

# VERIFICATION REPORT FOR THE CHYULU HILLS REDD+ PROJECT



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**Summary:**

This report describes the verification audit of the Chyulu Hills REDD+ Project (“the project”), a Reduced Emissions from Deforestation and Degradation (REDD) project located in Makueni County, Taita Taveta County and Kajiado County, all counties located in Kenya, that was conducted by SCS. The verification was for the period from 19-September-2013 to 31-December-2016. The purpose of the verification audit was to assess the conformance of the project with the verification criteria. The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 10 findings were raised during the verification. The project complies with all of the verification criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria, therefore the audit team has validated the Project's compliance with the VCS and CCB Program requirements as set out in the VCS and CCB Rules.

**Table of Contents**

Contents

1 INTRODUCTION ..... 6

    1.1 Objective ..... 6

    1.2 Scope and Criteria ..... 6

    1.3 Level of Assurance..... 7

    1.4 Summary Description of the Project ..... 7

2 Verification Process ..... 7

    2.1 Method and Criteria..... 7

    2.2 Document Review ..... 7

    2.3 Interviews ..... 9

    2.4 Site Inspections ..... 11

    2.5 Public Comments ..... 12

    2.6 Resolution of Findings..... 12

        2.6.1 Forward Action Requests..... 12

    2.7 Eligibility for Validation Activities ..... 13

3 Validation Findings..... 13

    3.1 Participation under Other GHG Programs ..... 13

    3.2 Methodology Deviations ..... 13

    3.3 Project Description Deviations ..... 13

    3.4 Grouped Project ..... 13

4 GENERAL Verification Findings ..... 13

    4.1 Summary Description of the Project (G3) ..... 13

    4.2 Project Location (G1 & G3) ..... 13

4.3	Conditions Prior to Project Initiation (G1).....	13
4.4	Project Proponent (G4) .....	14
4.5	Other Entities Involved in the Project (G4).....	14
4.6	Project Start Date (G3).....	14
4.7	Project Crediting Period (G3).....	14
5	IMPLEMENTATION OF DESIGN.....	14
5.1	Project Implementation Status (G3).....	14
5.2	Management of Risks to Project Benefits (G3).....	17
5.3	Measures to Maintain High Conservation Values (G3).....	18
5.4	Project Financing (G3 & G4).....	18
5.5	Employment Opportunities and Worker Safety (G4).....	18
5.6	Stakeholders (G3).....	18
5.7	Sustainable Development .....	18
6	LEGAL STATUS .....	19
6.1	Compliance with Laws, Statutes, Property Rights and Other Regulatory Frameworks (G4 & G5) 19	
6.2	Evidence of Project Ownership (G5).....	19
6.3	Emissions Trading Programs and Other Binding Limits (CL1) .....	19
6.4	Participation under Other GHG Programs (CL1) .....	19
6.5	Other Forms of Environmental Credit (CL1) .....	19
6.6	Projects Rejected by Other GHG Programs (CL1) .....	19
6.7	Respect for Rights and No Involuntary Relocation (G5).....	19
6.8	Illegal Activities and Project Benefits (G5).....	20
7	APPLICATION OF METHODOLOGY.....	20
7.1	Baseline Scenario (G2) .....	20

7.2	Additionality (G2).....	20
8	QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS.....	20
8.1	Accuracy of GHG Emission Reduction or Removal Calculations (G2).....	20
8.1.1	Data and Parameters Available at Validation .....	20
8.1.2	Data and Parameters Monitored.....	20
	Quality of Evidence to Determine GHG Emission Reductions or Removals .....	25
8.2	.....	25
8.3	Non-Permanence Risk Analysis.....	26
8.4	Climate Change Adaptation Benefits (GL1).....	34
9	COMMUNITY.....	36
9.1	Net Positive Community Impacts (CM1) .....	36
9.2	Offsite Stakeholder impacts (CM2) .....	37
9.3	Exceptional Community Benefits (GL2) .....	38
10	BIODIVERSITY .....	40
10.1	Net Positive Biodiversity Impacts (B1) .....	40
10.2	Offsite Biodiversity Impacts (B2) .....	41
10.3	Exceptional Biodiversity Benefits (GL3).....	42
11	Verification conclusion .....	44
	APPENDIX A: Verification Findings .....	46

## 1 INTRODUCTION

### 1.1 Objective

In accordance with Section 5.1.1 of the VCS Standard, SCS carried out an ex-post independent assessment of the GHG Emission Reductions or Removals that have occurred as a result of the project during the monitoring period, conducted in accordance with the VCS rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, v3.1, the objectives of the verification engagement were to evaluate the monitoring report and assess the following:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description. This includes ensuring conformance with the monitoring plan.
- The extent to which GHG Emission Reductions or Removals reported in the monitoring report are materially accurate.

