-related work.

The audit team reviewed the mentioned documentation and considered it to be demonstrating of compliance with conservation of protected areas, protection of indigenous peoples in voluntary isolation and labor standards.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 6) Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks will be minimized using best work practices.

Findings from Field Audit			
The proponent has developed a security protocol that is applicable to all activities. It has been found through interviews that workers have received safety training and have been trained in the use of the protocol.			
The protocol considers citizen insecurity, accidents and diseases, and natural disasters, as circumstances that would represent a substantial security risk to workers.			
The audit team believes that the analysis developed by the proponent is sufficient to describe the dangers to the workers.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 7) Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.

Findings from Field Audit			
The audit team reviewed the budgets and financial statements prepared by the proponent to ensure implementation of the project and found that budgets and cash flows are consistent with the proposed activities and indicate a reasonable degree of financial health.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## G5. Legal Status and Property Rights - Required

### Concept

The project must be based on a solid legal framework (e.g., appropriate contracts are in place) and the project must satisfy applicable planning and regulatory requirements.

During the project design phase, the project proponents should communicate early on with relevant local, regional and national authorities in order to allow adequate time to earn necessary approvals. The project design should be sufficiently flexible to accommodate potential modifications that may arise as a result of this process.

In the event of unresolved disputes over tenure or use rights to land or resources in the project zone, the project should demonstrate how it will help to bring them to resolution so that there are no unresolved disputes by the start of the project.

### Indicators

Based on information about current property rights provided in **G1**, the project proponents must:

- 1) Submit a list of all relevant national and local laws<sup>27</sup> and regulations in the host country and all applicable international treaties and agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.

Findings from Field Audit
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<sup>27</sup> Local laws include all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms.

The audit team considers that the list made by the proponent in Section 3 PIMR is sufficient to describe the rules that the project should meet. In meeting with the national authorities of protected areas, SERNANP considered that all project activities are directed to comply with applicable laws. In addition, the project was also validated to VCS and CCB criteria in 2012, thus providing an additional measure of assurance that the proponent's ability and intent to comply with relevant regulations. Therefore the proponent has sufficiently demonstrated compliance with this indicator.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.

Findings from Field Audit			
The National Protected Areas Service, under the Ministry of the Environment of Peru, gave its support to CIMA for the development and implementation of the REDD project in the PNCAZ (Official letter 179-2009-SERNANP-J, 30 Dec 2009). The SERNANP and MINAM representatives who were consulted with by the audit team expressed clear support for the project, its administration by CIMA, the establishment of an endowment (in progress) for its long-term financial support, and clear definition and agreement with CIMA on the distribution of benefits derived from the registration and future sale of carbon credits on the voluntary market. Local community authorities participated in CIMA activities and promoted the protection of the national park.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Demonstrate with documented consultations and agreements that the project will not encroach uninvited on private property, community property,<sup>28</sup> or government property and has obtained the free, prior, and informed consent of those whose rights will be affected by the project.<sup>29</sup>

Findings from Field Audit			
The project area is a national park owned by the Peruvian government within which there is no private property. CIMA has a legal contract from appropriate national authorities (INRENA, now SERNANP) to administer the park and implement project activities to protect biodiversity in the park since the start of the project in August 2008. There are no human residents in the project area except possibly in the southeastern area of the park where uncontacted Amazonian people may be living. For this reason, this section of the park was declared an intangible zone that permits no entry or use by anyone other than the Kakataibo in voluntary isolation (PIMR p.50). Project design does not allow any activities in this region and stresses zero interference from outsiders, including any efforts to ask uncontacted groups for permission to develop a REDD project, as stipulated by Peruvian laws and international agreements signed by Peru.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 4) Demonstrate that the project does not require the involuntary relocation of people or of the activities important for the livelihoods and culture of the communities.<sup>30</sup> If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must demonstrate that the agreement was made with the free, prior, and informed consent of those concerned and includes provisions for just and fair compensation.<sup>31</sup>

Findings from Field Audit			
When the Park was established in 2002, well prior to the beginning of the project period, it became easier to end illegal and illicit activities that were occurring within park boundaries such as logging, hunting, cattle grazing and coca cultivation. When the project began in 2008, there were no organized human communities with the project area thus no relocation was necessary. There was one cattle rancher using park land for pastures though he did not have legal ownership but had an agreement with SERNANP and CIMA to allow him to remain in the park. He violated this agreement in 2009 and a legal procedure is ongoing to			

<sup>28</sup> Including lands that communities have traditionally owned, occupied or otherwise used or acquired.

<sup>29</sup> In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.

<sup>30</sup> Restricting the evaluation to activities that comply with statutory laws or conform with customary rights. 'Customary rights' to lands and resources refers to patterns of long-standing community land and resource usage in accordance with Indigenous Peoples' and local communities' customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State.

<sup>31</sup> In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.

remove the rancher from the park. A lawyer for MINAM continues this process in which CIMA is no longer involved; details of the legal procedure through 2012 are presented in the PIMR (p.37).			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 5) Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g., logging) taking place in the project zone and describe how the project will help to reduce these activities so that project benefits are not derived from illegal activities.

