

REDUCED EMISSIONS FROM DEFORESTATION AND DEGRADATION IN KEO SEIMA WILDLIFE SANCTUARY GAP VALIDATION REPORT



Document Prepared By Zane Haxtema and Scott Eaton

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Prepared By	SCS Global Services (SCS)
Contact	2000 Powell Street, Suite 600, Emeryville, CA 94608, USA

	<p>http://www.scsglobalservices.com</p> <p>Email: cpollet-young@scsglobalservices.com</p> <p>Telephone: +1 (510) 452-8000</p>
Approved By	Christie Pollet-Young
Work Carried Out By	<p>Lead Verifier: Zane Haxtema</p> <p>Verifier: Scott Eaton</p> <p>Verifier: Blake Troxel</p> <p>Technical Expert: So Malay</p> <p>Technical Expert: By Sovann</p> <p>Technical Reviewer: Letty Brown</p>

Summary:

This report describes the gap validation audit of the Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary (“the project”), a Reduced Emissions from Deforestation and Degradation (REDD) project located in Cambodia, that was conducted by SCS. The purpose of the gap validation audit was to assess the conformance of the project with the validation criteria, specifically with regards to the change in the project proponent. The validation audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. The project complies with all of the validation criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the validation criteria.

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1 INTRODUCTION

1.1 Objective

The purpose of the gap validation audit was to conduct an independent assessment of the Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary (“the project”) to determine whether the project design document project complies with the validation criteria, as set out in the guidance documents listed in Section 1.2 of this report. The project proponent representative was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE), both entities within the Royal Government of Cambodia.

1.2 Scope and Criteria

The SCS Greenhouse Gas Verification Program has conducted a validation audit of the Reduced Emissions From Deforestation And Degradation In Keo Seima Wildlife Sanctuary project against the requirements of the Climate Community Biodiversity Alliance (CCBA) Project Design Standards Third Edition, noting that the scope of SCS' review was limited to assessment of the change in project proponent and direct implications thereof. SCS conducted both desk and field based assessment activities in its evaluation of the project. SCS used the client-supplied project documentation as the basis for its evaluation.

The assessment was limited to indicators related to the change in the project proponent, and was conducted against the criteria set out within the following guidance documents:

- Climate, Community and Biodiversity Project Design Standards, Third Edition
- Rules for the use of the Climate, Community & Biodiversity Standards, Version 3.0.

1.3 Summary Description of the Project

The project is located in southeastern Cambodia and is aimed at reducing emissions related to unplanned deforestation.

2 GAP VALIDATION PROCESS

2.1 Method and Criteria

The gap validation was performed through a combination of document review, interviews with relevant personnel, and on-site inspections. At all times, the project was assessed for conformance to the criteria described in Section 1.2 of this report.

2.2 Document Review

The revised project description and supporting documentation were carefully reviewed for conformance to the validation criteria. The primary documentation relating to the transfer of the project proponent from the FA to the MoE is Sub-Decree No. 83 on Keo Seima Wildlife Sanctuary.

2.3 Interviews

Interviews constituted an important component of the audit process. The following personnel associated with the project proponent and/or implementing partner were interviewed specifically with regards to the change in project proponent.

Individual	Affiliation	Date Interviewed
Paris Chuop	Deputy Secretary General & National REDD+ Focal Point, Ministry of the Environment	30 May 2016
Chhun Delux	Chief of Forest and Climate Change, Forestry Administration, Ministry of Farms and Forestry	30 May 2016
Donal Yeang	REDD+ Specialist, Wildlife Conservation Society	Throughout audit
Jeffrey Silverman	Senior Technical Advisor, Wildlife Conservation Society	Throughout audit

2.4 Public Comments

No comments were received from the CCBA during the initial public comment period, or the second public comment period necessitated by the updated project proponent.

2.5 Resolution of Findings

Any potential or actual material discrepancies identified during the assessment process are resolved through the issuance of findings. The types of findings issued by SCS are 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 validation statement. This category is analogous to the “Corrective Action Request” category used by other validation/verification bodies. The number of NCRs issued during the course of the gap validation engagement was one.

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 validation statement. This category is analogous to the “Clarification Request” category used by other validation/verification bodies.

Observation (OBS): An OBS indicated an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan were not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

One finding was issued by the audit team during the gap validation process, and has been closed. A summary of the finding issued during the validation process, along with the response provided by project personnel and the final conclusions (along with resulting changes to project documents), is provided in Appendix A of this report.

3 GAP VALIDATION FINDINGS

3.1 Project Description Deviations

As described in Section 4.2 of the MIR, the following project description deviation has been proposed:

“The Project Proponent representative was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE).”

The audit team can confirm, based on interviews and observations during on-site inspections, that the project proponent has changed as described above. The audit team understands (based on correspondence with project personnel) that this change took place after the end of the monitoring period. In correspondence with VCS Program Officer Amy Schmid, in an email received on 2 September 2016, it was indicated to the audit team that a project description deviation was one approach that could be used to appropriately document the change.

In order to validate the project description deviation, the audit team confirmed, through interviews and document review, that control over the project area has, in fact, been transferred to the Ministry of Environment. This has been confirmed through review of “Sub-Decree No. 83 on Keo Seima Wildlife Sanctuary (KSWs)”. This is a legally-enforced document issued by the Royal Government of Cambodia, specifically referencing the transfer in management of the Keo Seima Wildlife Sanctuary, including a map of the project area which is identical to the 292,690 ha defined in Sub-Decree 143, which established the Seima Protection Forest. The document affirms that the aims of the KSWs are to: “(1) ensure the protection of wildlife habitats and ecosystem as well as provide necessary condition and habitats for wildlife, plants and biodiversity, (2) provide natural products and services for sustainable use and (3) promote local community participation as well as the public citizen to contribute to the management, protection and conservation of biodiversity and natural resources in the area”. The contents of Sub-Decree 83 are consistent with what is described in the project description documentation and the project area details included in Sub-Decree 143. The copy of Sub-Decree 83 reviewed included official seals and signatures, and is available publicly.

