



## Final CCBA Project Verification Report

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*“REDUCED EMISSIONS FROM DEGRADATION AND DEFORESTATION IN COMMUNITY  
FORESTS – ODDAR MEANCHEY, CAMBODIA”*

**ASIA AIR SURVEY  
28 AUGUST 2013**

*Verification Conducted by:*

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Appendix A      CCBA Compliance Checklist

## **1. Introduction**

This report presents the findings of an audit conducted by SCS Global Services (SCS), to confirm that the “Reduced Emissions from Degradation and Deforestation in Community Forests - Oddar Meanchey, Cambodia” project (“the project”) conforms to the Climate, Community and Biodiversity Project Design Standards (Second Edition). SCS has been accredited by the Climate, Community & Biodiversity Alliance (CCBA) to perform such verification audits.

### **1.1. Objective**

The verification objective is an independent assessment by SCS of the proposed project activity against all defined criteria as defined by the Climate Biodiversity and Community Alliance (CCBA). Verification has resulted in a conclusion by SCS as to whether the project activity continues to be compliant with the CCB Standards.

### **1.2. Scope and Criteria**

The verification audit assessed the implementation of the project during the monitoring period February 28, 2008 – February 28, 2012.

The project was assessed against all 14 required criteria of the CCB Standards Second Edition. In addition, the project was assessed against the optional criteria GL1, GL2 and GL3. The verification audit was carried out as specified in the guidance document “Rules for the use of the Climate, Community & Biodiversity Standards” (21 June 2010).

### **1.3. Level of Assurance**

The level of assurance is reasonable.

## **2.0 Verification Process**

### **2.1. Method and Criteria**

The verification was performed through a combination of document review, interviews with relevant personnel and on-site inspections.

### **2.2. Document Review**

The project implementation report (PIR; Version 4.0, dated 28 December 2012) and the monitoring plan (Version 4.0, dated 28 December 2012) were carefully reviewed for conformance to the verification criteria.

In addition to the above documents, the following written documents (e.g., reports, memos, land deeds and titles) were reviewed to ensure conformance of the project to the verification criteria:

| <b>Document (Date Created or Signed)</b>  | <b>Date Reviewed</b> |
|---|----------------------|
| Validated Project Description Documentation (PDD; September 2012)   | Throughout audit     |
| Validation report (10 October 2012)   | Throughout audit     |
| “Oddar Meanchey REDD+ Project, Report on 2010 Household Survey, Pact-Cambodia, July 2011” (July 2011)   | December 2012        |
| “AGREEMENT Between The Cambodia’s Forestry Administration and Terra Global Capital, LLC In Relation To Community Forestry Carbon Project in Oddar Meanchey” (30 March 2009)                                   | Throughout audit     |
| “Amendment to AGREEMENT Between The Cambodia’s Forestry Administration and Terra Global Capital, LLC Signed March 30, 2009 In Relation To Community Forestry Carbon Project in Oddar Meanchey” (October 2011) | February 2013        |
| “ELC Company Register and Make Contract in Cambodia” (June 2012)  | February 2013        |
| “Standard Operating Procedure For Field Measurements: Installation of new measurement plots for an avoided deforestation project in Oddar Meanchey Province, Cambodia, version 15” (September 2012)           | Throughout audit     |
| “Standard Operating Procedure For Participatory Rural Appraisals: Open Community Discussions for Oddar Meanchey Province Cambodia, version 6-0” (June 2012)   | Throughout audit     |
| “Standard Operating Procedure For Household Survey: Procedures for conducting household survey associated with the Oddar Meanchey REDD Project in Cambodia” (June 2010)                                       | Throughout audit     |
| “Oddar Meanchey Community Forestry REDD+ Project Policies” (February 2013)  | February 2013        |
| “Oddar Meanchey Project CCBS Requirements as mentioned in the Forward Action Requests” (February 2013)  | February 2013        |

### 2.3. Interviews

Interviews constituted an important component of the audit process. The following personnel associated with the project proponent and/or implementing partners were interviewed. The phrase “throughout audit” under “Date(s) Interviewed” indicates that the individual in question was interviewed on multiple occasions throughout the audit process.

| <b>Individual</b>  | <b>Affiliation</b>        | <b>Date(s) Interviewed</b>       |
|--------------------|---------------------------|----------------------------------|
| Erica Meta Smith   | Terra Global Capital, LLC | Throughout audit                 |
| Leslie Durschinger | Terra Global Capital, LLC | 17 December 2012                 |
| Steven De Gryze    | Terra Global Capital, LLC | 17 December 2012                 |
| Jeff Silverman     | Terra Global Capital, LLC | 17 December 2012, 4 January 2013 |
| Amanda Bradley     | Pact Cambodia             | 17 December 2012, 4 January 2013 |

| <b>Individual</b>    | <b>Affiliation</b>   | <b>Date(s) Interviewed</b> |
|----------------------|--|----------------------------|
| Benktesh D. Sharma   | Terra Global Capital, LLC  | 3 January 2013             |
| Khiev Samnang        | Pact Cambodia  | 4-8 February 2013          |
| Net Channa           | Pact Cambodia  | 4 February 2013            |
| Chhun Delux          | Pact Cambodia  | 4-8 February 2013          |
| Kurt Macleod         | Pact Cambodia  | 4 February 2013            |
| Sarah Sitts          | Pact Cambodia  | 4 February 2013            |
| Julien Brewster      | Pact Cambodia  | 4-8 February 2013          |
| Keng Neab            | Pact Cambodia/Forestry Administration (joint appointment)              | 7-8 February 2013          |
| Omaliss Keo          | Forestry Administration  | 4 February 2013            |
| Long Ratanakoma      | Forestry Administration  | 4-8 February 2013          |
| Teang David          | Forestry Administration  | 6 February 2013            |
| Mao Borimin          | Forestry Administration  | 6 February 2013            |
| Chee Boreth          | Children's Development Association, Cambodia                           | 6 February 2013            |
| Rith Bo              | Children's Development Association, Cambodia                           | 6 February 2013            |
| Venerable Bun Saluth | The Monks Community Forestry, Oddar Meanchey, Cambodia                 | 6 February 2013            |
| Sa Thlay             | The Community Forestry Federation of Oddar Meanchey Province, Cambodia | 6 February 2013            |

In addition, the following individuals who were not associated with the project proponent and/or implementing partner provided information regarding the project.

| <b>Individual(s)</b>   | <b>Date(s) Interviewed</b> |
|--|----------------------------|
| Community Forestry Group members and Community Forest Management Committee members, Dung Beng Community Forest                   | 7 February 2013            |
| Community Forestry Group members and Community Forest Management Committee members, Phaav (Thmorda O Toekkhiev) Community Forest | 8 February 2013            |

## **2.4. Site Inspections**

Following the initial desk review, several different meetings were held for the purposes of conducting “site inspections” with respect to the project.

Two meetings were held at the offices of Terra Global Capital, LLC (on 4 January 2013 and 17 December 2012, respectively). The primary purposes of the meeting were to a) describe the systems employed to quantify GHG emission reductions and removals; b) discuss the documentation prepared for verification and c) discuss the implementation of project activities during the monitoring period.

A site visit was conducted in the host country of the project from 4-9 February 2013. The primary verification activities undertaken during this visit were as follows:

- Interview representatives of the project proponent and all implementing partners listed in Section 1.1.1 of the project description regarding the implementation status of the project;
- Visit two Community Forests (CFs), Dung Beng CF and Phaav (Thmorda O Toekkhiev) CF, to confirm the implementation of the project on the ground; and
- Re-measure a sample of inventory plots, as initially measured by project personnel, to confirm the existence and sufficiency of control measures associated with the collection of forest inventory data.

The two CFs visited as part of the site visit described above were selected at random through the use of the RAND() function in Excel.

## 2.5. Resolution of Any Material Discrepancy

Any potential or actual material discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings issued by SCS were characterized as follows:

**Non-Conformity Report (NCR):** An NCR signified a material discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.

**New Information Request (NIR):** An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.

**Opportunity for Improvement (OFI):** An OFI indicated an area that should be monitored or ideally, improved upon. OFI's were considered to be an indication of something that could become a non-conformity if not given proper attention, and were sometimes issued in the case that a non-material discrepancy was identified. OFIs were considered to be closed upon issuance.

All findings issued by the audit team during the verification process have been closed. All findings issued during the verification process, and the impetus for their closure, are described in Section 5.0 of this report.

## 2.6. Resolution of Stakeholder Comments

The public comment period for the PIR extended from 3 January 2013 through 1 February 2013. No comments regarding the PIR were submitted to the CCBA.

## **3.0 Verification Findings**

### **3.1. General Section**

The General Section of the CCB Standards addresses original conditions in the project are baseline projections, project design and goals, management capacity and best practices, and legal status and property rights.

#### **3.1.1. G1 – Original Conditions in the Project Area**

The criterion requires information to be provided with respect to conditions in the project area and project zone prior to the start date (i.e., “original conditions”), but does not require updated information to be provided with respect to such conditions throughout project implementation. Therefore, the project is considered to comply with the criterion on the basis of the description that was provided within the validated PDD. A summary description of original conditions in the project zone is provided in the PIR, and the reader is appropriately referred to the PDD for a more thorough treatment.

#### **3.1.2. G2 – Baseline Projections**

The criterion requires “description of expected conditions in the project zone in the absence of project activities”. As with the “original conditions” of G1, it is not possible to provide updated information on the baseline scenario over time, as the baseline scenario must, inherently, be described ex ante. Therefore, the project is considered to comply with the criterion on the basis of the description that was provided within the validated PDD. The PIR refers the reader to the discussion of drivers of deforestation in the PDD, and also provides further information on the relative predominance of the different drivers of deforestation as of the summer of 2012.

#### **3.1.3. G3 – Project Design and Goals**

The validated PDD describes ten different project activities, and the PIR describes to what extent these activities were implemented during the monitoring period. The audit team’s comments with respect to each activity are as follows:

##### *Reinforcing the land-tenure status*

The audit team confirmed with high-ranking representatives of the FA that the Community Forestry and Carbon Conservation Agreements made with each CF, as described in the PIR, are currently valid and respected by the FA. The audit team did observe that wooden boundary posts and zinc signs had been installed at both the Dung Beng and Phaav CFs. The audit team observed that a large map of the Dung Beng CF was located in a guard station and a large map of the Phaav CF was located in small town near the CF entrance. It was indicated to the audit team that all three of the “large billboards” referred to in the PIR were installed in the provincial town of Samroung. All three appear to be destroyed for a variety of reasons, but the audit team did observe the remains of one of the signs at the CDA offices. The audit team was unable to visually confirm that trench had been dug along the boundary of the Sorng Rokavorn CF, but the PIR’s attestation of such was corroborated by a representative of MCF. Boundary

conflicts attributable to non-military sources appear to have been largely resolved in the Dung Beng and Phaav CFs.

However, interviews undertaken by the audit team have revealed that control of the Dung Beng CF, while theoretically vested in the membership of the Dung Beng CF, appears to largely rest, for all practical purposes, in the hands of the Cambodian military. The military's control of the Dung Beng CF appears to fundamentally threaten the delivery of climate, community and biodiversity benefits by, and for, the CF. It is possible that the military exerts similar control over the Andong Bor and Romdoul Veasna CFs, although the audit team was unable to confirm such. For more details, please see Section 5.0 of this report.

#### *Sustainable forest and land-use plans*

The audit team was able to confirm that the activities described in the PIR were implemented in relation to the Phaav and Dung Beng CFs. It should be noted that, as the participatory mapping exercise described took place during the participatory rural appraisals conducted in June – July 2012, these activities technically do not fall within the scope of the monitoring period discussed in Section 1.2 of this report. Project personnel have confirmed that additional planning activities are a high priority once GHG-related funding becomes available.