Findings from Field Audit			
The PIMR (p.38) identifies risks to the project in the buffer zone - that include some illegal activities – and the proponent's strategies to mitigate those risks. The risks of illegal activities are:			
(a) Illegal operations in government-authorized timber, mining and oil concessions (where concession owners are legally allowed to use the land but others aren't) located in the buffer zone that could result in deforestation or contamination in the project area and displacement of immigrants closer to or into the park. CIMA's mitigation strategy is to work with government agencies to monitor concessions, raise awareness of laws and regulations in communities, and support <i>rondas campesinas</i> and park guard patrols in the buffer zone (see G3.5 #1 and #3). Implementation of the community awareness aspects of this strategy and support of <i>rondas</i> and park guards were verified in the field by auditors through interviews with community members and local authorities who described in detail some of the punishments imposed by the <i>rondas</i> .			
(b) Illegal activities in the buffer zone that might put pressure on the park by increasing deforestation in the buffer zone and pushing immigrants closer to or into the park. Some logging and considerable areas of slash & burn forest clearing for new agriculture and grazing land in the buffer zone were witnessed by the audit team. Community members and CIMA personnel claimed these were legal activities and it was impossible to verify on a short visit. However, the monitoring results of the VCS Monitoring Report and therefore of this verification audit are for an earlier time-period than that of the audit. The effects of any activities observed during the audit will and should be captured in the subsequent verification period. CIMA's mitigation strategy for these illegal activities is similar to the aforementioned: raise awareness of laws and regulations in communities to enable those communities to monitor and report illegal activities to proper authorities; this was verified in the field by auditors.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 6) Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets.

Findings from Field Audit			
Legal documentation demonstrating that the project is undertaken on behalf of the carbon owners (the Peruvian government since the project area is a national park) with their full consent is demonstrated by the following two official documents: (1) the contract between the Peruvian government and CIMA (Aug 2008) that bestows full administrative control of the PNCAZ to CIMA including carbon rights and (2) the letter from SERNANP to CIMA that supports the development and implementation of the REDD project in the PNCAZ (Official letter 179-2009-SERNANP-J, 30 Dec 2009). More recently, an email (22 Aug 2012) from the Executive Director of CIMA documents a meeting at which a draft proposal for potential carbon credit revenue sharing was presented to the Director of SERNANP under the Full Administrative Contract of the PNCAZ. Auditors confirmed SERNANP's support of the revenue sharing plan through interviews.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## CLIMATE SECTION

### CL1. Net Positive Climate Impacts - Required

#### Concept

**The project must generate net positive impacts on atmospheric concentrations of greenhouse gases (GHGs) over the project lifetime from land use changes within the project boundaries.**

## Indicators

The project proponents must:

- 1) Estimate the net change in carbon stocks due to the project activities using the methods of calculation, formulae and default values of the IPCC 2006 GL for AFOLU or using a more robust and detailed methodology.<sup>32</sup> The net change is equal to carbon stock changes *with* the project minus carbon stock changes *without* the project (the latter having been estimated in **G2**). This estimate must be based on clearly defined and defensible assumptions about how project activities will alter GHG emissions or carbon stocks over the duration of the project or the project GHG accounting period.

Findings from Field Audit			
The proponent defined in PIMR (section 5.4.2) the emissions that are monitored to calculate emissions in the project area. Also Appendix 1 (Climate Monitoring Report 2012 VCS) provides a description of the parameters monitored and the final results. In the CIMA headquarters in Lima, staff members explained to the audit team about the procedures followed for deforestation analysis in the project area. The audit team reviewed the use of certain tools, such as satellite images used to monitor activity data and determined that it continues to follow protocols for monitoring activity data. However, for the verification period in question, detailed information has recently been verified against the VCS, and the results re-included and described in the CCB verification report. Therefore the audit team finds that it is in conformance with the CCB standard and confirms the proponents ability to monitor carbon stock changes.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Estimate the net change in the emissions of non-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O in the *with* and *without* project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO<sub>2</sub>-equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.

Findings from Field Audit			
Appendix 1 of the CCB PIMR, 2012 VCS Climate Monitoring Report, was recently verified against the VCS and excludes emission gases other than CO <sub>2</sub> , which is permitted by the methodology. Therefore further analysis by the audit team was not necessary for CCB verification because the proponent is simply referring to the results of the VCS Monitoring report. As a result the proponent is in conformance with this criterion.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

<sup>32</sup> In cases where a published methodology is used, the full reference must be given and any variations from the published methodology must be explained.



- 3) Estimate any other GHG emissions resulting from project activities. Emissions sources include, but are not limited to, emissions from biomass burning during site preparation, emissions from fossil fuel combustion,<sup>33</sup> direct emissions from the use of synthetic fertilizers,<sup>34</sup> and emissions from the decomposition of N-fixing species.

Findings from Field Audit			
Section 4.2 of Appendix 1 (Climate Monitoring Report 2012 VCS) was recently verified against the VCS standard and provides a full analyses of these emissions. The calculations provided for the CCB are those developed in the monitoring report for VCS, which was already verified. Therefore the proponent is conformance with this criterion.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 4) Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the net change in carbon stocks plus net change in non-CO<sub>2</sub> GHGs where appropriate minus any other GHG emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).

Findings from Field Audit			
Section 4.4 of Appendix 1 (Climate Monitoring Report 2012 VCS) recently verified against the VCS standard, analyzes the emissions and confirms the positive impact of the project. The CCB PDD merely references this process, which has already been audited. therefore the proponent has met this criterion successfully.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 5) Specify how double counting of GHG emissions reductions or removals will be avoided, particularly for offsets sold on the voluntary market and generated in a country with an emissions cap.

Findings from Field Audit			
The project has recently been verified by VCS and found that there is not duplicated counting of GHG. The CCB PDD merely references this process, which has already been audited. therefore the proponent has met this criterion successfully.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## CL2. Offsite Climate Impacts (“Leakage”) - Required

### Concept

The project proponents must quantify and mitigate increased GHG emissions that occur beyond the project area and are caused by project activities (commonly referred to as ‘leakage’).

### Indicators

The project proponents must:

- 1) Determine the types of leakage<sup>35</sup> that are expected and estimate potential offsite increases in GHGs (increases in emissions or decreases in sequestration) due to project activities. Where relevant, define and justify where leakage is most likely to take place.

Findings from Field Audit			
The audit team used interviews with communities to assess whether there was discernable leakage risk to other conservation areas. The producers say they are only engaged in agricultural activity and therefore they do not enter the area of the PNCAZ. In an interview with the Regional Environmental Authority, we found that many of the areas that were free to use, are being granted as contracts for private or community conservation to avoid deforestation in other areas outside the PNCAZ.			