Of note is that ultimate control of the project area remains vested in the Royal Government of Cambodia—the change is simply a change in the identity of the governmental organization tasked with management of the project area.

The deviation does not affect the applicability of the methodology, as there are no applicability conditions that prescribe which organizations may, or may not, be project proponents. The deviation does not affect additionality, as transfer of management authority to the Ministry of Environment does not affect any of the claims made in Section 4.6 of the validated PD—it is reasonable to conclude that, regardless of the specific agency that manages of the project area, the same factors that make the project area attractive to illegal deforestation, and that hinder implementation of the project activities, will persist in the absence of carbon finance. Similarly, the baseline scenario, which essentially represents a continuation of the historical trends documented in Section 4.5 of the validated PD, remains appropriate because transfer of

management authority to Ministry of Environment would be, in the understanding of the audit team, highly unlikely to allow for significantly elevated levels of deterrence in the absence of the carbon project.

The deviation has been appropriately described in Section 4.2 of the Monitoring and Implementation Report (MIR), which states that “The Project Proponent representative was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE).” In addition, Section 1.1 of the MIR provides an appropriate justification for the deviation, stating that it occurred “as part of a national jurisdictional transfer of all protected areas to MoE management.” (In the judgment of the audit team, it is beyond the scope of the VCS Rules to require justification for the decision of the Royal Government of Cambodia to carry out a national jurisdictional transfer of all protected areas to MoE management.) The project remains in compliance with the VCS rules. Overall, the project deviation is valid.

The audit team concludes that the project deviation is valid.

4 VALIDATION CONCLUSION

Based on the results of our validation activities, it is our opinion that there is nothing inherent in the change in project proponent, as described above, that would impact upon the validation statement previously issued by SCS in respect to the CCB Standards.

CCB STANDARDS CRITERIA CHECKLIST:

GENERAL SECTION

CONFORMANCE

G1. Original Conditions in the Project Area (Required)	YES
G2. Baseline Projections (Required)	YES
G3. Project Design and Goals (Required)	YES
G4. Management Capacity and Best Practices (Required)	YES
G5. Legal Status and Property Rights (Required)	YES

CLIMATE SECTION

CL1. Net Positive Climate Impacts (Required)	YES
CL2. Offsite Climate Impacts (“Leakage”) (Required)	YES
CL3. Climate Impact Monitoring (Required)	YES

COMMUNITY SECTION

CM1. Net Positive Community Impacts (Required)	YES
CM2. Offsite Community Impacts (Required)	YES
CM3. Community Impact Monitoring (Required)	YES

BIODIVERSITY SECTION

B1. Net Positive Biodiversity Impacts (Required)	YES
B2. Offsite Biodiversity Impacts (Required)	YES
B3. Biodiversity Impact Monitoring (Required)	YES

GOLD SECTION

GL1. Climate Change Adaptation Benefits (Optional)	NO
GL2. Exceptional Community Benefits (Optional)	NO
GL3. Exceptional Biodiversity Benefits (Optional)	YES

5 APPENDIX A: CCB GAP VALIDATION FINDINGS ISSUED

(page break, see below)

NCR 1 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G1.1; G5.7; G4.1; G4.2; G4.3

Document Reference: MIR cover page and section 1.3; Non Permanence Risk Report

Finding: Indicator G1.1. requires that the project proponent "Identify the primary Project Proponent which is responsible for the project's design and implementation and provide contact details."

The audit team understands that the project proponent has changed to the Ministry of Environment, representing the Royal Government of Cambodia. Guidance received via email from VCS on 3 June 2016 requires that "The verification documents (monitoring report, verification report) should include the new project proponent, despite the change occurring after the monitoring period was over, and document this change where appropriate. This includes updating the non-permanence risk assessment to include the new project proponent."

Indicator G5.7 requires that the project proponent "Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the Communities."

Indicator G4.1 requires that the project proponent "Describe the project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation. For projects using a programmatic approach, identify any new entities included in the project since the last validation or verification against the CCB Standards."

Indicator G4.2 requires that the project proponent "Document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to support the project or have a recruitment strategy to fill the gaps."

Indicator G4.3 requires that the project proponent "Document the financial health of the implementing organization(s). Provide assurance that the Project Proponent and any of the other entities involved in project design and implementation are not involved in or are not complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion, and describe any measures needed and taken to be able to provide this assurance."

Documentation does not address these indicators with respect to the change in project proponent, and must be updated to meet these requirements. Per additional guidance received in the email referenced, an additional public comment period will be required.

Project Personnel Response: The PD and non-permanence risk assessment have been updated to reflect the changes in the project proponent and will be provided to the auditor.

Auditor Response: The audit team requests clarification on which of the PDD versions provided is the current valid version. The CCB administrators have also provided guidance regarding the following necessary updates to documentation:

1. A new version of the full PDD will need to be issued with the following information:
 - a. Cover page: Indicate that this version of the document relates to a gap validation, per p. 17 of the Rules
 - b. Relevant indicators/sections of the PDD updated with the new project proponent information
 - c. An annex at the end of the document including document history. This annex should include:
 - i. Version number

The audit team also notes that the updated MIR includes the listing of the Ministry of Environment on the cover page, but includes outdated project proponent information in section 1.3. The MIR and PDD updates must be consistent with regards to this information prior to posting for public comment.

Project Personnel Response 2: PD updated and available for review.

Auditor Response 2: The updated documentation provides the information required, and is sufficient to close this finding.