The other objective of the verification engagement was to assess the non-permanence risk analysis.

### 1.2 Scope and Criteria

In accordance with Section 4.3.4 of ISO 14064-3:2006, the scope was defined as follows:

- The project;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs that are applicable to the project;
- The types of GHGs that are applicable to the project; and
- The monitoring period, as discussed in Section 5 of this report

In accordance with Section 5.3.1 of the VCS Standard, the criteria for verification was the VCS Version 3, including the following documents:

- VCS Program Guide v3.7
- VCS Standard v3.7
- VCS AFOLU Requirements v3.6
- VCS Non-Permanence Risk Tool v3.3
- VCS VM0009 Methodology v3.0

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS guidance document.

In addition, the assessment was performed against the requirements of the validated project description.

### 1.3 Level of Assurance

In accordance with Section 5.3.1 of the VCS Standard, the level of assurance of this report is reasonable.

### 1.4 Summary Description of the Project

The project is located in Kenya, in Makueni County, Taita Taveta County and Kajiado County, and is aimed at reducing emissions related to unplanned deforestation.

## 2 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, as discussed in Sections 2.2 through 2.4 of this report. At all times, the project was assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5, findings were issued to ensure that the project was in full conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan workbook developed by SCS. Per Section 4.4.3 of ISO 14064-3:2006, the audit team identified possible risks of errors, omissions and misrepresentations with respect to the validation criteria. For each identified risk, the audit team assessed the likelihood of the material discrepancy occurring, the likelihood of the material discrepancy not being prevented or detected by the controls of the project the material discrepancy and the likelihood of the material discrepancy not being detected by the audit team. Sampling and data testing activities were planned to address any risk where the likelihood of a material discrepancy not being detected by the audit team was judged to be unacceptably high. The audit team then created a verification plan that took the sampling plan into account.

### 2.2 Document Review

The monitoring report (PIR) titled “Chyulu Hills Monitoring Report\_PIR v3.2” (date 26 June 2017) was carefully reviewed for conformance to the verification criteria. The following additional documentation, provided by project personnel in support of the aforementioned documents, was also reviewed by the audit team. Please note that as a number of validation documents were used for comparison, validation documents will also be included with the following:

Document	File Name	Ref.
Trust Document	Annex 1 - Duly Executed Deed of Assignment	/1/
Trust Document	Annex 1 - Duly Executed Trust Deed	/2/
Ownership Document	CHNP Deed	/3/
Ownership Document	Kibwezi FR	/4/

Ownership Document	Tsavo West Deed	/5/
Ownership Document	20150206RomboTitleDeed	/6/
Ownership Document	Kuku A Title Deed	/7/
Ownership Document	Kuku Group Ranch Title Deed	/8/
Ownership Document	Title Deed Mbirikani Group Ranch	/9/
Grievance Procedure	Annex 3 - Chyulu Hills REDD Project Grievance Procedure	/10/
Employment Evidence	Annex 4 - CHCT Employment Policies	/11/
Climate Procedures	Annex 5 - Chyulu Hills Climate Monitoring Plan v1.0	/12/
Community and Biodiversity Procedures	Annex 6 - Chyulu Hills Community and Biodiversity Monitoring Plan v1.0	/13/
Forest Biomass Equations	Annex 7 - Allometry for PDD v02	/14/
Biomass SOP's	Annex 8 - Standard Operating Procedure Chyulu - Biomass v2.8.1_2014-02-03	/15/
Soil SOP's	Annex 9 - SOP - Chyulu Soil Field Sampling v3.3 2016-06-02	/16/
Soil SOP's	Annex 10 - SOP - Soils Bulk Density v1.5 2016-06-02	/17/
Disturbance SOP's	Annex 11 - Standard Operating Procedure - Disturbance Monitoring - v1.0_2012-10-02	/18/
Forest Leakage SOP's	Annex 12 - SOP - Chyulu Hills - Forest Leakage 04-15-2014	/19/
Grassland Leakage SOP's	Annex 13 - SOP - Chyulu Hills Leakage Grassland 2014-04-15	/20/