#### *Forest protection*

It appears that forest protection activities are being conducted to varying degrees of efficacy among the CFs. For example, while personnel from MCF attested to the success of patrolling in the Sorng Rokavorn CF, the audit team learned from members of the Dung Beng Community Forestry Group that they do not implement patrols on the Dung Beng CF anymore, as such patrols have been completely ineffective since the Dung Beng CF was taken over by the military (see discussion under heading "Reinforcing the land-tenure status" above). Some interviewees indicated that there is a general decline in morale among patrollers, some of whom have been undertaking patrol activities for over 10 years. Above-the-table compensation to such patrollers, while perhaps sufficient to compensate for fuel expenses and perhaps some fuel expenditure, has not adequately compensated for substantial wear and tear on motorbikes or time spent patrolling. It has also been indicated to the audit team that patrollers have gotten discouraged in the task of having to perpetually defend the boundaries of their respective CFs. One hundred wooden boundary posts were previously installed at each CF and 40 concrete boundary posts have been installed, or are in the process of being installed, at each CF (with plans to install concrete posts at the remaining CFs in the future). However, it has been indicated to the audit team that the wide spacing between posts necessitated by having to spread them over a large area does not always facilitate clear understanding of the exact boundary at any given point, and therefore it is still possible for misunderstandings and disputes to occur.

The audit team did confirm that the cameras and GPS units described in the PIR were provided to the Community Forest Management Committees of the Dung Beng and Phaav CFs, although it was not clear to the audit team that this equipment was necessarily used for the intended purpose. The audit team was able to confirm, through a demonstration in the offices of Pact Cambodia, that the Frontline SMS system described in the PIR is currently operational. It was indicated to the audit team that there is some reluctance to use the Frontline SMS system among older patrollers, who may not always be familiar with SMS texting technology, but that adoption has been generally increasing over time.

#### *Assisted Natural Regeneration and Enrichment Planting*



Although areas in which Assisted Natural Regeneration are expected to occur have been demarcated, it was indicated to the audit team during the site visit that no planting or other management activities have yet occurred. The validated PDD does not indicate that any management activities are scheduled to occur until 2013.

#### *Fuel-efficient Stoves*

While some research has occurred, as described in the PIR, it was indicated to the audit team that no cook stoves have been distributed to the communities.

#### *Livestock Protection from Mosquitoes*

While some research and conversations with the communities has occurred, as described in the PIR, it was indicated to the audit team that no mosquito netting has been distributed to the communities.

#### *Agricultural Intensification*

With the exception of the research documented in the PIR, it was indicated to the audit team that none of the agricultural intensification activities described in the PDD has yet occurred.

#### *Natural Resource Management Projects*

As the audit team did not visit any of the CFs in which irrigation activities were ostensibly implemented, as described in the PIR, the audit team cannot specifically confirm the implementation of the activities. However, the audit team did receive some substantiating evidence in the form of a spreadsheet that documents, for each instance of installation, the following details: a) the specific systems installed, b) the supporting entity, c) the implementing entity, d) the year of installation, and e) the size of the system installed.

#### *NTFP Development Activities*

The audit team was able to confirm that trainings in resin production were held in the Chrok Village for members of Phaav Community Forestry Group. However, members of the Phaav Community Forest Management Committee indicated to the audit team that resin is no longer of interest to the members of the Phaav Community Forestry Group because many large resin trees outside the boundary of the Phaav Community Forest were harvested by the military in the past.

#### *Fire Prevention*

As is indicated in the PIR, the participatory rural appraisal process includes specific questions regarding fire. In addition, it was indicated to the audit team that short fire breaks of approximately 500 meters have been created to constrain the spread of fire from deciduous forest to evergreen forest.

Interviews with a broad spectrum of project personnel have revealed that the information provided in the PDD in response to G3.3 and G3.4 continues to be relevant to the project.

Discussions with project personnel, as substantiated by documentation and observations during the site visit, have indicated that a good-faith effort has been made to implement most of the mitigation measures identified in response to G3.5, where relevant, although some exceptions to this have been noted in Section 5.0. Measures to ensure the maintenance measures or enhancement of high conservation value attributes (e.g., securing land tenure) and measures to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime (e.g., provision of training), as required by G3.6 and G3.7, respectively, have also been implemented. It is anticipated that further

measures to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime will be implemented once additional funding is available.

Discussions with project personnel and stakeholders have confirmed that the planned measures to continue communication and consultation between project managers and all community groups, as required by G3.8 and described in the PDD, have generally been implemented. Members of the Dung Beng and Phaav Community Forest Management Committees indicated that they have been involved in meetings as described in the PDD, although meetings of the Dung Beng Community Forest Management Committee have been curtailed recently, as described in Section 5.0.

In accordance with the CCB Standards, the CCBA public comment period was held from 3 January 2013 through 1 February 2013. During this time, the PIR was posted on the CCBA website for comment. As indicated to the audit team during the site visit, the CCBA public comment period was publicized to the Community Forest Management Committee chiefs, who were expected to disseminate information regarding the CCBA public comment period to members of the Community Forestry Groups. As is described in further detail in Section 5.0, this strategy was not very effective in publicizing the above CCBA public comment period to the communities. However, it should be noted that two public comment periods were held as part of the validation audit, with the most recent period being held in July 2012 (according to the validation report issued by the validation body). Because the PDD described many project activities that had already taken place at the time the PDD was finalized, most of the information regarding project implementation that is contained within the project implementation report, and that pertains to the monitoring period of 28 February 2008 – 28 February 2012, is also contained within the PDD. Therefore, much of the relevant information regarding project implementing throughout the monitoring period was already conveyed to the communities via earlier public comment periods. Therefore, the project can be said to have complied with G3.9 even though the most recent public comment period does not appear to have been adequately publicized to the communities.

A policy for handling unresolved conflicts and grievances, as required by G3.10, is contained within the “Oddar Meanchey Community Forestry REDD+ Project Policies” document. While the “third party or mediator” in charge of managing the grievance process has yet to be identified, it was explained to the audit team that there is currently a high-level search for an appropriate entity to fill this role. The audit team found, in discussion with various stakeholders involved with the project, that the grievance policy was not always adequately communicated at the level of the individual Community Forestry Groups (see Section 5.0 for further details). However, each Community Forestry Group is bound by a conflict resolution framework, as set out in Chapter 9 (Articles 29 and 30) of the “Prakas on Guidelines on Community Forestry”, which guides conflict resolution on each CF (in accordance with Chapter 11 of the regulation for each CF). Due to the circumstances of the project during the monitoring period, most of the project activities during the monitoring period have pertained to the management of the individual CFs (and, thus, most potential conflicts and grievances will have arisen at the level of the CFs). Thus, the framework set out by the “Prakas on Guidelines on Community Forestry” has served as a “stop-gap” measure to ensure that a policy for handling unresolved conflicts and grievances has been in place for the duration of the monitoring period, and conformance with G3.10 was maintained for the duration of the monitoring period. It may be of interest to note that the audit team did not find any evidence of unresolved conflicts and grievances (aside from those relating to military occupation, as discussed above, which are beyond the scope of any project-level grievance policy) in interviews with Community Forestry Group members.

Although the funds secured this far have been adequate to undertake the activities described in the PIR, as required by G3.11, it was indicated to the audit team that plans are in place to implement additional project activities once net income from the sale of carbon credits is available. The audit team agrees that such income will be very helpful in strengthening the climate, community and biodiversity benefits of the project.

In summary, the project remains in overall conformance with G3. Although not all project activities have been implemented on the schedule described within the PDD, the audit team can affirm that the project has generated net positive climate, community and biodiversity benefits compared to the baseline scenario, and therefore the project can be successfully verified in accordance with the CCB Standards rules.

### **3.1.4. G4 – Management Capacity and Best Practices**

As a result of on-site interviews with project personnel, the audit team was able to confirm that the roles of the project proponent and implementing partners continue to be as described in the PDD. The audit team agrees that the management team possesses the key technical skills necessary to successfully undertake all project activities, including forest protection, forest biomass inventory, community surveys and project activity design. All of the representatives of the management team with whom the audit team spoke were competent in their respective areas of expertise.

The only employees of the project to be hired thus far are the two “community monitors” from each CF, who have been hired to assist with monitoring tasks on their respective CF. These individuals had been recently hired as of the site visit of February 2013, and therefore they had not yet been fully trained. However, the audit team was able to confirm that community monitors from the Dung Beng and Phaav CFs had received some training as of the time of the site visit. The audit team did not find that all people received an equal opportunity to apply for these positions, as described in Section 5.0. While this is unfortunate, it is hoped that the project will undertake more effective measures to ensure equal access to project employment opportunities in the future. In addition, as described further in Section 5.0, it is suggested that future efforts to ensure that project employees are advised of their rights would strengthen conformance to G4.5.

For purposes of G4.6, the term “workers” includes not only paid project employees but also individuals in volunteer work, which may pay a small stipend or per-diem, such as forest protection and biomass measurements. Regarding safety, the project does have a safety policy that is part of the “project policies” document. The audit team can confirm that the project policies document has been disseminated among higher-level project personnel, but it is not necessarily shared with lower-level workers. However, the audit team observed that safety policies are communicated to workers through other means. For example, the audit team observed that a safety briefing was provided before work on each of two days, during the site visit, in which biomass inventory work was observed. The audit team observed other mechanisms (such as short breaks) in place to ensure that risks to worker safety were minimized.

Although the funds secured this far have been adequate to undertake the activities described in the PIR, as required by G4.7, it was indicated to the audit team that plans are in place to implement additional project activities once net income from the sale of carbon credits is available. The audit team agrees that such income will be very helpful in strengthening the climate, community and biodiversity benefits

of the project. The audit team can confirm the existence of the 30-year work plan, which has been provisionally agreed to by all parties (the audit team was told that the final work plan would be approved once additional resources are available for its development).

In summary, the project remains in overall conformance with G4. It is hoped that the project's conformance to G4 will be strengthened in future monitoring periods.

### **3.1.5. G5 – Legal Status and Property Rights**

Interviews with project personnel (particularly those affiliated with the project proponent) have indicated a high level of familiarity with the legal framework of the project. The audit team has reasonable assurance that the ongoing due diligence employed by project personnel was sufficient to ensure the compliance of the project with all relevant laws for the duration of the monitoring period. In addition, the audit team can confirm that the project contains to receive support the appropriate authorities (including, most importantly, the project proponent).

The audit team can confirm that the land tenure status of the project area is undisputed, and that the project has not encroached upon private property, community property or government property or resulted in the involuntary relocation of any individuals. During the monitoring period, the audit team was informed of two situations in which Economic Land Concession boundaries were re-drawn to accommodate the boundary of the adjoining CF areas, but these instances are more accurately characterized as instances in which clerical errors were reconciled than instances of encroachment, as the ownership of the disputed area was itself never in dispute. As reported on page 71 of the validated PDD, there exist some pre-existing in-holdings within the CF areas. However, these areas have been excluded from the project area, and in any case, it has been indicated to the audit team that those villagers who previously established in-holdings will be permitted to retain control of their in-holdings, subject to certain conditions.

As confirmed by the validation audit, a solid legal framework exists to ensure that the project proponent holds clear, uncontested title to the carbon rights. Through interviews with project personnel, the audit team has confirmed that the relevant legal agreements remain in effect.

## **3.2. Climate Section**

### **3.2.1. CL1 – Net Positive Climate Impacts**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected climate impact of the project within the project area. As set out in guidance document "Rules for the use of the Climate, Community & Biodiversity Standards", the major reason why this estimate would need to be re-assessed are if "there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group" (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected climate benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered "substantial" by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report.

### **3.2.2. CL2 – Offsite Climate Impacts ('Leakage')**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected climate impact of the project outside of the project area. As set out in guidance document "Rules for the use of the Climate, Community & Biodiversity Standards", the major reason why this estimate would need to be re-assessed are if "there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group" (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected climate benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered "substantial" by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report. The audit team's findings regarding the implementation status of the activities to mitigate leakage are found in Section 3.1.3 above.