<sup>33</sup> The following CDM Executive Board tool can be used to quantify these emissions: [http://cdm.unfccc.int/EB/033/eb33\\_repan14.pdf](http://cdm.unfccc.int/EB/033/eb33_repan14.pdf)

<sup>34</sup> The following CDM Executive Board tool can be used to quantify these emissions: [http://cdm.unfccc.int/EB/033/eb33\\_repan16.pdf](http://cdm.unfccc.int/EB/033/eb33_repan16.pdf)

<sup>35</sup> Offsite changes in GHG emissions can result from a variety of causes including:

- activity shifting or displacement;
- market effects (particularly when timber harvest volumes are reduced by the project);
- increased investment in the project zone;
- decreased investment in the project zone; and
- alternative livelihood programs or other leakage prevention activities.

The audit team found no evidence of leakage to other protected areas. Furthermore, leakage has already been analyzed and quantified for the corresponding monitoring period in the VCS Monitoring Report (Appendix 1), which has already passed verification. As a result the proponent has sufficiently identified and accounted for any emissions due to leakage.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.

Findings from Field Audit			
An estimation of leakage potential is not applicable during this CCB verification audit because the proponent has already been validated and verified under the VCS and has been validated under the CCBS. This aspect of the criterion has been addressed in the validated CCB PDD section 1.13.2 and section 1.8.1. Leakage quantification has been addressed in the VCS monitoring report (Annex 1 to the PIMR); therefore this criterion has already been satisfied.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project and demonstrate that this has been included in the evaluation of net climate impact of the project (as calculated in **CL1.4**).

Findings from Field Audit			
The monitoring report (Appendix 1 (2012 VCS Climate Monitoring Report), which was recently verified against the VCS and cited in the CCB PIMR, performs an analysis of these impacts. Therefore this criterion has been satisfied.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 4) Non-CO<sub>2</sub> gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO<sub>2</sub>-equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.

Findings from Field Audit			
The monitoring report (Appendix 1 (2012 VCS Climate Monitoring Report), which was recently verified against the VCS and cited in the CCB PIMR, performs an analysis of these impacts. Therefore this criterion has been satisfied.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

### CL3. Climate Impact Monitoring - Required

#### Concept

Before a project begins, the project proponents must have an initial monitoring plan in place to quantify and document changes (within and outside the project boundaries) in project-related carbon pools, project emissions, and non-CO<sub>2</sub> GHG emissions if appropriate. The monitoring plan must identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

#### Indicators

The project proponents must:

- 1) Develop an initial plan for selecting carbon pools and non-CO<sub>2</sub> GHGs to be monitored, and determine the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass, wood products, soil carbon and peat. Pools to monitor must include any pools expected to decrease as a result of project activities, including



those in the region outside the project boundaries resulting from all types of leakage identified in CL2. A plan must be in place to continue leakage monitoring for at least five years after all activity displacement or other leakage causing activity has taken place. Individual GHG sources may be considered 'insignificant' and do not have to be accounted for if *together* such omitted decreases in carbon pools and increases in GHG emissions amount to less than 5% of the total CO<sub>2</sub>-equivalent benefits generated by the project.<sup>36</sup> Non-CO<sub>2</sub> gases must be included if they are likely to account for more than 5% (in terms of CO<sub>2</sub>-equivalent) of the project's overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling must be used to measure more significant elements of the project's carbon stocks. Other data must be suitable to the project site and specific forest type.

Findings from Field Audit			
Appendix 1 in the CCB PIMR (Climate Monitoring Report 2012 VCS) provides comprehensive information on carbon stocks that were monitored. Since this is a verification audit this criterion is not fully applicable since verification requires results from a monitoring plan. Since the proponent has already cited the verified VCS monitoring report in the PIMR, this demonstrates that a plan has been executed to a satisfactory degree.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit			
Appendix 1 in the CCB PIMR (Climate Monitoring Report 2012 VCS) provides comprehensive information on carbon stocks that were monitored. Since this is a verification audit this criterion is not fully applicable since verification requires results from a monitoring plan. Since the proponent has already cited the verified VCS monitoring report in the PIMR, this demonstrates that a plan has been executed to a satisfactory degree.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## COMMUNITY SECTION

### CM1. Net Positive Community Impacts - Required

#### Concept

The project must generate net positive impacts on the social and economic well-being of communities and ensure that costs and benefits are equitably shared among community members and constituent groups during the project lifetime.

Projects must maintain or enhance the High Conservation Values (identified in G1) in the project zone that are of particular importance to the communities' well-being.

#### Indicators

The project proponents must:

- 1) Use appropriate methodologies<sup>37</sup> to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in **G1**), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being<sup>38</sup>, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The 'with project' scenario must then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in **G2**). The difference (i.e., the community benefit) must be positive for all community groups.

Findings from Field Audit

<sup>36</sup> The following CDM Executive Board tool can be used to test the significance of emissions sources: [http://cdm.unfccc.int/EB/031/eb31\\_repan16.pdf](http://cdm.unfccc.int/EB/031/eb31_repan16.pdf)

<sup>37</sup> See Appendix A of CCB Standard "Potential Tools and Strategies".

<sup>38</sup> Restricting the evaluation to well-being based on activities that comply with statutory laws or conform with customary rights.

<p>The validated PDD has already met this requirement. The PIMR provides an update on these estimated impacts, for example, using the FOCAL model, the project provides permanent communication with communities. The stages of FOCAL model are implemented through the activities proposed by the project which are directed to the communities living in the buffer zone.</p> <p>In interviews with communities, it has been shown that the process has been maintained in accordance with the established methodology.</p> <p>The villagers understand and share knowledge about conservation and actively participate in the process of socio-economic analysis initiated in their communities. Some communities such as Alto Ponaza, La Conquista and Paraiso have reached certain living standard indicators, and the participants were able to describe the process that was followed to reach these indicators. The audit team concludes that the FOCAL model allows the proponent to adequately identify important changes in the communities surrounding the PNCAZ through relevant indicators.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

2) Demonstrate that no High Conservation Values identified in **G1.8.4-6**<sup>39</sup> will be negatively affected by the project.