Biomass Inventory	Annex 15 - Chyulu Hills_inventory v12	/21/
Soil Inventory	Annex 16 - Chyulu Hills_inventory_Grassland v6	/22/
Forest GHG Calculations	Annex 18 - Chyulu Hills_Forest_NERs U1 linear 1.9_v17_ThesPol	/23/
Grassland GHG Calculations	Annex 19 - Chyulu Hills_Grassland_NERs U1 linear 1.9_v18_ThesPolo	/24/
All GHG Calculations	Annex 20 - Chyulu Hills Project Area VER estimates v12_thesPoly	/25/
Project Risk Report	Annex 23 - Chyulu Hills_VCS non-permanence risk report template, v3.1_7	/26/
Project Areas GIS Files	Associated Shapefiles	/27/

### 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. The phrase “throughout audit” under “Date Interviewed” indicates that the individual in question was interviewed on multiple occasions throughout the audit process.

Individual	Affiliation	Role	Date(s) Interviewed
Simon Bird	Wildlife Works LLC (WWC)	Carbon Development Associate	Throughout Audit
Christina Ender	Conservation International (CI)	Project Oversight	28 November – 8 December 2016
Christopher Tuite	Massai Wilderness Conservation Trust (MWCT)	Project Management	28 November – 8 December 2016
Jaco Venter	CI	Observer	28 November 2016
Rob Dodson	WWC	African Field Operations	28 November – 8 December 2016

Lenoi Charity	MWCT	Community Relations	28 November – 8 December 2016
Richard Bonham	Big Life Foundation (BLF)	Operations	28 November – 8 December 2016
Daniel Metoi	BLF	Community Relations	28 November – 8 December 2016
Fred Njagi	BLF	Chief Administrative Officer	28 November – 8 December 2016
Samson Parashina,	MWCT	President and Chairman of the Board	28 November – 8 December 2016
Iain Olivier	MWCT	Conservation Manager	28 November – 8 December 2016
Laurian Lenjo	WW	Engagement Manager	28 November – 8 December 2016
Mwangi Githiru	WWC	Biodiversity and Social Monitoring	28 November – 8 December 2016
Alfred Gichu	Kenya Wildlife Service	Project Proponent	28 November – 8 December 2016
Lenaya Timoth	MWCT	Community Relations	28 November – 8 December 2016

Residents of communities located near the project boundary (termed “local residents” within this report) were also interviewed. Whereas, a complete list of individuals is not available, the villages and village groups interviewed are listed below:

- Mbirikani Community
- Nasipai Community
- Nolasiti Community
- Nagga Rangers
- Osirigi Womens Group
- Ittirali Community
- Tsavo West
- KWS Rangers
- Kuku Community
- Bee Keepers (CCRT Center)
- Ittilal health center
- Ittilal School
- Osiligi Womens Group
- Langata Jewellery Group

## **2.4 Site Inspections**

The objectives of the on-site inspections performed were to:

- Select samples of data from on-the-ground measurements for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 5.1.3 of the VCS Standard;
- Perform a risk-based review of the project area and project activities to ensure that the project conformed to the requirements of the VCS rules and the methodology throughout the monitoring period; and
- Ensure that monitoring was conducted in accordance with the requirements of the validated monitoring plan, the methodology employed and the VCS rules

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates 28 November – 8 December 2016. The main activities undertaken by the audit team were as follows:

- Interviewed Project Personnel (see Section 2.3 of this report) to gather information regarding the monitoring of the project;
- Interviewed Project Personnel (see Section 2.3 of this report) for the purpose of seeking evidence of conformance with respect to the specific requirements of the methodology and the VCS rules;
- Interviewed residents of communities near the project boundary to confirm the claims of the project proponents with respect to the extent of community engagement with the project implementation.
- Observed Project Personnel conducting re-measurements soil plots. The representatives were asked to replicate the measurement protocol that was applied, for the purpose of providing the audit team with reasonable assurance that the measurements were collected to appropriate quality standards.
- Collected independent soil samples from a sample of the original soil inventory

## 2.5 Public Comments

N/A – No comments were received from the CCBA during the public comment period.