### **3.2.3. CL3 – Climate Impact Monitoring**

As indicated in the validation report issued by Tuv Sud, the full climate monitoring plan was completely accepted at validation. The full climate monitoring plan does not require non-CO2 greenhouse gases to be monitored. The monitoring plan, in turn, references a Standard Operating Procedure for the collection of biomass inventory data. This Standard Operating Procedure contains detailed procedures for measuring all of the carbon pools listed in the monitoring plan. The measurement techniques are well-described and consistent with standard inventory best practices for the chosen sampling methods. Preliminary monitoring results are available in the PIR; however, it was indicated to the audit team that finalized monitoring results would be made available, as required by the CL3.2, once these results have undergone a successful verification audit against the Verified Carbon Standard.

The audit team can confirm that the monitoring as reported in the PIR has proceeded in accordance with the monitoring plan, and that the project has resulted in net climate benefits over the duration of the monitoring period.

## **3.3. Community Section**

### **3.3.1. CM1 – Net Positive Community Impacts**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected community impact of the project within the project area. As set out in guidance document "Rules for the use of the Climate, Community & Biodiversity Standards", the major reason why this estimate would need to be re-assessed are if "there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group" (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected community benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered "substantial" by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report.

### **3.3.2. CM2 – Offsite Stakeholder Impacts**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected community impact of the project outside of the project area. As set out in guidance document “Rules for the use of the Climate, Community & Biodiversity Standards”, the major reason why this estimate would need to be re-assessed are if “there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group” (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected community benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered “substantial” by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report. The audit team’s findings regarding the implementation status of the activities to mitigate offsite stakeholder impacts are found in Section 3.1.3 above.

### **3.3.3. CM3 – Community Impact Monitoring**

The monitoring plan contains a full monitoring plan for monitoring of community impacts. While the list of biodiversity variables monitored within this full plan is much reduced from the list of variables within the initial plan in the PDD, it was indicated to the audit team that, based on feedback from the validation body, the list of variables to be monitored was simplified so as to be more manageable. The audit team agrees that the variables listed in the full monitoring plan will appropriately capture community impacts within the project area and also the wider project zone. The monitoring plan identifies the communities and other stakeholders to be monitored. The monitoring plan references Standard Operating Procedures for conduct of household surveys and participatory rural appraisals. Through review of these documents and interviews with project personnel, the audit team can confirm that the procedures described within the Standard Operating Procedures, and the monitoring plan itself, are appropriate to the task at hand.

The audit team can confirm that the monitoring as reported in the PIR has proceeded in accordance with the monitoring plan, and that the project has resulted in net positive community impacts over the duration of the monitoring period.

## **3.4. Biodiversity Section**

### **3.4.1. B1 – Net Positive Biodiversity Impacts**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected biodiversity impact of the project within the project area. As set out in guidance document “Rules for the use of the Climate, Community & Biodiversity Standards”, the major reason why this estimate would need to be re-assessed are if “there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group” (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected biodiversity benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered “substantial” by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report.

### **3.4.2. B2 – Offsite Biodiversity Impacts**

As confirmed at validation, the validated PDD contains an ex-ante estimate of the expected biodiversity impact of the project outside of the project area. As set out in guidance document “Rules for the use of the Climate, Community & Biodiversity Standards”, the major reason why this estimate would need to be re-assessed are if “there has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of impacts, or the affected group” (page 14), in which case a new validation audit would be necessitated. Although some impacts to the expected biodiversity benefits of the project were noted during the site visit, as described in Section 3.1.3 above, these impacts are not considered “substantial” by the audit team. Therefore, the ex-ante estimate described in the validated PDD is not within the scope of the verification audit described in this report. The audit team’s findings regarding the implementation status of the activities to mitigate offsite biodiversity impacts are found in Section 3.1.3 above.

### **3.4.3. B3 – Biodiversity Impact Monitoring**

The monitoring plan contains a full monitoring plan for monitoring of biodiversity impacts. While the list of biodiversity variables monitored within this full plan is much reduced from the list of variables within the initial plan in the PDD, it was indicated to the audit team that, based on feedback from the validation body, the list of variables to be monitored was simplified so as to be more manageable. The audit team agrees that the variables listed in the full monitoring plan will appropriately capture changes in biodiversity within the project area and also the wider project zone. In accordance with the CCB Standards, the types of measurements, sampling method and frequency of measurement are identified.

The audit team can confirm that the monitoring as reported in the PIR has proceeded in accordance with the monitoring plan, and that the project has resulted in net biodiversity benefits over the duration of the monitoring period.

## **3.5. Gold Level Section**

### **3.5.1. GL1 – Climate Change Adaptation Benefits**

The initial analysis required by GL1 was approved at validation, and is considered to remain valid. Regarding the activities to be undertaken to assist communities in adapting to the probable impacts of climate change, please see the discussion of the project activities “Assisted Natural Regeneration and Enrichment Planting”, “Natural Resource Management Projects” and “Fire Prevention” in Section 3.1.3. The project remains in conformance with GL1.

### **3.5.2. GL2 – Exceptional Community Benefits**

Although Cambodia was considered a “low human development” country at the time of validation, review of the Human Development Report 2011 indicates that Cambodia is now considered a “medium human development” country. Therefore, the audit team was provided with evidence from the participatory rural appraisal to indicate that, on average, over 50% of households are below the poverty line, as assessed at the commune level. The determination of poverty was made using the “Implementation Manual on the Procedures for Identification of Poor Households”, which is a manual published by the Cambodian government. Therefore, the project is still eligible for conformance to GL2.

The validation report states, regarding this criterion, “The audit team concludes that the project complies with the Gold Level “Exceptional Community Benefits”, considering the Forward Action Request 03.” Forward Action Request 03, as described in the validation report, states:

“The PP shall present information whether any poorer and more vulnerable households and individuals of the community are impacted by the project activity. Respective counter measures to avoid such impacts shall be presented at verification.”

The audit team did not identify any evidence of impacts to poorer and more vulnerable households and individuals, although the audit team explicitly sought information regarding any such impacts during interviews with community members. In addition, the document “Oddar Meanchey Project CCBS Requirements as mentioned in the Forward Action Requests”, as submitted to the audit team, provides a thorough overview of the efforts undertaken during the monitoring period to identify and mitigate any possible impacts to poorer and more vulnerable households and individuals. Therefore, it is the opinion of the audit team that the project continues to comply with indicator GL2.

### **3.5.3. GL3 – Exceptional Biodiversity Benefits**

The audit team was provided with pictures of banteng (*Bos javanicus*) that were allegedly taken with camera traps that were located on the Sorng Roka Vorn CF. The audit team confirmed with the Venerable Bun Saluth of the Monks Community Forestry that the images in question were authentic (some of these images were framed and on display at the pagoda in Samroung). The Venerable Bun Saluth indicated that as many as 15 banteng were recently observed in the Sorng Roka Vorn CF. It was indicated to the audit team that these banteng are likely permanent inhabitants of the Sorng Roka Vorn CF, and that more of them are likely present in the CF at this time due to a lack of habitat availability outside the CF.

A review of the IUCN Red List website ([www.iucnredlist.org](http://www.iucnredlist.org)) on 20 February 2013 indicates that the banteng has a status of endangered (EN). Therefore, the audit team has reasonable assurance that the project continues to comply with GL3 through the vulnerability criterion.

## **4.0 CCB Verification Conclusion**

Following completion of SCS’s duly-accredited verification process, it is our opinion that the project conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) at the Gold Level (see Appendix A).

## **5.0 Resolution of Verification Findings**

Please see Section 3.1 of this report for descriptions of the types of findings.

### **NIR 2013.1 dated 01/18/2013**

**Standard Reference:** CCB Standards, definition of "project zone"

**Document Reference:** OMC+CCB+PD+V4+Sept+2012.pdf, Section G1.3

**Finding:** The CCB Standards defines "project zone" as "The project area and the land within the



boundaries of the adjacent communities potentially affected by the project." The validated PDD states that "The sizes of the Community Forests Sites range from 383 hectares to 17,848 hectares, and add up to a total project zone of 63,831 hectares (Table G2)." In conjunction with Table 2, this language strongly implies that the project zone is equal to the summed areas of the 13 Community Forests, for a total area of 63,831. However, during the office meeting of 4 January 2012, there was some evident confusion regarding the actual boundaries of the project zone. Please confirm the boundaries of the project zone.

**Client Response:** The confusion is between the terms "project zone" (which is a CCB specific term), "project area" and "Community Forest area". To clarify, the Project Zone relates to the area within the Community Forest Boundary totaling 63,831 hectares, shown in Table G2 of the CCB PD. However, the Project Zone contains areas that are not forested, and therefore are not eligible to be a part of the VCS REDD Project area. For the sake of consistency across the VCS and CCB PDs, we have introduced the concepts of the Project Zone (63,831) and the Project Area (56,050). This is represented in Table 2 of the CCB PD.

**Auditor Response:** Subsequent to the issuance of this finding, the boundaries of the project area and project zone were clarified. The audit team agrees that the description of these areas, as provided in the Client Response section, is consistent with Table 2 of the validated PDD. Therefore, the information request has been satisfied.

**Closing Remarks:** The Client's response adequately addresses the finding.

### **NIR 2013.2 dated 01/18/2013**

**Standard Reference:** CCB Standards, Criterion CM3

**Document Reference:** OMC+CCB+PD+V4+Sept+2012.pdf, Table CM1; CCB Oddar Meanchey Monitoring Plan v1-0.pdf, Section 5

**Finding:** The CCB Standards states that "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)... 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."

The above language implies that the "full monitoring plan" (as referred to in CM3.1) should correspond to the "initial monitoring plan", and that it should more fully set out the monitoring methodology while retaining the basic framework of the initial monitoring plan, including the "community variables to be monitored". However, little direct correspondence exists between the "Community Impact Monitoring Variables", as set out in Table CM1 of the validated PDD, and those variables described in the table within Section 5 of the full monitoring plan. For example, the variables listed within Table CM1 focus on the role of formal records (e.g., of meetings, dates on which agreements are signed, dates of planting, costs of planting inputs, etc.) as indicators, while the variables listed within Section 5 of the full monitoring plan focus on qualitative information collected within household surveys and participatory rural appraisals. Please explain the discrepancy between the variables (or indicators) to be monitored, as set out within the initial monitoring plan (contained within the validated PDD) and the full monitoring

plan.

**Client Response:** We strongly believe that the current Monitoring Plan meets the requirements of the CCB Standards as is. There is no requirement that the Monitoring Plan shall correspond to the initial monitoring plan. We believe we have demonstrated a commitment to develop and implement a monitoring plan, which is the only relevant requirement stated in the CCB Standards. The reasons of the lack of correspondence between the initial monitoring plan and the Monitoring Plan are (1) feedback received from our VVB at validation regarding the complexity of the initial monitoring plan, (2) consultation with stakeholders and communities regarding the feasibility of monitoring, (3) the realization that monitoring must support the adaptive nature of management plans, causing a shift in focus in the monitoring plan.

**Auditor Response:** In response to this finding, the audit team was provided with sufficient information regarding the discrepancies between the "initial monitoring plan", as approved at validation, and the "full monitoring plan", as submitted for review during verification. Through a phone conversation held on 2 May 2013, the audit confirmed with Gareth Wishart, CCB Standards Coordinator, that the CCB Standards do not necessarily require a direct correspondence between the "initial" and "full" monitoring plans. Thus, the information request has been satisfied.

**Closing Remarks:** The Client's response adequately addresses the finding.

### **NIR 2013.3 dated 01/18/2013**

**Standard Reference:** CCB Standards, Criterion B3

**Document Reference:** OMC+CCB+PD+V4+Sept+2012.pdf, Table B1; CCB Oddar Meanchey Monitoring Plan v1-0.pdf, Section 6

**Finding:** The CCB Standards states that "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)... 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."