Findings from Field Audit			
<p>The project has been developed to maintain high conservation value attributes in the PNCAZ and its buffer zone. Therefore, the activities do not adversely affect these attributes.</p> <p>Through field visits and analysis of satellite images that CIMA does, the audit team found that the conservation attributes are not being negatively affected via a lack of substantial differences in deforestation. HCV values are closely linked to the project's overall conservation activities. The proponent's VCS monitoring report quantifies emissions reductions and therefore by definition, HCV values. This analysis has shown that HCV values are not negatively affected, therefore this criterion has been met.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## CM2. Offsite Community Impacts - Required

### Concept

**The project proponents must evaluate and mitigate any possible social and economic impacts that could result in the decreased social and economic well-being of the main stakeholders living outside the project zone resulting from project activities. Project activities should at least 'do no harm' to the well-being of offsite stakeholders<sup>40</sup>.**

### Indicators

The project proponents must:

- 1) Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.

Findings from Field Audit			
<p>The proponent's PIMR, section 7.2 discusses negative offsite impacts. The validated CCB PDD did not anticipate significant negative impacts on offsite stakeholder therefore the project had not developed activities to mitigate these effects. As a result the PIMR does have specific activities to verify during the verification audit. Therefore the project is in conformance with this criterion.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Describe how the project plans to mitigate these negative offsite social and economic impacts.

Findings from Field Audit
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<sup>39</sup> **G1.8.4** Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);  
**G1.8.5** Areas that are fundamental for the livelihoods of local communities (e.g., for essential food, fuel, fodder, medicines, or building materials without readily available alternatives); and,  
**G1.8.6** Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).

Note that High Conservation Values G1.8.1-3 that are more related to biodiversity conservation are covered in B1.

<sup>40</sup> Restricting the evaluation to well-being based on activities that comply with statutory or conform with customary rights.

The audit team agrees that no negative social and economic impacts have been identified outside the project area as a result of its implementation and that no project plans were necessary. Please refer to the finding in the table above in CM2.1.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

3) Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.

Findings from Field Audit			
The audit team agrees that project implementation is not likely to generate negative impacts in other locations outside the project area. This assertion was already reviewed and approved during the validation audit for CCB in 2012. Refer to findings in CM2.1.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

### CM3. Community Impact Monitoring - Required

#### Concept

The project proponents must have an initial monitoring plan to quantify and document changes in social and economic well-being resulting from the project activities (for communities and other stakeholders). The monitoring plan must indicate which communities and other stakeholders will be monitored, and identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full community monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

#### Indicators

The project proponents must:

- 1) Develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's community development objectives and to anticipated impacts (positive and negative).<sup>41</sup>

Findings from Field Audit			
Section 6 of the recently validated PDD analyzes the impact on communities and establishes a plan for monitoring the project objectives in the communities. As a result, Section 7 of PIMR analyzes the conditions previous to the project initiation and after its implementation.			
The audit team checked that monitoring activities in the field have been met, and this has been done by verification of the database with information obtained from the processes, primarily the MUF data. The proponent has already demonstrated that a plan was established (at validation) and that monitoring parameters were obtained according to this plan. This is sufficient justification for the proponent to be in conformance with this criterion since a plan was developed previously and evidence was obtained to demonstrate it has been followed.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 2) Develop an initial plan for how they will assess the effectiveness of measures used to maintain or enhance High Conservation Values related to community well-being (G1.8.4-6) present in the project zone.

Findings from Field Audit			
This criterion has already been reviewed at validation. The audit team considers that the index of conservation compatibility (ICC) used by the proponent provides sufficient information to ensure the effectiveness of measures used to maintain the attributes of high conservation value of a REDD project. The audit team agrees with the assertion that the conservation measures promoted by the project to conserve and protect standing trees, by definition maintains HCV areas. The monitoring plan is based on			

<sup>41</sup> Potential variables may include but are not limited to: income, employment generation, health, market access, schools, food security and education.

monitoring deforestation activity data which has already been presented in the verified VCS monitoring report. Therefore this criterion has been met.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit			
The audit team believes that monitoring activities that were developed by the project proponent and that have been carried out during the verification period are sufficient to show the progress of the project. Section 5.6 of the PIMR describes actions taken to monitor and report these activities via MUF reports based on SBIA recommendations. The audit team reviewed the relevant MUF reports and confirms that monitoring activities took place based on interviews with staff and communities in the buffer zone.			
The audit team verified that the office of CIMA in Tarapoto stores public information on the progress of the project, and currently a more updated program is being developed, which would provide access to all reports generated by the project implementation.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## BIODIVERSITY SECTION

### B1. Net Positive Biodiversity Impacts - Required

#### Concept

The project must generate net positive impacts on biodiversity within the project zone and within the project lifetime, measured against the baseline conditions.

The project should maintain or enhance any High Conservation Values (identified in G1) present in the project zone that are of importance in conserving globally, regionally or nationally significant biodiversity.

Invasive species populations<sup>42</sup> must not increase as a result of the project, either through direct use or indirectly as a result of project activities.

Projects may not use genetically modified organisms (GMOs)<sup>43</sup> to generate GHG emissions reductions or removals. GMOs raise unresolved ethical, scientific and socio-economic issues. For example, some GMO attributes may result in invasive genes or species.

#### Indicators

The project proponents must:

- 1) Use appropriate methodologies<sup>44</sup> to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The 'with project' scenario should then be compared with the baseline 'without project' biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.