## 2.6 Resolution of Findings

Any potential or actual material discrepancies identified during the assessment process were resolved through the issuance of findings. A total 10 findings were issued (6 NCR's and 4 NIR's). 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 validation 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 validation 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 validation process have been closed. In accordance with Section 5.3.6 of the VCS Standard, all findings issued during the validation process, and the impetus for their closure, are described in Appendix A of this report.

### 2.6.1 Forward Action Requests

N/A – No forward action requests were issued during verification.

## 2.7 Eligibility for Validation Activities

N/A – No validation activities took place during verification.

## 3 VALIDATION FINDINGS

N/A – No validation activities took place during verification.

### 3.1 Participation under Other GHG Programs

As the project is not participating under other GHG programs, this section is not applicable.

### 3.2 Methodology Deviations

This section is not applicable as no methodology deviations were included in the project as of the time of this verification.

### 3.3 Project Description Deviations

Whereas minor changes were made to the inventory field standard operating procedures, the audit team does not consider these to be project description deviations, as such level of specificity is not included in the project description.

### 3.4 Grouped Project

NA – This is not a grouped project.

## 4 GENERAL VERIFICATION FINDINGS

### 4.1 Summary Description of the Project (G3)

There have been no changes to the project description since validation (also performed by SCS). A complete description of the validation activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

### 4.2 Project Location (G1 & G3)

There have been no changes to the project location since validation (also performed by SCS). A complete description of the validation activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

### 4.3 Conditions Prior to Project Initiation (G1)

There have been no changes to the prior conditions since validation (also performed by SCS). A complete description of the validation activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

#### 4.4 Project Proponent (G4)

There have been no changes to the project description since validation (also performed by SCS). A complete description of the validation activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

#### 4.5 Other Entities Involved in the Project (G4)

There have been no changes to the project description since validation (also performed by SCS). A complete description of the validation activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

#### 4.6 Project Start Date (G3)

The project start date is listed as 19 September 2013. While onsite, the audit team reviewed the original data sheets dated 19 September 2013 as evidence of the commencement of the project biomass sampling. As the results of biomass sampling are directly linked to the baseline carbon stocks by which the project will be assessed in to the future, it is the opinion of the audit team that the start date of this activity represents the date on which activities that lead to the generation of GHG emission reductions or removals are implemented and is therefore justified according to section 3.2.1 of The AFOLU Requirements.

#### 4.7 Project Crediting Period (G3)

The audit team reviewed the project design document (PDD) and confirmed the project crediting period of 30 years, commencing on 19 September 2013, to be in conformance with Section 3.8.1 of the VCS Standard, as it falls between the 20 year minimum and 100 maximum for AFOLU projects.

### 5 IMPLEMENTATION OF DESIGN

#### 5.1 Project Implementation Status (G3)

The audit team assessed the implementation of the project activities against Section 4.3 of the Project Description. The audit team confirmed that Section 2.1 of the monitoring report provided an accurate description of the implementation of the project. The audit team concluded that the project has been implemented as described in the PDD. For a complete description of the steps taken to assess the project implementation see below:

Item	Verification Findings
Material discrepancies between project implementation and the project description	The audit team performed a series of visits to the communities included in the project and observed the project activities taking place. The audit team held interviews with members of communities involved in the project and were informed that the project had thus far met all commitments with regard to the project activities as described in G3.2

Item	Verification Findings
	of the standards. No material discrepancies were found
Implementation status of monitoring plan and completeness of monitoring	<p>Audit team confirmed that all monitoring activities documented in Section 5.1 of monitoring report were correctly carried out accordingly with the requirements and frequency of the monitoring plan described in Section 5.2 and 5.3 of the PDD, through the following:</p> <ul style="list-style-type: none"> <li>• Observed the setup and re-measurement of 4 plots across the project area and confirmed that they conformed to the sampling design as described in the field operating procedures (see Section 2.2 of this report), as well as best practices in forest mensuration. In addition, the audit team performed spot measurements during the field verification and consistently produced the same results as the project team. Finally, the audit team independently re-measured one of the field verification plots which produced consistent results with those of the project</li> <li>• Observed the setup and soil collection for 1 field plot. Resampled 20% of the initial soil inventory and found the results to be consistent with those reported by project personnel.</li> <li>• Spent one week in the field with the project team, both re-measuring plots and confirming the implementation of project activities within communities and confirmed that the organizational structure and operation is as described in Section 5.11 of the monitoring report</li> <li>• Reviewed the process for data management and storage and confirmed that the description provided in Section 5.1 of the monitoring report was followed completely and is sufficient for providing</li> </ul>