The above language implies that the "full monitoring plan" (as referred to in B3.1) should correspond to the "initial monitoring plan", and that it should more fully set out the monitoring methodology while retaining the basic framework of the initial monitoring plan, including the "biodiversity variables to be monitored". However, Table B1 of the validated PDD contains far more variables than are described in the table within Section 6 of the full monitoring plan, and several categories as defined within Table B1 of the validated PDD (such as "Pressure Indicators", "Capacity Building" and "Patrol Mapping") appear not to be addressed at all within the full monitoring plan. Please explain the discrepancy between the variables (or indicators) to be monitored, as set out within the initial monitoring plan (contained within the validated PDD) and the full monitoring plan.

**Client Response:** Please see the text above.

**Auditor Response:** In response to this finding, the audit team was provided with sufficient information regarding the discrepancies between the "initial monitoring plan", as approved at validation, and the "full monitoring plan", as submitted for review during verification. Through a phone conversation held

on 2 May 2013, the audit confirmed with Gareth Wishart, CCB Standards Coordinator, that the CCB Standards do not necessarily require a direct correspondence between the "initial" and "full" monitoring plans. Thus, the information request has been satisfied.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NIR 2013.4 dated 01/18/2013**

**Standard Reference:** Rules for the use of the Climate, Community & Biodiversity Standards, page 10

**Document Reference:** NA

**Finding:** Guidance document "Rules for the use of the Climate, Community & Biodiversity Standards" states that "To successfully complete verification a project must have designed and then implemented a monitoring plan as described in sections CL3, CM3, and B3 of the Standards... To satisfy the requirement for posting on the internet, the project proponent must submit the full monitoring plan(s) to the CCBA within the specified time limits and must also send the results of the monitoring to the CCBA in accordance with a dissemination schedule defined in the monitoring plan." Please provide evidence that the full monitoring plan has been submitted to the CCBA within the time frame required by the CCB Standards.

**Client Response:** The Monitoring Plan has been posted to the CCB Website. The CCB Standard requires that the monitoring plan be posted within 12 months validation, or August 24 2013. Therefore, posting of the monitoring plan has occurred within the required timeframe.

**Auditor Response:** The audit team was able to confirm, through review of the appropriate webpage on the CCBA website (<http://www.climate-standards.org/2009/10/28/reduced-emissions-from-degradation-and-deforestation-in-community-forests-oddar-meanchey-cambodia/>; accessed 3 July 2013), that the monitoring plan has been posted to the CCBA website. Although some minor formatting differences exist, the document submitted to the CCBA website appears to be functionally equivalent to the document "CCB Oddar Meanchey Monitoring Plan v4-0.docx". Therefore, the information request has been satisfied.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NIR 2013.5 dated 01/18/2013**

**Standard Reference:** Rules for the use of the Climate, Community & Biodiversity Standards, page 10

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v1-0.pdf

**Finding:** Guidance document "Rules for the use of the Climate, Community & Biodiversity Standards" states that "To successfully complete verification a project must have designed and then implemented a monitoring plan as described in sections CL3, CM3, and B3 of the Standards... To satisfy the requirement for posting on the internet, the project proponent must submit the full monitoring plan(s) to the CCBA within the specified time limits and must also send the results of the monitoring to the CCBA in accordance with a dissemination schedule defined in the monitoring plan." The monitoring plan does not contain a dissemination schedule, and thus the above requirement cannot be fulfilled.

**Client Response:** Section 2. Monitoring Roles and Responsibilities has been updated in the Monitoring Report to include the dissemination schedule below.

At each verification event, the Project Implementation Report will be submitted to the CCB and posted

on the PACT website for a comment period of 30 days. During the 30 day comment period all stakeholders are welcome to comment on the findings of the report. All relevant comments must be taken into account. Public comments can be sent to PACT as well as the CCB directly. Announcements and messages to community members at the CF level are commonly done through oral communication through direct contact with individuals, as many members cannot read. Specifically during the comment period, the monitoring plan and PIR will be sent to the CFMC Leaders and Community Monitors in each community forest. The CFMC Leaders and Community Monitors are responsible to communicate this information to the community members. Community Monitors will communicate with PACT on the communities' comments, observations and any suggested changes. The project proponent must commit to this monitoring plan within 12 months of the validation

**Auditor Response:** The updated monitoring plan, entitled "CCB Oddar Meanchey Monitoring Plan v2-0.docx", contains additional information regarding the dissemination of various project documents. However, the monitoring plan does not contain a schedule for dissemination of the results of monitoring to the CCBA, as required by the CCB Standards Rules. Therefore, the non-conformity has not been resolved.

**Client Response 2:** Erica and Zane talked on May 15, 2013 to clarify that the Results of Monitoring is incorporated into the Project Implementation Report. The term "Results of Monitoring" has now been included in the PIR in section 1: "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) at every verification period."

**Auditor Response 2:** As indicated, Version 3-0 of the updated monitoring plan appropriately clarifies that the results of monitoring are contained within the project implementation report. As the monitoring plan contains a schedule for the dissemination of the project implementation report to the CCBA, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.6 dated 02/20/2013**

**Standard Reference:** Rules for the use of the Climate, Community & Biodiversity Standards, page 12

**Document Reference:** NA

**Finding:** Regarding how the verification assessment is to be conducted, guidance document "Rules for the use of the Climate, Community & Biodiversity Standards" states that "If [the benefits of the project] vary in magnitude and scope from the expected benefits described in the validated project design, the project may still be successfully verified if the net climate, community and biodiversity impacts are positive compared to the baseline scenario."

It has been indicated to the audit team that benefits for project activities listed below vary in magnitude and scope from those described in the validated PDD.

- For the project activity "Fuel-efficient Stoves", the validated PDD indicates that "Fuel-efficient stoves would be distributed at a rate of 1,000 cook stoves per year during 2009 – 2016 and continue supporting the cook stove program throughout the project crediting period" (page 57). The validated PDD also states that "The project plans to distribute 500 fuel-efficient stoves annually for year 3 until 10" (page 59). While the two claims are not consistent, the important thing to note is that, in accordance with

both schedules, at least 1,000 cookstoves should have been distributed to the communities over the course of the monitoring period (given that the project started on 28 February 2008, year 3 of the project would have started on 28 February 2010). It has been indicated to the audit team that no stoves were distributed during the monitoring period 28 February 2008 - 28 February 2012.

- For the project activity "Livestock Protection from Mosquitoes", the validated PDD indicates that "Analogously to fuel-efficient stoves, mosquito nets are introduced from years 3 until 10. About 700 mosquito nets per year will be distributed" (page 60). Thus, given the same logic as above, approximately 1,400 mosquito nets should have been distributed to the communities from 28 February 2010 - 28 February 2012. It has been indicated to the audit team that no mosquito nets were distributed during the monitoring period 28 February 2008 - 28 February 2012.

- For the project activity "Agricultural Intensification", the validated PDD indicates that "Agricultural intensification measures are planned from years 3-20. Every year, 60 new farmers will be introduced in the system." Given the same logic as above, 60 new farmers should have been introduced to agricultural intensification measures from 28 February 2010 - 28 February 2012. It has been indicated to the audit team that no agricultural intensification measures were implemented during the monitoring period 28 February 2008 - 28 February 2012.

As indicated above, the project can still be successfully verified if the net climate net climate, community and biodiversity impacts are positive compared to the baseline scenario. However, due to reasons that are stated in other findings, the overall net climate, community and biodiversity benefits appear to be very weak (if not nonexistent) on at least some of the Community Forests that are part of the project. The audit team is concerned that, if action is not taken soon to provide substantive material benefits to the local communities, the net climate, community and biodiversity benefits of the project, if not the project itself, may be fundamentally threatened.

**Client Response:** The Project Team acknowledges that the implementation of certain project activities, as outlined in the Project Document (PD), have been delayed. When the PD was written, the Project Team expected carbon revenues to commence earlier, and based the timelines in the PD around these predictions. These delays in bringing the project to the market have been caused by a variety of unanticipated challenges, and are attributable to the groundbreaking nature of the project. Unfortunately, the project has also faced challenges in securing donor funding to implement project activities, due to the hesitancy shown by the donor community to invest in REDD+.

The Project Implementation Report (PIR) lists all the activities that were implemented in the first monitoring period, and carbon credit calculations have only taken into account these activities. Whilst not having the funding to implement certain project activities, the Project Team has conducted research and strategizing into all of the activities planned in the PD, to ensure that when implemented, these activities will be effective in reducing deforestation and will be suitable to the needs and interests of local communities. For example, with regards to fuel-efficient cookstoves, social assessments have regularly assessed community usage and views towards different cookstove models. Consultations have also been conducted with GERES, to gain advice from this international NGO with more than 10 years of experience in distributing improved cookstoves in Cambodia.

The Project Team contend that since the project commenced in 2008, local communities from all of the 13 Community Forestry (CF) groups have been receiving a variety of both direct and indirect benefits that would not have occurred in the without-project scenario. Please refer to the 2012 PIR for a breakdown of these benefits, which have included, for example: support for legalizing the CF areas and strengthening land tenure; training and capacity building on a variety of different topics including project monitoring, financial management and Non-Timber Forest Products (NTFP) harvesting; and material and financial support for forest enforcement and CF management activities.

Please refer to OFI 7 for an explanation on the work the Project Team have been doing to address the impact of the military on Dung Beng CF.

**Auditor Response:** The audit team understands the constraints faced by the project, and it is clear that a genuine effort was put forth to provide some level of climate, community and biodiversity benefits with the limited financial resources that were available to the project during the monitoring period. The audit team is hopeful that, as indicated in the Client Response, additional benefits will be possible after the project begins to receive revenue from the sale of Verified Carbon Units.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.7 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G3.5

**Document Reference:** Validated PDD, pages 74-75

**Finding:** G3.5 requires that the user "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." In risk #9, entitled "Changes in Domestic Policy or Armed Conflict", the PDD indicates that "Encroachment by the military into the forests of the project area by the military for camps and resettlement of soldiers presents another potential situation where the viability of the project would be threatened. In addition, the ongoing border conflict between Thailand and Cambodia may cause ongoing military operations in Oddar Meanchey and pose a threat to the safety of the project and ability for the CF communities to implement project activities."

It was indicated to the audit team by multiple independent sources that the Cambodian military has created military infrastructure (including buildings) in the Dung Beng Community Forest. In interviews with community members, it was indicated to the audit team that, beginning in November 2011, the Dung Beng Community Forestry Group progressively lost control of the Dung Beng CF to the military. According to the chief of the Dung Beng Community Forest Management Committee, four military camps have been set up in the camp, and the military has asserted control of 250 hectares for each camp (a sum total of 1,000 hectares, or approximately 54% of the area of the Community Forest). Several independent sources have indicated that the military is charging a fee for collection of wood (both dead wood for fuel and live trees for timber) and non-timber forest products (including grass that is used for roof thatching) within the Dung Beng Community Forest. It is not clear whether free access to walk through the forest is permitted (and perhaps different military personnel have followed different policies with respect to whether villagers should be allowed to walk through the forest), but it appears clear that many Community Forestry Groups are afraid to enter the Dung Beng Community Forest. At

least some former patrollers have indicated that they stopped patrolling because the occupation of the military has rendered such patrols meaningless. It has been indicated to the audit team that the military have been harvesting trees within the Dung Beng Community Forest at will.

It appears that the occupation of the Dung Beng Community Forest by the Cambodian military, in its present form, has effectively negated any climate, community and biodiversity benefits accrued to the Dung Beng Community Forest from the end of 2011 to the beginning of 2012. If allowed to continue, this situation may negate the provision of any such benefits for the duration of the next monitoring period.