Findings from Field Audit
In terms of evaluation and monitoring of changes in biodiversity, the project works under the premise that since the project area is a national park, that restricted human access to the park by people not involved in the project will result in minimal changes in biodiversity as a result of the project. Neither significant increases nor decreases of biodiversity are expected in the project area during the project lifetime as long as it retains its conservation status as mature primary forest with relatively untouched intrinsic

<sup>42</sup> 'Invasive species' are defined as non-native species that threaten ecosystems, habitats or species in the project zone as identified in the Global Invasive Species Database: <http://www.issg.org/database>, from scientific literature, and from local knowledge.

<sup>43</sup> 'Genetically modified organisms' are defined as any living organism that possesses a novel combination of genetic material obtained through the use of modern biotechnology and which is capable of transferring or replicating genetic material.

<sup>44</sup> See Appendix A of CCB Standard "Potential Tools and Strategies" for further guidance.

biodiversity and ecosystem function. This assumption is logical and defensible. Baseline vegetation conditions in 2008, evaluated through analysis of satellite imagery, indicated that the natural vegetation cover in the project area was 99.9% primary forest (PIMR Table 8.1) and that condition was maintained through 2012 (Table 8.2) based on analysis of satellite imagery of that same year. Baseline biodiversity measures and subsequent monitoring rely on occasional and opportunistic data obtained by park guards (see B3.1) through observations of selected hunted animal species during routine patrols in the park and registries of hunting, fishing or logging infractions that have decreased between 2008 and 2012.

Methods for monitoring changes in biodiversity in the geographically large and diverse area of the project's buffer zone have been discussed by proponents (ICC, Section II.2) but have not yet been implemented (**OBS 05/14**). The audit team heard anecdotal evidence of both recent biodiversity benefits and deficits from local people, for example, that larger herds of peccary had been observed in the buffer zone but that large individuals of a favored native fish species (carachama) had become less abundant in rivers near population centers in the buffer zone.

It is the assumption of the proponent that the 'with project' scenario that protects forest and biodiversity within the park compared to the 'without project' scenario that projects increased human pressure on the park's forest and biodiversity, complemented by project activities in the buffer zone designed to improve land use practices, raise consciousness of the environmental values provided by the park and increase the standard of living of communities, human pressure on the forest and biodiversity in the project zone will be reduced. For these reasons project activities are expected to result in a net biodiversity benefit in the project zone.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>OBS 05/14</b>		

- 2) Demonstrate that no High Conservation Values identified in **G1.8.1-3**<sup>45</sup> will be negatively affected by the project.

Findings from Field Audit			
The principal aim of this conservation project is to protect all three types of HCVs (G1.8.1-3) as they occur throughout the park and buffer zone. The audit team verified the implementation of project activities related to park protection (e.g. efforts to improve the quality of park guard patrols and communications, interactions of park guards with CIMA technicians and communities, and renovated park infrastructure) as well as activities in buffer zone communities to raise awareness of the environmental benefits of the PNCAZ (e.g., environmental education in schools), improve land-use practices (e.g. MUS, community zoning). For these reasons the audit team concludes that the project will not have a negative effect on any HCVs.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.

Findings from Field Audit			
The project does not use invasive species within the project area (the national park). In the buffer zone area, common agricultural and tree crops such as corn, rice, plantains, coconut, coffee and cacao were identified as well as domestic livestock such as horses, mules, dogs, chickens, guinea pigs and tilapia, having been brought into the area by migrants prior to and during the project period. Except for tilapia, these crops and animals are not invasive and are not a threat to native biodiversity. Tilapia has been introduced for food in many parts of the world and if they escape from enclosures they could cause ecological problems by out-competing native fish species for food and causing turbidity in clear waters through digging. The project has not promoted tilapia farming and few tilapia enclosures were observed, thus the risk is considered low.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

<sup>45</sup> **G1.8.1** Globally, regionally or nationally significant concentrations of biodiversity values, including protected areas, threatened species, endemic species and areas that support significant concentrations of a species during any time in their lifecycle(e.g., migrations, feeding grounds, breeding areas);  
**G1.8.2** Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;  
**G1.8.3** Threatened or rare ecosystems.

Note that High Conservation Values G1.8.4-6 that are more related to community well-being are covered in CM1.



- 4) Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species.

Findings from Field Audit			
<p>Both the PD and the PIMR state that “no invasive or exotic species were used in project activities.” While it is certain that non-native crop species were not selected for use by the project proponent, these species are presently providing food security and income for local families and are thereby essential to improve the standard of living of buffer zone communities which is a principal objective of the project. A textual modification is necessary to recognize of the use of these common cultivated species in the project zone towards the project's social goals (<b>OBS 06/14</b>). Project proponents justify the use of non-native agricultural and domestic animal species in the buffer zone as they were chosen by the local population over native species for market value (coffee) and local food preferences; their cultivation and husbandry continues in the project's presence. As well, proponents expect that the consumption of domestic animal species (e.g. chickens, guinea pigs) will decrease hunting pressure on native wild animals although the observation was made during the audit that most new immigrants to the buffer zone from other highland areas are not particularly interested in hunting wild game and would prefer to consume domestic meat due to cultural habits or because it requires less time and effort.</p> <p>The most likely adverse effects that the cultivation of agricultural and tree crops (both coffee and native cocoa) may have on the environment are (a) conversion of natural forest through slash and burn to create new production areas and (b) poor management techniques that result in plant disease that propagates, loss of soil quality, soil erosion and increased siltation in local streams that could have a negative impact on aquatic diversity. The following negative environmental impacts of crop cultivation were observed in buffer zone communities:</p> <ul style="list-style-type: none"> <li>• Land conversion for crop production – though not promoted by the project - was observed in numerous buffer zone communities. Slash and burn techniques were employed to remove virtually all native forest vegetation, including understory and leaf litter. There was also evidence of uncontrolled burns that spread unintentionally to forested areas.</li> <li>• Poor management of coffee plantations that likely played a role in the propagation of a widespread fungal outbreak in 2012 that devastated production throughout the region (much of San Martín Dept.). The project proponent recognizes that coffee growers in the buffer zone would benefit from technical assistance to improve management practices that would decrease disease and increase production. The proponent has not, however, developed a general proactive mitigation plan for handling diseased crops that could have economic and environmental consequences in the buffer zone; facilitating or providing technical assistance for improved management practices could be one component of such a plan (<b>OBS 07/14</b>).</li> </ul> <p>Project documentation indicated that there has been a reduction in the number of hunting dogs (exotic animals) entering the park as the result of park guard control at entry points into the park. The PIMR (8.1.3, p.94) states that “project activities lowered the number of incidents where exotic species were used by those not associated with the project,” apparently referring to a reduction in the use of dogs in the park since the project began, based on the number of recorded infractions.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>OBS 06/14, OBS 07/14</b>		