**Client Response:** The Project Team are well aware of the significant role the military has played as a key agent of deforestation in Oddar Meanchey province, and take very seriously reports that community members have been restricted from exercising their legal rights to benefit from forest resources. The Dung Beng CF area has been significantly affected by military activity. Patrolling reports and communication with members from this CF indicate that while community members cannot access certain areas of this CF, where military stations are located, local people from the four villages surrounding the CF are still accessing and utilizing resources from the CF area. This is also confirmed in the PRA that was conducted in Dung Beng in June 2012, during which community representatives listed the forest products (NTFPs, fuelwood, timber) that they are still harvesting from the CF area. Recent patrolling reports from this CF indicate that verbal agreements have been made between military leaders stationed in the area and local villagers, in which the military have agreed to stop the illegal logging and clearing occurring inside the CF. While these agreements have not always resulted in the prolonged cessation of illegal activities, they do signify a greater degree of cooperation emerging between communities and the military authority.

The Project Team have been working to try and facilitate a solution to the impacts of the military in a variety of ways. Pact has provided continual coaching support to the local communities and has assisted them in documenting and reporting the impacts of the military to higher authorities. This has, for example, involved providing the CF groups with remote sensing satellite imagery maps of their CFs from 2008 and 2012, which illustrate the extent of the deforestation being caused by the military (through the building of roads and military bases). These maps were then used as evidence by the Community Forestry Management Committee (CFMC) in their meetings with local authorities. Pact has also worked with TGC to document some of the impacts of the military using the remote sensing analysis, by identifying and highlighting the military roads inside the CF areas. To enable community groups to work together and collaboratively address the forest enforcement challenge posed by the military bases, Pact has been providing continual financial support to the CF groups and the Community Forestry Network (CFN) to conduct regular patrols in the CF areas and hold quarterly CFN meetings.

The Project Team has also been supporting community advocacy on this issue. This has involved aligning the CF groups with local advocacy NGOs (NGO Forum, Cambodian Legal Education Center CLEC) to strengthen their voice. Support has also been provided to the CF groups to raise awareness of the issue through different forms of media, which has resulted in numerous stories being featured on the issue in national newspapers (Cambodia Daily, Phnom Penh Post) and radio. Community advocacy has resulted in a number of positive outcomes. For example, in April 2012, the CFN chief led efforts to put together a petition from the communities to the Minister of Agriculture, Fishery and Forestry (MAFF) to address

the military occupation of Andong Bor, Dung Beng and Romdoul Veasna CF. The petition contained thumbprints from nearly 2,000 community members and requested the government to find a solution to this problem. The letter was submitted to the Ministry of Agriculture, Forestry and Fisheries (MAFF), the Council of Ministers, and the National Assembly. This resulted in a visit by the Forestry Administrations (FA) Deputy Director to the affected area and the formation of a provincial level committee. This committee met on June 30, 2012, and was attended by representatives from the Provincial government, FA National and Cantonment, Provincial military commanders, and local CF Chiefs. During the meeting HE. Van Sophana, FA inspectorate Chief told the military to stop clearing the forest, and suggested developing a working group with representatives from the FA, Commune Councils, District, and Provincial Government to look for new sites for the military bases. Unfortunately, there has not been any significant progress in the activities of this provincial body.

On July 27, 2012, the Dung Beng CFMC met with Mr. Long Ratanakoma, deputy chief of the Department of Forests and Community Forestry, Mr. Tieng David, head of FA Cantonment, representatives from the gendarmerie, police, and the Childrens Development Association (CDA). During this meeting the FA pledged to convey the message from the CFMC to the chief military commander in charge of the area and to the Ministry of National Defense. The message that the Dung Beng CFMC wanted the FA to convey was the removal of all military personnel and bases from the CF area and the cessation of illegal logging activities by soldiers inside this CF area.

Thus while the National FA has taken positive steps to resolve the conflict in the Dung Beng Community forest, the implementation of these steps has not been completed and further work remains to be done. The lack of effective interagency coordination mechanisms at both the national and provincial level to resolve disputes involving multiple government agencies and interests has been a key reason why this conflict has not been solved. In May 2013, the project is conducting a Project Stakeholders Meeting to bring together community groups, members of the provincial government and key military leaders. The objectives of this meeting are to raise awareness of the project and develop an agreement between the military and the CF groups outlining the military's roles and responsibilities towards the project. The Project Team are confident that this meeting will lead to greater collaboration on forest law enforcement in Oddar Meanchey and will prevent rogue military leaders from conducting deforestation and preventing CF members from exercising their legal rights to access and use forest areas.

Further activities will be implemented as the project progresses to alleviate the military pressure present in the relevant CFs, and to ensure local community members are able to continue benefitting from the CF areas. Carbon revenues will allow for greater collaborative enforcement activities through the development of the Mobile Enforcement Unit (MEU). Greater support for regular meetings between key community stakeholders and local authorities will also raise awareness of the project and generate greater collaboration between relevant stakeholders. For example, regular meetings between members of the Project Working Group, which will have representatives from the Provincial Government, will ensure continued project support and cooperation from government authorities. The project team will also work to appoint a provincial focal point who will be responsible for coordinating with the military. The provision of training to the CFMCs on leadership, facilitation skills, and conflict resolution, as outlined in the project's 30-year Work Plan, will strengthen the ability of the CF groups to effectively address illegal activities inside the CF and gain the support of relevant authorities.



**Auditor Response:** The audit team understands that efforts have been made to attempt to resolve the conflict that has threatened the climate, community and biodiversity benefits on the Dung Beng Community Forest, and it is hoped that such measures will lead to a reduction in the conflict during future monitoring periods.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.8 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G3.5

**Document Reference:** Validated PDD, pages 70-71

**Finding:** G3.5 requires that the user "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." In risk #3, entitled "Loss of carbon stocks through fire, illegal felling, and land clearing", the PDD indicates that "The baseline drivers of deforestation, in particular use of fire, illegal felling of timber and land clearing for agriculture and community expansion, all cause significant GHG emissions that threaten the climate benefit of the project." The PDD also indicates that "The Forestry Administration's Siem Reap Cantonment will be funded to undertake special protective activities within the project area" and that patrollers can "call in the support of the local FA, police and military as needed".

It appears that the Forestry Administration may not be able to provide effective support to patrol operations in all cases. In interviews with the Community Forest Management Committees for both the Phaav and Dung Beng Community Forests, it was indicated that the Forestry Administration never assists with patrol operations even when directly requested (in the case of Phaav, it was indicated that this has been the case since the start of the project, while in the case of Dung Beng, it was indicated that this has been the case only since that Community Forest has been under occupation by the Cambodian military). Personnel from the Forestry Administration Cantonment in Samroung provided some support to the above assertions, indirectly, by indicating various constraints on the ability of Forestry Administration officers to respond to requests for assistance from patrollers. These constraints were listed as:

- Insufficient personnel available to respond
- Insufficient fuel available for personnel transport
- Individuals making the request for assistance are asked to return to the scene of the crime the following day and confirm that the perpetrators are still engaged in illegal activity, but for various reasons are unable or unwilling to do so

It appears that Forestry Administration personnel are not able to assist with forest protection efforts in the manner envisioned by the PDD, and that a variety of constraints may limit the ability of the Forestry Administration to respond effectively when requested to assist patrollers. If these constraints continue to limit the ability of the Forestry Administration to assist with forest protection in the future, the climate, community and biodiversity benefits of the project may be jeopardized.

**Client Response:** The FA is the agency that possesses the strongest mandate to crack down on illegal activities affecting forests in Oddar Meanchey. They have a significant role to play in supporting communities with forest enforcement, and with prosecuting offenders to deter illegal activities from

occurring inside the CF areas. While a range of strong legal frameworks exist to assist the FA with forest enforcement, a number of factors have constrained the implementation of forest laws. The Oddar Meanchey FA cantonment is comprised of three FA divisions and five triages, and there are currently 35 local FA officers stationed in the province. On average each officer is responsible for managing nearly 13,000 hectares of forest land. With these limited human as well as financial resources, the FA faces many challenges in fulfilling its responsibilities to protect forests under threat.

The Project Team has worked to improve the forest enforcement capacity of the FA in a variety of ways. In 2008, extensive interviews were conducted with the FA and other local stakeholders in the province to identify key gaps in forest enforcement. A part of this study was supporting the FA to conduct its own interviews with local stakeholders to better understand the nature of forest crimes and to develop strategies to address them. The FA was then supported to organize a multi-stakeholder workshop in Siem Reap to reach consensus on the goals and objectives for enforcement and to further define their enforcement strategy, work-plan and future budget. In 2010, Pact also provided sub-grants to the Chief of FA Cantonment to support the community patrolling groups with their enforcement efforts. FA officers have been invited to attend regular workshops, trainings and field activities the project has conducted, to strengthen their engagement with the project and their relationships with project stakeholders. Pact has also worked to coordinate support from national FA for local enforcement issues, and maintain communication with the national project focal point at the FA to support the coordination of enforcement infringements from the provincial level to the national level, where serious cases are referred to the FA's Department of Law and Forest Enforcement.

Along with this capacity building support to the FA, the Project Team has worked to improve the enforcement capacity of community groups and the Community Forestry Network, who play a key role in forest patrolling and documenting illegal activities. In 2008/2009, micro-grants were provided to the CF groups to assist them with forest management. Among a selection of 14 grant types, the predominance of requests from the communities was for patrolling materials and patrol posts, which illustrated the desire among communities to strengthen their enforcement efforts. The provision of patrolling equipment to CF groups, such as GPS and cameras, have greatly enhanced the capacity of community patrolling groups to conduct local enforcement activities and collect evidence for the FA to prosecute crimes. Since November 2011, Pact has been receiving reports on patrolling and illegal logging information from community patrolling groups via the Frontline SMS mobile monitoring system, as a way to better track and document illegal activities inside the CF areas. Strengthening community patrolling systems, and supporting the strong forest protection spirit amongst CF groups in Oddar Meanchey, has helped address some of the gaps the FA face in being able to conduct regular patrols and implement forest laws in the CF areas.

One of the advantages of the REDD+ project is that it has the potential to provide an operating budget for cooperative enforcement activities for an underpaid and under-equipped local FA. The Project's approved 30 year Work Plan outlines a range of activities that will be implemented to support the local FA in their forest protection activities. For example, support for organizing and equipping FA mobile

enforcement units (MEU) will allow this unit to effectively crack down on illegal activities. This support will include funding for vehicles, helmets, GSP, cameras and motorbikes. In July 2012, a workshop was held in Oddar Meanchey to develop a Terms of Reference and membership list for the MEU teams, which has been approved by the FAs National Department of Law and Forest Enforcement. Once carbon revenues become available, this unit will become operational. Revenues will also allow further funding support to be provided for the construction of guard posts and towers and the establishment and maintenance of a case tracking & reporting system at the FA Cantonment level. REDD+ revenues could easily turn the tide in CF enforcement success on the ground. Capacity building and support for fire control will also be provided to the FA to assist them in controlling this key driver of deforestation. This will include, for example, the purchase of fire management equipment, technical training on fire management (how to build and maintain fire breaks etc), and an effective communication and reporting system for forest fires.

**Auditor Response:** During the site visit, the audit team was able to confirm the existence of the framework for the creation of the mobile enforcement units. It is hoped that the flow of financial support derived from carbon revenue will allow the FA in general, and the mobile enforcement units in particular, to be more responsive in addressing illegal activities in the project area.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.9 dated 02/20/2013**

**Standard Reference:** NA

**Document Reference:** Template of Community Forest Regulation (English-language)

**Finding:** The right to harvest timber within the project area may an important potential benefit for some members of the Community Forestry Groups, particularly in the absence of stoves, mosquito nets and agricultural assistance (as documented in OFI 2013.6). Such a right is clearly allowed for within the various regulatory documents establishing the framework for management of the community forests. Section VI of the Community Forest Agreements allows Community Forestry members to harvest timber for customary use (customary use is defined in Article 40 of the Forestry Law). Section VI also contains provisions for harvest of timber in excess of customary use, subject to approval through various mechanisms. Article 25 of the Community Forest Regulations provide for the harvest of timber for customary use by Community Forestry Group members, requiring only that Community Forestry Group members "shall first request or inform the Community Forestry Group or CFMC before they can harvest timber from the community forests for customary use... the Community Forestry member has to report the amount of timber and non-timber forest products harvested for traditional use to the Community Forestry Group for recording in the book".