- 5) Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.

Findings from Field Audit			
<p>The project states that it does not use GMOs to generate GHG emissions reductions or removals. The use of GMOs would be highly unlikely in the natural ecosystems within the PNCAZ.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

## B2. Offsite Biodiversity Impacts - Required

### Concept

The project proponents must evaluate and mitigate likely negative impacts on biodiversity outside the project zone resulting from project activities.

### Indicators

The project proponents must:

- 1) Identify potential negative offsite biodiversity impacts that the project is likely to cause.

Findings from Field Audit
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The project does not expect negative offsite biodiversity impacts to occur. As this is a conservation project (the project area encompasses a national park) and its principal aim is to prevent negative biodiversity impacts in the project area and project zone (leakage belt). This expectation is justified as the park/project area covers >1.3 million hectares, much of which is virtually inaccessible due to abrupt topography. The buffer zone covers 2.3 million hectares, a huge area beyond which (offsite) are heavily farmed and urban landscapes that are unlikely to incur negative biodiversity impacts as there is not much natural biodiversity there at present, particularly on the western side of the project zone where the field audit took place. On the eastern side of the project area, the buffer zone encompasses natural forested landscapes and hence has a much broader area (see PIMR Map 2. Topographic map of PNCAZ and buffer zone).

Project activities are expected to generate positive – rather than negative - impacts on biodiversity and similar positive biodiversity impacts are also expected offsite, outside the project zone. The two examples of potential positive offsite biodiversity impacts cited in the PIMR (B2, p.95) are (1) stream recovery and erosion prevention within the project zone that would be beneficial to biodiversity downstream and hence offsite and (2) increases in herd sizes of white-lipped peccaries and natural habitat may allow species to widen their ranges to some offsite locations. Interviews with local communities substantiated the project proponent's assertion that peccary herds were becoming more frequent in some buffer zone areas.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

2) Describe how the project plans to mitigate these negative offsite biodiversity impacts.

Findings from Field Audit			
As no negative offsite biodiversity impacts are expected, no mitigation plans were prepared by project proponents.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	None raised		

3) Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net effect of the project on biodiversity is positive.

Findings from Field Audit			
No negative offsite biodiversity impacts are expected by project proponents. Biodiversity benefits of the project within the project zone are expected to be positive, therefore, the net effect of the project on biodiversity is positive. Audit observations verified an extensive network of control by park guards that strongly limited human entrance to the park that is logically expected to result in positive biodiversity impacts. Project activities promoted by CIMA field technicians, park guards and community assistants in buffer zone communities were verified to have raised the consciousness of local residents about the value of the park with respect to the environment (especially water provision) and the communities' present and future well-being. These actions are also expected to result in positive biodiversity impacts in the buffer zone and park.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

### B3. Biodiversity Impact Monitoring - Required

#### Concept

The project proponents must have an initial monitoring plan to quantify and document the changes in biodiversity resulting from the project activities (within and outside the project boundaries). The monitoring plan must identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full biodiversity-monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

#### Indicators

The project proponents must:



- 1) Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's biodiversity objectives and to anticipated impacts (positive and negative).<sup>46</sup>

Findings from Field Audit			
<p>The proponent has developed an initial plan for selecting biodiversity variables or indicators for monitoring and has established the frequency of monitoring and reporting for each type of indicator. Tables 5.6 and 5.7 (PIMR pp.82-84) list the variables and indicators selected for biological monitoring, the method of data collection, data source, reporting frequency, rank (to quantify indicator) and the description of each rank to minimize ambiguity. Indicator species for biodiversity monitoring were selected for their practicality (ease of identification by park guards) and their status as a target of harmful human impact, namely hunting. This monitoring protocol that depends on park guards' observations and records is a good fit for this project, especially as it is incorporated in regular park patrols and interacts in a positive way with the social component of the project (as per suggested in the SBIA Biodiversity impact assessment toolbox). The audit team found that the selection of biodiversity indicators was limited in scope and detected the following deficiencies in the monitoring protocol as it is presently carried out:</p> <ul style="list-style-type: none"> <li>• Indicator species that were selected represent only a small sample of species threatened by human activities and therefore may not thoroughly convey information about anticipated impacts of all human activities in the project zone. For example, though fishing is an important human activity in the buffer zone, no fish species were selected as indicators for monitoring purposes nor were any commercially-valuable tree species selected. Some residents of buffer zone communities clearly expressed to the audit team that some previously abundant native fish species preferred for food had been overfished from some rivers and streams (and/or fish populations negatively affected by other factors as well) to the point that it was much harder to find or only found in smaller sizes than had previously been captured by local residents.</li> <li>• Data collected by park guards were not collected in a systematic fashion so any observed differences would be difficult to compare over space and time. For example, observations of indicator species made while park guards were on patrol were opportunistic rather than correlated with specific areas, habitat types or frequency/intensity of effort (e.g. the amount of time spent on the patrol routes). These sporadic observations – usually consisting of the presence of the species and sometimes the number of individuals - would not necessarily relate to the conservation target of confirming healthy populations of a specific game species, for example, and it is unclear how these opportunistic presence/absence or count data would be used by the proponent to inform management decisions (<b>NCR 07/14</b>).</li> <li>• The hunting records (includes the identification of species and number of individuals killed by hunters) compiled by park guards at points of entry into the park may or may not be directly linked to the project's biodiversity objectives. Other factors, such as the population size of a given species, an individual hunter's preference for certain species or the preference of local human populations to consume fish or domestic animal meat may be important factors in the increase or decrease of hunting incidents or success, rather than a clue about the status of wild populations of game species.</li> </ul>			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>NCR 07/14</b>		

- 2) Develop an initial plan for assessing the effectiveness of measures used to maintain or enhance High Conservation Values related to globally, regionally or nationally significant biodiversity (**G1.8.1-3**) present in the project zone.

Findings from Field Audit			
<p>Project activities were designed by the proponent to raise awareness of the environmental benefits of the PNCAZ in buffer zone communities, improve land-use practices and decrease human pressure on all HCVs over the short-, medium- and long-term as they occur in the project zone. The auditors verified that the proponent's initial plan to evaluate the effectiveness of monitoring activities was presented in the booklet <i>Monitoreo integral</i> (Pequeño 2007) and that reports on the effectiveness of the MUS in 2008 and 2012 for use by CIMA personnel were prepared by external reviewers (Ponce Mariños, Jan 2008; Macedo Bravo, Jan 2013).</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

- 3) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit	
<p>The project proponent states that it is using the Index of Conservation Compatibility (ICC), a planning and monitoring tool developed by CIMA and The Field Museum that incorporates social, biological, institutional and operational aspects to determine</p>	

<sup>46</sup> Potential variables may include but are not limited to: species abundance; population size, range, trends and diversity; habitat area, quality and diversity; landscape connectivity; and forest fragmentation.

conservation successes and limitations (PIMR p.81). The ICC is complemented with annual landscape-scale monitoring of forest cover in the project area using satellite images, with deforestation in the project area being an indicator of negative impact to biodiversity. At the levels of biological communities, the monitoring plan states (PIMR p.82) that “the focus is on animals that indicate habitat health and are easy to sight and identify, specifically, sensitive (*to what?*) game animals (e.g. tapir, deer, curassow, monkeys and large carnivores).” The auditors question if the proponent and/or the park make decisions as to what species are allowed to be hunted in the park and how many individuals of each species are allowed? The auditors also question if – as is written in the text p. 82 - large carnivores are game animals in the local context, and if so, which ones? (**OBS 08/14**). The proponent is allowed 12 months from validation (thus until Feb 2014) to develop its monitoring plan and its plan to disseminate monitoring results via internet and directly to communities and other stakeholders. The development and use of the ICC (Pequeño, T., *Monitoreo Integral*) indicates the proponent’s effort to develop a full monitoring plan and information dissemination plan (Fig. 1, *Monitoreo Integral*).

Implementation of biological monitoring: The audit team verified through review of hand-written park guard monthly reports that some included observations of animals (sightings & tracks – and tracks of human hunters) made on regular patrol routes in the park. As well, park guards keep hunting registers with the date of entry, the identification and number of each species of animals killed by hunters who pass through park entry points near patrol posts.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	<b>OBS 08/14</b>		

## GOLD LEVEL SECTION

### GL1. Climate Change Adaptation Benefits - Optional

#### Concept

**This Gold Level Climate Change Adaptation Benefits criterion identifies projects that will provide significant support to assist communities and/or biodiversity in adapting to the impacts of climate change. Anticipated local climate change and climate variability within the project zone could potentially affect communities and biodiversity during the life of the project and beyond. Communities and biodiversity in some areas of the world will be more vulnerable to the negative impacts of these changes due to: vulnerability of key crops or production systems to climatic changes; lack of diversity of livelihood resources and inadequate resources, institutions and capacity to develop new livelihood strategies; and high levels of threat to species survival from habitat fragmentation. Land-based carbon projects have the potential to help local communities and biodiversity adapt to climate change by: diversifying revenues and livelihood strategies; maintaining valuable ecosystem services such as hydrological regulation, pollination, pest control and soil fertility; and increasing habitat connectivity across a range of habitat and climate types.**

#### Indicators

The project proponents must:

- 1) Identify likely regional climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project.

Findings from Field Audit			
The proponent has elected to not meet this section.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS			

- 2) Identify any risks to the project’s climate, community and biodiversity benefits resulting from likely climate change and climate variability impacts and explain how these risks will be mitigated.<sup>47</sup>

Findings from Field Audit			
The proponent has elected to not meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS			

<sup>47</sup> Examples of how risks from climate change can be mitigated include the choice of species (adapted to various temperatures, precipitation, seasonality, salinity of water table, diseases/pests, etc.), the methods used to implement GHG emissions reduction activities, certainty of water sources critical for project success and location of activities in relation to anticipated land cover changes (e.g. flooding) expected as a result of climate change.

- 3) Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of communities<sup>48</sup> *and/or* the conservation status of biodiversity<sup>49</sup> in the project zone and surrounding regions.

Findings from Field Audit			
The proponent has elected to not meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS			

- 4) Demonstrate that the project activities will assist communities<sup>50</sup> *and/or* biodiversity<sup>51</sup> to adapt to the probable impacts of climate change.