In discussion with interviewees regarding management of the Phaav Community Forest, they audit team learned from several different sources that Community Forestry Group members are not aware of their rights regarding the harvest of trees in the Community Forest. It was indicated to the audit team that members are permitted to harvest non-timber forest products, but not to harvest living trees from the forest. Other interviewees outside of the Phaav Community Forest indicated a similar understanding. One interviewer indicated the inability of Community Forestry Group members working in forest

protection to harvest trees inside their respective Community Forests has contributed to a general decline in morale.

While the legal framework regarding harvest of trees for customary use is relatively clear, the audit team has received an indication that there may be a widespread lack of awareness of the rights of Community Forestry Group members to engage in such harvesting activities. As such a right constitutes one of the few tangible community benefits of the project at this time, an opportunity exists to ensure that Community Forestry Group members are aware of their rights, so that the community benefits of the project are strengthened in future monitoring periods.

**Client Response:** The Project Team recognizes the important need for community members to be aware of their rights, and have unfettered access to use and benefit from forest resources. A wide variety of project activities have been implemented to ensure CF members are aware of the rights granted to them under the CF Agreements (CFA). The CFAs allow for harvesting timber for customary or subsistence use. In developing these agreements, the communities decided to refrain from allowing commercial timber harvesting activities to occur inside the CF areas. During the seven steps of CF establishment, CDA and CFI conducted a series of consultations and trainings, in which community members were consulted with on the CF Agreements, CF Regulations and aspects of the Forestry Law and CF Sub Decree. These activities involved 13 workshops, conducted in 2009, in which community members were consulted with on their rights under the OM CF REDD+ project. These consultations helped to define and clarify the rights of local community members in utilizing forest resources. During these sessions,. Local FA officers, CF leaders and local authorities were also present at these consultation sessions, to ensure all local stakeholders were in agreement on their rights and responsibilities. The minutes and reports from this consultation process were documented and are stored in the Pact office.

Despite these activities, the Project Team acknowledges that further work needs to be done to ensure that all community members are aware of their rights, and that rights awareness raising activities need to occur on a continual basis. Frequent and continual awareness raising activities are especially important in the context of Oddar Meanchey, where there is a high rate of new migrants moving into the area. Once carbon revenues become available to the project, further efforts will be made to ensure all CF members are aware of and are able to freely exercise their rights to sustainably harvest timber and other forest products from the CF areas. The platforms through which this will occur, as detailed in the projects 30 year work plan, include: quarterly CF members meetings at the community level on the project; continual Information, Education and Communication (IEC) activities at the village and community level; the provision of awareness raising materials; and the facilitation and implementation of participatory land use planning.

**Auditor Response:** The actions undertaken by the project team thus far to apprise Community Forestry Group members of their rights are understood and appreciated by the audit team.

**Closing Remarks:** The Client's response adequately addresses the finding.

**OFI 2013.10 dated 02/20/2013**

**Standard Reference:** Rules for the use of the Climate, Community & Biodiversity Standards, page 11;

CCB Standards, Indicator G3.9

**Document Reference:** NA

**Finding:** Guidance document "Rules for the use of the Climate, Community & Biodiversity Standards" requires that the project proponent "communicate widely their intent to proceed with verification and to publicize the opportunity for public comment" in accordance with G3.9, which requires that specific measures be taken to "publicize the CCBA public comment period to communities and other stakeholders and to facilitate their submission of comments to CCBA."

In conversations with project personnel, it was indicated that the procedure for apprising Community Forestry Group members of the recent public comment period (extending from 3 January 2013 through 1 February 2013), and facilitating submission of their comments to CCBA, was to inform the chiefs of the Community Forest Management Committees that the project implementation report had been put up for public comment on the CCBA website and that, if any community members expressed concerns about project implementation, those concerns should be expressed to Pact Cambodia.

Members of the Community Forest Management Committees of the Phaav and Dung Beng Community Forests indicated to the audit team that they were not aware of the existence of the public comment period. Given this, it is almost certain that the Community Forestry Group membership as a whole were not made aware of the public comment period in either Community Forest. Therefore, it appears that the procedure described above was not effective in fulfilling the requirements of G3.9 for either of the two Community Forests that were visited by the audit team.

It should be noted that two public comment periods were held as part of the validation audit, with the most recent period being held in July 2012 (according to the validation report issued by the validation body). Because the PDD described many project activities that had already taken place at the time the PDD was finalized, most of the information regarding project implementation that is contained within the project implementation report, and that pertains to the monitoring period of 28 February 2008 – 28 February 2012 is also contained within the PDD. Therefore, much of the relevant information regarding project implementing throughout the monitoring period was already conveyed to the communities via earlier public comment periods. Presumably, the validation body ensured that the requirements of G3.9 were met with respect to the earlier public comment periods. Therefore, the project can be said to have complied with G3.9 even though the most recent public comment period does not appear to have been adequately publicized to the communities. However, an opportunity exists to greatly increase efforts to ensure that future public comment periods are adequately publicized to the communities, and that the submission of comments to CCBA is adequately facilitated. It is possible that, if such efforts are not made, a non-conformity to G3.9 may result in the future.

**Client Response:** As stated in the OFI, the validation process involved extensive consultations with community representatives on the PD and the project implementation activities that have been occurring since the start of the project. The PD and the project's 30-year Workplan were finalized before the date of the latest public comment period for the validation (July 2012), ensuring that project stakeholders at the community level were given a chance to provide inputs into the latest version of these documents.

The Project Team understand the constraints faced by the CFMC (time, resources) in reaching out to all

of their CF members to gather public comments on project implementation, and acknowledge that greater efforts could have been expended to disseminate information on the public comment period to community members, had further resources been available. Pact is currently revising the procedures and systems used to disseminate project-related information to community members, with a focus on ensuring efficiency, accountability, and accuracy. This review has involved working with local NGO CDA to assess ways in which they can play a greater role in working with the CF Groups, CFMCs and the CFN to share project information. Training is also being conducted to allow community monitors to play a greater role in disseminating project information and conducting community outreach. Greater resources from the sale of carbon revenues will allow quarterly CF member meetings to take place, during which regular project updates will be provided and feedback will be gained from community groups. These meetings will help strengthen community knowledge on the project and contribute to project improvements. The effectiveness of project-related communications will be tracked and relevant indicators will be incorporated into the projects monitoring plan.

**Auditor Response:** The audit team is pleased to hear that efforts are being undertaken to improve the procedures for dissemination of project-related information. It is hoped that such efforts will lead to greater opportunities for community feedback during future public comment periods.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.11 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G4.6

**Document Reference:** Validated PDD, page 100; 8) ENG-OM REDD Project Policies.docx

**Finding:** G4.6 requires that "a plan must be in place to inform workers of risks and to explain how to minimize such risks." In response to this requirement, the validated PDD states that "the project has a Safety policy which includes guidelines on precautions for all project participants." It was indicated to the audit team that the document "DRAFT Oddar Meanchey Community Forestry REDD+ Project Policies September 2011" contains the safety policy that has been developed, and that updated copies of this document have been provided to the Children's Development Association, Forestry Administration and chiefs of the Community Forest Management Committees. Although one of the Community Forest Management Committee chiefs indicated that he had received the document, it was not clear during interviews with Community Forestry Group members that knowledge of the project's safety policy is widespread. Although it is true that some project-related documents, such as the Standard Operating Procedure For Field Measurements, contain information on how to mitigate safety risks, it is not clear that this information is necessarily conveyed to workers engaged in forest patrollers, who must inherently engage in high-risk activity. Therefore, an opportunity exists to undertake efforts to ensure that the project's safety policy is effectively communicated to all workers involved in project activities. It is possible that, if such efforts are not made, a non-conformity to G4.6 may result in the future.

**Client Response:** The Project Team is committed to ensuring the safety of all participants working on the OM CF REDD+ Project. The communities partaking in the project are very knowledgeable on the risks found in Oddar Meanchey, as living, working, and traveling in the forest are part of their everyday lives. The communities themselves helped Pact identify potential risks found while working in the forest. Pact has compiled a description of the risks and ways in which they can be minimized in the projects Safety

Policy, found in the Oddar Meanchey Community Forestry REDD+ Project Policies.

CMFC Chiefs were consulted on the project's safety policy during a workshop on Participatory MRV, in September, 2012. During this session, CFMC Chiefs were provided with a copy of the draft project policies and asked to disseminate this information with respective CF members to raise awareness of these policies and gain feedback. The Project Team recognizes the need for further consultations on these policies. More efforts will be made to disseminate the safety policy for project workers, and the safety policy will be included as an agenda item for CFMC and CFN meetings. Community monitors will also play a role in disseminating information on the safety policy to patrolling teams, and will help to monitor and document the implementation of this policy in the field. Prior to commencing employment, project workers will receive a briefing on the safety policy and will receive a copy to take home. This briefing will include information on the procedures utilized for incident reporting, which can be found in the project's Communication Policy. The relevant provisions of the safety policy will also be integrated into the SOPs for field work. The safety policy (along with the other project policies), will also undergo regular review and be updated and amended as necessary.

**Auditor Response:** The actions undertaken by the project team to improve the procedures for ongoing dissemination of safety information to project workers are understood and appreciated by the audit team.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.12 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G3.10

**Document Reference:** Validated PDD, page 93; 8) ENG-OM REDD Project Policies.docx

**Finding:** G3.10 requires that the project proponent "Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation" and that "This grievance process must be publicized to communities and other stakeholders". The validated PDD states that "Ongoing Project Policy consultation workshops are being planned involving all Project Stakeholders once the project has achieved validation and received sufficient funding to cover these costs." It was indicated to the audit team that the document "DRAFT Oddar Meanchey Community Forestry REDD+ Project Policies September 2011" contains the grievance policy that has been developed, and that updated copies of this document have been provided to the Children's Development Association, Forestry Administration and chiefs of the Community Forest Management Committees. It was not clear during interviews with Community Forestry Group members that knowledge of the project's grievance policy is widespread. Therefore, an opportunity exists to undertake efforts, as described in the validated PDD, to ensure that the project's grievance policy is effectively communicated to individual Community Forestry Group members. It is possible that, if such efforts are not made, a non-conformity to G3.10 may result in the future.

**Client Response:** The Project Team recognizes the important need to have an effective and accessible mechanism in place for REDD+ stakeholders to raise project-related grievances. A well-functioning grievance mechanism can work to build mutual trust and understanding between the project's wide variety of stakeholders, helping to ensure the sustainability and success of this 30-year project. Pact has

designed a grievance mechanism for the project in consultation with the FA, and is currently working to gain feedback on the proposed mechanism from community stakeholders. Once finalized, the project will publicize details on the grievance mechanism to all project stakeholders. This will be done by including it in the agenda for regular meetings of the Community Forestry Management Committees, Community Forestry Network, Provincial Working Group, and the TWG-FR. Community monitors will also be responsible for conducting outreach to CF members to disseminate information on the grievance mechanism.

In trialing the grievance mechanism, the Project Team will conduct bi-annual assessments of the mechanism and gather feedback from stakeholders during project meetings and workshops as a way to evaluate and improve its effectiveness. Key elements of this evaluation will include:

- General awareness of the mechanism (by incorporating questions into the regularly conducted social assessments)
- Whether it is used and by whom
- The types of issues that are being raised
- The extent to which the issues raised have been addressed.

In conducting these assessments, the Project Team will take into account the recommendations of David Fairman, an international conflict resolution expert from Harvard University, who visited Oddar Meanchey in January 2013. After his visit, David developed a range of recommendations on how conflict management and resolution mechanisms could be strengthened in the project area.