Findings from Field Audit			
The proponent has elected to not meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS			

## GL2. Exceptional Community Benefits – OPTIONAL

### Concept

This Gold Level Exceptional Community Benefits criterion recognizes project approaches that are explicitly pro-poor in terms of targeting benefits to globally poorer communities and the poorer, more vulnerable households and individuals within them. In so doing, land-based carbon projects can make a significant contribution to reducing the poverty and enhancing the sustainable livelihoods of these groups. Given that poorer people typically have less access to land and other natural assets, this optional criterion requires innovative approaches that enable poorer households to participate effectively in land-based carbon activities. Furthermore, this criterion requires that the project will ‘do no harm’ to poorer and more vulnerable members of the communities, by establishing that no member of a poorer or more vulnerable social group will experience a net negative impact on their well-being or rights.

### Indicators

Project proponents must:

- 1) Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development<sup>52</sup> country in which at least 50% of the population of that area is below the national poverty line.

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

<sup>48</sup> Project proponents can demonstrate, for example, evidence of decreased access to natural resources of importance for communities’ livelihoods and overall well-being. Climate change models that detail the predicted effects on these natural resources, such as freshwater, and participatory evaluations can be used to demonstrate anticipated impacts on communities.

<sup>49</sup> Project proponents can demonstrate evidence of a change in actual range, phenology or behavior of a species found within the project zone. For a range change, the project proponents should demonstrate that the change affects the entire range of the species and not just a subset of the range (which might be part of natural variation and offset by gains in other parts of the species range). Alternatively, the project proponents can demonstrate anticipated negative changes in the range of one or more species found in the project area using modeling techniques. The recommended modeling tool is Maxent because of its ease of implementation and performance (<http://www.cs.princeton.edu/~schapire/maxent/>). Recommended climatologies are IPCC4 A1 or A2 scenarios, Hadley or Japan high resolution GCM, downscaled to 1km (also available on the internet at <http://www.worldclim.org>). Best practice is to have this analysis conducted by a researcher who has published on climate and species distribution modeling using Maxent in the peer-review literature.

<sup>50</sup> Where communities are predicted to experience or are experiencing decreased access to natural resources because of climate change, project proponents must demonstrate that activities are likely to decrease communities’ dependence on these natural resources. For example, where freshwater access is affected by climate change, a project can improve water management for maximum efficiency or provide alternative agricultural methods or products that require less water. Project activities may also help communities adapt to new planting and harvesting schedules to ensure maximum yields. Other climate change adaptation assistance can involve helping communities prepare for ‘extreme events’ such as floods, droughts and mudslides.

<sup>51</sup> Where an actual range or phenology change in a species is identified, project proponents must demonstrate that the project activities will make a significant contribution to mitigating this impact of climate change. Examples include: creating suitable habitat in an area that is becoming climatically suitable for a species that is losing climatically suitable habitats in other parts of its range; and providing a native food source for a species that is suffering population declines because of timing mismatches between its food needs and food availability linked to climate change (such as spring emergence of vegetation or insects). Where a modeled range impact is demonstrated, project proponents should demonstrate that the project significantly contributes to improving species’ ability to occupy a new range or creates habitat in areas to which the species is migrating.

<sup>52</sup> Low, Medium, and High Human Development Countries defined in the latest UNDP Human Development Report [http://hdr.undp.org/en/media/hdr\\_20072008\\_en\\_complete.pdf](http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf)

- 2) Demonstrate that at least 50% of households within the lowest category of well-being (e.g., poorest quartile) of the community are likely to benefit substantially from the project.

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

- 3) Demonstrate that any barriers or risks that might prevent benefits going to poorer households have been identified and addressed in order to increase the probable flow of benefits to poorer households.

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

- 4) Demonstrate that measures have been taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project, and that the project design includes measures to avoid any such impacts. Where negative impacts are unavoidable, demonstrate that they will be effectively mitigated.

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

- 5) Demonstrate that community impact monitoring will be able to identify positive and negative impacts on poorer and more vulnerable groups. The social impact monitoring must take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups, including women.

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

### GL3. Exceptional Biodiversity Benefits – OPTIONAL

#### Concept

All projects conforming to the Standards must demonstrate net positive impacts on biodiversity within their project zone. This Gold Level Exceptional Biodiversity Benefits criterion identifies projects that conserve biodiversity at sites of global significance for biodiversity conservation. Sites meeting this optional criterion must be based on the Key Biodiversity Area (KBA) framework of vulnerability and irreplaceability.<sup>53</sup> These criteria are defined in terms of species and population threat levels, since these are the most clearly defined elements of biodiversity. These scientifically based criteria are drawn from existing best practices that have been used, to date, to identify important sites for biodiversity in over 173 countries.

#### Indicators

Project proponents must demonstrate that the project zone includes a site of high biodiversity conservation priority by meeting either the vulnerability or irreplaceability criteria defined below:

##### 1) Vulnerability

- Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site:
- Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or
- Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.

Findings from Field Audit			
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<sup>53</sup> See Appendix A of CCB Standard "Potential Tools and Strategies" for further guidance.

There is scientific evidence (Alverson et al. 2001 and other publications) demonstrating that the project area is a site of high diversity conservation priority by meeting the vulnerability criteria based on the KBA framework. Regular occurrence of 12 mammal species were recorded in the park that are globally threatened species as well as four critically endangered (CR) and two endangered (EN) frog species, an EN hummingbird Royal Sunangel (*Heliangelus regalis*), the EN Giant river otter (*Pteronura brasiliensis*) and numerous vulnerable (VU) species across taxa.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	None raised		

Or,

2) Irreplaceability

- a. A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds:<sup>54</sup>
- b. Restricted-range species - species with a global range less than 50,000 km<sup>2</sup> and 5% of global population at the site; or
- c. Species with large but clumped distributions - 5% of the global population at the site; or
- d. Globally significant congregations - 1% of the global population seasonally at the site; or
- e. Globally significant source populations - 1% of the global population at the site;

Findings from Field Audit			
The project has not sought to meet this criterion.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

<sup>54</sup> While there is wide consensus on the need for a sub-criterion for bioregionally restricted assemblages, this sub-criterion has been excluded from the Standards until guidelines and thresholds have been agreed.