Along with establishing 'reactive' tools to address concerns raised by REDD+ stakeholders, the Project Team have and will continue to implement proactive dispute prevention measures where possible to prevent disputes from arising and reduce the demand on the grievance mechanism. These include, for example, boundary demarcation of CF areas, participatory land use planning and continual education and awareness raising on project activities.

**Auditor Response:** The audit team is glad to hear that efforts are being undertaken to develop a grievance mechanism that is accessible to all project participants.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NIR 2013.13 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator GL2.1

**Document Reference:** Validated PDD, page 162

**Finding:** GL2.1 requires that the project proponents must "Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development country in which at least 50% of the population of that area is below the national poverty line." In accordance with footnote 55, the different categories of development are defined by "the latest UNDP Human Development Report".



The PDD states that "As of 2010, Cambodia holds a .494 HDI (Human Development Index) score, ranking 124 out of 169 countries surveyed and qualifying as a Least Developed Country." While this may well have been true as of 2010, review of Table 1 of the "Human Development Statistical Annex" to the Human Development Report 2011 (accessed on 15 February 2013 from <http://hdr.undp.org/en/reports/global/hdr2011/download/>) indicates that Cambodia was considered a "medium human development" country. As Cambodia is not a low human development country, please provide evidence that the project zone is in an administrative area in which at least 50% of the population of that area is below the national poverty line.

**Client Response:** According to the most recent information, Cambodia no longer qualifies as a "low human development country", having barely moved into the "medium development" category. Though poverty has been reduced overall from 47% in 1993 to 30% in 2007, a third of Cambodians still live below the national poverty line (2,473 riel or US\$0.61).

Oddar Meanchey province has some of the highest incidences of poverty in Cambodia (Asian Development Bank, 2000). The Cambodia Gini Coefficient has moved upwards from 0.35 in 1994 to 0.43 in 2007 (UN ) showing higher discrepancies between rich and poor. Of the total population of poor in Cambodia, 92% live in rural areas (UN ). In Oddar Meanchey, 100% of the population is defined as "rural" by national standards . The project zone is located in an exceptionally rural area and is comprised of forest-dependent households and communities, making the Oddar Meanchey project area (and zone) amongst the poorest areas in Cambodia.

It is impossible and likely inappropriate to exclusively measure poverty level of the communities living within the CF border, as communities effected by the project live both inside and outside of the project zone. In order to measure the poverty level of the communities affected by the project, poverty was assessed at the village level during the Participatory Rural Appraisal. Community-specific information collected from PRAs has been used to demonstrate that more than 50% of the households residing in the area are below the poverty line.

In the PRAs conducted for the project, families residing in the village representing each CF were asked to identify the percentage of households which identified as "poor". The communities themselves were asked to define the criteria which qualified a family as poor. These criteria included, inter-alia, size of property on which house is established, monthly or yearly income, house size, size of rice field(s) and number of cows, bicycles televisions or radios owned (see PRA data spreadsheet (tab "Wealth Rank" for full information). These poverty indicators align with the indicators developed by the Government of Cambodia to identify poverty and poor households in Cambodia through the ID Poor program (see documents provided to verifier "IDPoor Procedures Manual 2008-10-10-Eng-FINAL.pdf" and "IDPoor Questionnaire 2008-10-20 Eng.pdf". Thus, the PRA poverty indicators are compatible with the poverty indicators in the IDPoor questionnaire, and households identifying as poor in PRA data classify as formally below the poverty line.

A summary of this information indicates that a total of about 60% of all the households in the communities living in and around the project zone identify as "poor" and are below Cambodia's national poverty line. An expert of the corresponding PRA table is included in the updated PIR.

**Auditor Response:** The new information request has not been adequately responded to. The CCB Standards requires a demonstration that the project zone is in an administrative area in which at least 50% of the population of that area is below the national poverty line. While information has been provided regarding poverty in Cambodia in general, and information has also been provided regarding poverty in the project zone, specific information has not been provided to demonstrate that at least 50% of the population in Oddar Meanchey (the administrative area in which the project is located) is below the national poverty line (which, as noted in the Client Response section, is 2,473 riel or US\$0.61). While interesting, the information on the percentage of households in the project zone that can be classified as "poor" is, strictly speaking, irrelevant to the requirement of the CCB Standards.

**Client Response 2:** [A formal response was not provided by the client.]

**Auditor Response 2:** In response to this finding, it was indicated to the audit team that the "administrative area" that was intended to be assessed, for purpose of the indicator in question, is the commune (rather than the province). With this in mind, the information from the participatory rural appraisal was assessed by the audit team. As indicated through review of the "Implementation Manual on the Procedures for Identification of Poor Households", appropriate procedures were followed in the participatory rural appraisal to determine the proportion of households within a given commune that are below the poverty level. The audit team can confirm that the average proportion of households is 62%. As the best available information indicates that, on average, over 50% of households within the communes that contain the project zone are below the poverty line, adequate conformance to this indicator is justified and the information request can be closed.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **OFI 2013.14 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G4.4

**Document Reference:** Validated PDD, page 162; OM REDD PIR v2-0.pdf

**Finding:** G4.4 requires that "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." In response to this requirement, the validated PDD states that "...all community members are given an equal opportunity to apply for employment..."

In conversations with project personnel, it was indicated to the audit team that each Community Forest Management Committee chief was instructed to provide everyone with an equal opportunity to apply for the position of "community monitor" (as mentioned in the project implementation report). However, in interviews with the community monitors that were hired to work on the Dung Beng and Phaav Community Forests, it was indicated to the audit team that, in both cases, the community monitors were selected by the respective Community Forest Management Committee chiefs in the absence of a clear hiring process. There did not appear to be a mechanism in place to ensure that all community

members were given an equal opportunity to apply for the positions. Therefore, an opportunity exists to undertake efforts to ensure that all community members are given an equal opportunity to apply for all project positions in the future. It is possible that, if such efforts are not made, a non-conformity to G4.4 may result in the future.

**Client Response:** The Project Team are committed to working to ensure that all community participants are given equal opportunities to apply for project positions. In the lead up to the selection of the community monitors (CM), the CF Chiefs were consulted with during a Participatory MRV workshop in September, 2012. During this consultation, the chiefs were asked for their ideas on the selection criteria and hiring process for the CMs, as a way to build their ownership. As the CFMC work directly with and manage the CMs, it was important to ensure they held trust in the CMs selected and the process used to select them. The CF Chiefs suggestions for the selection process included: asking the village and commune chief to make recommendations, interviewing the candidates directly, and organizing an election for selection. After some negotiations, it was agreed upon that the CF Chiefs would disseminate information about the CM positions and then the CFMC members would hold interviews with the interested applicants and select the CMs themselves.

Despite agreeing to this process, the actual implementation of an open interview process may have been limited for some of the CF groups due to the time and resource constraints of the CF Chiefs. CF Chiefs also reported to Pact that they found it challenging in some cases to find suitable candidates (i.e. literate, free time available, interest and experience with the forest), so they had to rely on their own knowledge of suitable candidates within the community. Unfortunately, the Project Team did not have any funds available at the time to allocate towards an election or more comprehensive interview process. The Project Team did however strongly encourage the CFMCs to select young and female participants as a way to provide greater opportunities to these often marginalized members of the community. This yielded important results with 8 out of the 21 monitors selected being women and most being aged between 20 and 25.

The experience that has been gained from the selection of the community monitors will be used to strengthen the implementation of the existing employment policy, which can be found in the Project Policies. In assisting the community to select community members for future project-related positions, such as ANR and fire control activities, for example, the Project Team will expend greater efforts and resources on ensuring employment opportunities are provided to all community participants. This will involve Pact and local NGO CDA working closely with the Community Forestry Management Committees (CFMC) to devise a plan for recruitment that is fair, transparent and accessible to all. Pact and CDA will also help to facilitate and oversee the selection process, to better guarantee that information about positions are widely disseminated and interviews are conducted fairly. Pact and CDA have experience in this role with regards to facilitating CF elections.

**Auditor Response:** The audit team is glad to hear that efforts are being undertaken to ensure that all community members are provided with an equal opportunity to apply for employment with the project in the future.

**Closing Remarks:** The Client's response adequately addresses the finding.

**OFI 2013.15 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G3.5

**Document Reference:** Validated PDD, page 68

**Finding:** G3.5 requires project proponents to "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." In response, in describing measures adopted to mitigate the risk "1. Community lack of effectiveness to control their CFs and loss of confidence in CFMCs leads to continued deforestation and degradation", the validated PDD states "Regular meetings of the CFMCs and community members are scheduled to discuss management issues and project priorities." The audit team did understand, through community interviews, that the Phaav Community Forest Management Committee has been meeting regularly. However, it was indicated to the audit team that the Dung Beng Community Forest Management Committee has not met regularly since November 2011, for reasons documented in OFI 2013.7. Thus, it appears that the mitigation measure quoted above may not have been successfully implemented across all Community Forests for the full duration of the monitoring period. An opportunity exists to strengthen the community benefits of the project by ensuring that all impediments to such meetings are removed.

**Client Response:** The Project Team recognize that the deforestation being caused by the military in and around Dung Beng CF is having an impact on the morale and solidarity of this CF Group, which may in turn be effecting the frequency of CF meetings. The Dung Beng CFMC have invested considerable time and energy in working to gain greater forest enforcement support from both provincial and national authorities, with limited outcomes having been achieved to date. The Project Team have been working to support the communities to address the impact of the military on the CF areas in a variety of ways, as illustrated in the response to OFI 7. Support is being provided to the CFN, through the provision of a salary allowance to the CFN Chief and financial support for quarterly CFN meetings. This has allowed the Dung Beng CF Group to gain support from the other CF groups and the CFN in addressing the impacts of the military. For example, the venerable Bun Saluth, the Chief of Sorng Rokavorn CF, has been playing an important role in advocating for the rights of the CFs that are being affected by the military. Bun Saluth holds considerable influence with important authorities in the province, and has long been helping to bridge the gap between local communities and the provincial government on issues relating to forest protection and community livelihoods. Recently, Bun Saluth, with the support of Pact, has been helping to organize a Stakeholders Meeting, by consulting with the provincial governor and military leaders and ensuring they will attend. A key objective of this meeting is for a wide variety of stakeholders to constructively engage on finding a suitable solution to military issue.

Pact is also currently supporting re-elections to occur in a number of the CF groups, including Dung Beng CF, to ensure existing leaders remain accountable and opportunities are provided for new leaders to step in and play a greater role. Steps have also been taken to build the morale of community participants in the project. For example, project shirts have been designed and will be distributed to all provincial stakeholders.

The Project Team is confident that once carbon revenues start flowing, the commencement of more

project activities and support to the communities will help to strengthen the morale of the Dung Beng CF group, and they will resume regular CF meetings. Greater resources to the project will also allow for enhanced forest enforcement efforts and reduce the impact that the military are having on the project benefits being delivered to local communities.

**Auditor Response:** The audit team is glad to hear that efforts are being undertaken to mitigate any impediments to the conduct of regular meetings of the Community Forest Management Committees.

**Closing Remarks:** The Client's response adequately addresses the finding.

**OFI 2013.16 dated 02/20/2013**

**Standard Reference:** CCB Standards, Indicator G4.5

**Document Reference:** Validated PDD, page 89; 8) ENG-OM REDD Project Policies.docx, page 5

**Finding:** G4.5 requires that project proponents "Describe how the project will inform workers about their rights." In response, the validated PDD states "Documents explaining national rules on worker's rights and the obligations of both contracting parties will be made available in local languages when relevant." In discussions with project personnel, it was indicated that the "project policies" document contains the relevant portions of the labor law in Khmer. The English-language version of the project policies document does state that "the Project Team is committed [sic] to upholding and respecting the provisions of the Labour Law, adopted by the National Assembly on January 10, 1997". However, the English-language version of the project policies document does not contain the relevant portions of the labor law. Therefore, it is not clear that a mechanism currently exists ensure that project employees are aware of their rights under the Labor Law. An opportunity exists to ensure ongoing conformance to G4.5 by establishing a clear mechanism whereby workers are informed about their rights.

**Client Response:** As stated in the Project Policies, the Project Team shall ensure that the conditions for participating in project activities in no way constitutes a breach of the Cambodian Labor Law. For example, children shall not be employed for project work, and daily wages will equal or exceed local market rates for similar work. Project stakeholders shall be made aware of their rights and the risks of accidents or injury during the consultation on these policies as well as prior to the start-up of field activities, as is already occurring. As part of the dissemination strategy of the Labour Law, each CFMC will be provided with a copy of the Cambodian Labor Law in the Khmer language. While the Labour Law is not entirely relevant (developed for factory workers), key sections will be extracted and explained to workers prior to the commencement of project employment. This briefing will involve a clear explanation and handouts on the projects communication and safety policy, which lists the projects procedures for incident reporting and risk minimization.

**Auditor Response:** Although it is understood that the Cambodian Labour Law is not entirely relevant to employment with the project, the audit team is glad to hear that efforts will be undertaken in the future to ensure the dissemination of the relevant portions of the law to project workers.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.17 dated 05/02/2013**

**Standard Reference:** CCB Standards, Indicator CM3.2

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v2-0.docx, Section 5

**Finding:** CM3.2 requires that project proponents "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." It is clear from the language of criterion CM3 that the "full monitoring plan" must also assess the effectiveness of measures used to maintain or enhance such High Conservation Values.

In response to G.1.8.6, the validated PDD lists areas of traditional resin collection and "spirit forests" as being areas that are critical for the traditional cultural identity of communities. However, the full monitoring plan does not contain any specific provisions for assessing the effectiveness of measures used to maintain or enhance the High Conservation Values listed in the validated PDD in response to G.1.8.6.

**Client Response:** The Monitoring Plan has now been updated to include how the HCV areas will be monitored. To clarify, the HCV spirit forests and areas for resin collection are the CF themselves. The project actions are designed to reduce pressure on these HCV areas, and the monitoring plan contains numerous ways to monitor these HCV areas. Table 2 in section 6 and Table 3 in section 7 have been updated to include HCV area monitoring including monitoring of potential negative impacts.

**Auditor Response:** Through review of Version 3-0 of the monitoring plan, the audit team can confirm that the tables referenced in the Client Response have been modified to include additional specific information on the monitoring of High-Conservation Values. Therefore, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

### **NCR 2013.18 dated 05/02/2013**

**Standard Reference:** CCB Standards, Criterion CM3

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v2-0.docx, Section 5

**Finding:** CM3 requires that "The monitoring plan must indicate which communities and other stakeholders will be monitored". The monitoring plan does not fulfill this requirement.

**Client Response:** The Monitoring Plan has now been updated to include the communities monitored (Section 5 Community Impact Monitoring). The specific community names were omitted as communities may change, and new communities maybe established. The Monitoring Plan mentions communities within the project zone.

**Auditor Response:** The audit team agrees with the justification for not identifying the specific communities and other stakeholders to be monitored by name. However, the following specification for communities and other stakeholders to be monitored is unclear: "1) communities within the project area, 2) households affected by the project, and 3) households not affected by the project." As indicated to the audit team during interviews on 17 December 2012, and as confirmed during on-site audit activities, most Community Forests do not have any households living with them. Therefore, there are very few, if any, communities living within the project area. A clearer description of the communities and other stakeholders to be monitored will be necessary in order to ensure conformance to CM3 and to allow the audit team to fully assess whether the monitoring plan is sufficiently broad in scope.

**Client Response 2:** The Monitoring Plan has now been updated to include a clear description of the

communities monitored (Section 5 Community Impact Monitoring).

**Auditor Response 2:** The monitoring plan now clearly indicates the communities and other stakeholders to be monitored, and this specification is considered by the audit team to be appropriate to capture changes in social and economic well-being resulting from the project activities. Therefore, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.19 dated 05/02/2013**

**Standard Reference:** CCB Standards, Criterion B3

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v2-0.docx. Section 6

**Finding:** B3 requires that "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 context of this sentence makes it clear that the "full monitoring plan" is also required to guide the monitoring of changes in biodiversity resulting from the project activities (both within and outside the project boundaries)." While the monitoring plan does provide details on the monitoring of biodiversity, the monitoring plan does not specifically clarify how changes in biodiversity outside the project boundaries will be monitored.

**Client Response:** The Monitoring Plan has now been updated to include biodiversity monitoring outside the project areas (Section 5 Community Impact Monitoring).

**Auditor Response:** Additional detail regarding the documentation of biodiversity impacts outside the project area has been added to Section 6 of the monitoring plan. The approaches to be employed will assist in the documentation and quantification of changes in biodiversity (particularly the remote sensing assessment, which will document changes in forest cover attributable to project activities in the leakage areas). Therefore, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.20 dated 05/02/2013**

**Standard Reference:** CCB Standards, Criterion CM3

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v2-0.docx, Section 5

**Finding:** CM3 requires that "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)." It is clear from the language of criterion CM3 that the "full monitoring plan" must also address the quantification and documentation of changes in social and economic well-being.

While the monitoring plan does generally describe the types of information to be collected in the course of monitoring, the monitoring plan does not describe how changes in social and economic well-being will be quantified and documented using the information that is collected.

**Client Response:** The Monitoring Plan has now been updated to include specific monitoring parameters on how changes in social and economic well-being will be quantified (Table 2. Community Monitoring Parameters, in Section 5 Community Impact Monitoring) and documented.

**Auditor Response:** The updated monitoring plan, entitled "CCB Oddar Meanchey Monitoring Plan v3-0.docx", contains additional information regarding the specific indicators to be documented and quantified as part of the community monitoring. During the on-site discussions with project personnel, it became clear that the "household survey" and "participatory rural appraisal" survey mechanisms were developed on the basis of considerable care and expert knowledge on the part of the personnel responsible for project implementation. The audit team affirms that the indicators described in the updated monitoring plan will effectively quantify and document changes in social and economic well-being resulting from the project activities. Therefore, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.21 dated 05/02/2013**

**Standard Reference:** CCB Standards, Criterion B3

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v2-0.docx, Section 6

**Finding:** B3 requires that "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)." It is clear from the language of criterion CM3 that the "full monitoring plan" must also address the quantification and documentation of changes in biodiversity.

While the monitoring plan does generally describe the types of information to be collected in the course of monitoring, the monitoring plan does not describe how changes in biodiversity will be quantified and documented using the information that is collected.

**Client Response:** The Monitoring Plan has now been updated to include specific monitoring parameters on how changes in biodiversity will be quantified (Table 3. Biodiversity Monitoring, in Section 6 Biodiversity Impact Monitoring).

**Auditor Response:** The updated monitoring plan, entitled "CCB Oddar Meanchey Monitoring Plan v3-0.docx", contains additional information regarding the specific indicators to be documented and quantified as part of the biodiversity monitoring. The audit team agrees that the indicators listed will allow for effective monitoring the effect of the project on biodiversity, both inside and outside the project area. Therefore, the non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.22 dated 05/28/2013**

**Standard Reference:** NA

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v3-0.docx, Sections 1 and 5; OM REDD PIR v3-0.docx

**Finding:** The monitoring plan states that "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) at every verification period." The information required by Table 2 of the monitoring plan is not presented in the project implementation report. For example, results of monitoring for the indicators for the type of measurement "Family Information, bio-data, immigrant status", are not presented in the project implementation report, even though Table 2 of the monitoring plan indicates that this measurement will be taken "once before first verification".



**Client Response:** The PIR has been updated to include the information that was missing from Table 2 in the Monitoring Plan. Table 2 of the Monitoring Plan has also been updated slightly to achieve additional clarity. A summary of this information has been added to Table 22 of the PIR under Section 7. A reference to the full report or data set from which this information has been derived is also included in Table 22.

We have also updated the Monitoring Plan to include a statement that reads; "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) with sensitive information provided to the verification team at every verification period." This is intended to allow for the provision of sensitive information, which the project proponent may not wish to disclose publically, directly to the verifier.

**Auditor Response:** The modifications made to the monitoring plan and project implementation are sufficient to resolve the identified discrepancy. The audit team agrees that it is acceptable to summarize key points regarding the results of monitoring, while referring the user to the relevant document for the details. The non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

#### **NCR 2013.23 dated 05/28/2013**

**Standard Reference:** NA

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v3-0.docx, Sections 1 and 4; OM REDD PIR v3-0.docx

**Finding:** The monitoring plan states that "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) at every verification period." The following information required by the table on page 8 of the monitoring plan is not presented in the project implementation report:

- Information on canopy cover
- Information on logged tree stumps
- The historical LULC and forest strata transition matrix (as measured in "Hectares of each stratum")

**Client Response:** Information on canopy cover and logged tree stumps has been provided confidentially to the verifier in the Biomass Inventory Workbook. The PIR (Table 13) has been updated to reflect this. The Monitoring Report has now been updated to include "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) with sensitive information provided to the verification team at every verification period."

The historical LULC and forest strata transition matrix will be included after the methodology deviation has been finalized.

**Auditor Response:** The modifications made to the monitoring plan and project implementation are sufficient to resolve the identified discrepancy. The audit team agrees that it is acceptable to retain sensitive information for provision to the verification body. The non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**NCR 2013.24 dated 05/28/2013**

**Standard Reference:** NA

**Document Reference:** CCB Oddar Meanchey Monitoring Plan v3-0.docx, Sections 1 and 6; OM REDD PIR v3-0.docx

**Finding:** The monitoring plan states that "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) at every verification period." The following information required by Table 3 of the monitoring plan is not presented in the project implementation report.

- "Presence of key indicator species" (a number of bird species, as well as bantang and hog deer, are identified, but the number of species found at each location is not presented)
- "Health, and perceived negative effects of ecologically significant High Conservation Value Areas in and near the project areas" (a list of species in HCV areas is not provided)
- "Natural disturbances and related events within CF areas" (the number of hectares affected or lost due to natural disturbance is not provided)
- "Total area of class or stratum during time period"
- "Total area of LULC class or forest stratum"
- "Invasive species assessment"
- "Changes in abundance of key NTFPs"
- "Biodiversity sightings" (photos of sightings are provided, but, although the monitoring report states that "Since the project started collecting data on biodiversity sightings through SMS in April 2012, 17 biodiversity sightings have been recorded", the results of these sightings are not reported)

**Client Response:** The PIR (Table 24) has now been updated to include each Monitoring Parameter table listed in the Monitoring Plan. Each table contains the type of monitoring, a summary of the findings and the specific report that contains the data.

The Monitoring Report has now been updated to include the statement "The data required in this document and the results of monitoring will be presented in the Project Implementation Report (PIR) with sensitive information provided to the verification team at every verification period."

**Auditor Response:** The modifications made to the monitoring plan and project implementation are sufficient to resolve the identified discrepancy. The audit team agrees that it is acceptable to summarize key points regarding the results of monitoring, while referring the user to the relevant document for the details. The non-conformity has been resolved.

**Closing Remarks:** The Client's response adequately addresses the finding.

**General Section**

**Conformance**

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

**Climate Section**

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

**Community Section**

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

**Biodiversity Section**

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

**Gold Section**

|      |   |     |                                     |    |                          |
|------|---|-----|-------------------------------------|----|--------------------------|
| GL1. | Climate Change Adaptation Benefits (Optional) | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| GL2. | Exceptional Community Benefits (Optional)     | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| GL3. | Exceptional Biodiversity Benefits (Optional)  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

**CCBA Verification Level Attained:**

|  |                                     |
|--|-------------------------------------|
| <b>APPROVED</b> (all requirements met)   | <input type="checkbox"/>            |
| <b>GOLD</b> (all requirements and also at least one optional Gold Level criterion met) | <input checked="" type="checkbox"/> |