Item	Verification Findings
	<p>quality data management and storage</p> <ul style="list-style-type: none"> <li>• Interviewed biomass team while on site and confirmed that the personnel were highly skilled and educated as to the processes described in the field operating procedures. In addition, the audit team spent over a week in both the office and the field with the team and confirmed that the description provided in the monitoring report was generally being followed completely</li> <li>• Reviewed the allometric equations provided by Project Personnel and confirmed that the equations were correctly calculated in the workbooks. Finally, the audit team re-calculated the plot level biomass for a random plot selected for the field verification and produced consistent results with those reported in the project calculations (see Section 2.2 of this report)</li> <li>• The audit team reviewed the calculation of project GHG reductions as prescribed by the methodology. The audit team confirmed the simple addition of the value from the previously validated baseline emissions model was calculated correctly</li> <li>• Re-calculated the uncertainty deduction, as prescribed by the methodology and confirmed that the value provided in the project calculations to be accurate</li> <li>• Reviewed the process for the detection of forest fires across the project area. The audit team confirmed that the monitoring, as described in the disturbance monitoring procedures was being followed appropriately and reported accordingly</li> <li>• Re-calculated the GHG Emission Reductions or Removals using a stepwise</li> </ul>

Item	Verification Findings
	<p>approach for each carbon pool included in the Project Area. The audit team values were consistent with those of the project. The audit team has a reasonable level of assurance that the area reported in the project calculations is accurate</p>
<p>Existence of material discrepancies between monitoring system and monitoring plan (as described in 4.3 of project description) and applied methodology</p>	<ul style="list-style-type: none"> <li>All tasks described in Section 5.1 of the monitoring report were in agreement with the monitoring plan as described above. No material discrepancies were found</li> </ul>
<p>Whether GHG Emission Reductions or Removals generated by the project have become included in emissions trading program or other mechanism that includes GHG allowance trading</p>	<ul style="list-style-type: none"> <li>Audit team confirmed that REDD+ projects are not within scope of Clean Development Mechanism</li> <li>Audit team applied professional judgment to determine there is very low risk of GHG Emission Reductions or Removals having been included in any other program</li> </ul>
<p>Whether project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification</p>	<ul style="list-style-type: none"> <li>Audit team is unaware of any other environmental crediting program that project would be eligible to participate in</li> </ul>
<p>Whether project has participated or been rejected under any other GHG programs since validation or previous verification</p>	<ul style="list-style-type: none"> <li>The audit team confirmed that the project has not previously been rejected by the VCSA and that a compliance program does not exist in Kenya at this time. Therefore the risk of the project not being in conformance with this requirement is non-existent at this time</li> </ul>

## 5.2 Management of Risks to Project Benefits (G3)

There have been no changes to the management of risks to project benefits since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>

### 5.3 Measures to Maintain High Conservation Values (G3)

During the desk review and site visit portions of the verification, the verification team observed the implementation of the project activities, which included forestland and grassland protection. Whereas, benefits for the community and biodiversity aspects of the project are not immediately measurable, the successful protection of natural resources is a reasonable proxy for measure. It is the opinion of the audit team that the activities implemented thus far are sufficient for maintaining the high conservation values of the project zone.

### 5.4 Project Financing (G3 & G4)

The verification team was provided with the financial budgets for each of the project proponents and confirmed that the values provided were accurately included in the project breakeven analysis. In addition, the verification team reviewed a sample of invoices while on site and confirmed the inputs to the budgets to be accurate. Overall, the verification team confirms that the project financing is sufficient for the continued implementation of the project activities.

### 5.5 Employment Opportunities and Worker Safety (G4)

During the site visit, the verification team observed sign boards across the project zone on which job postings are placed and which is consistent with the claims in the monitoring report and PDD. The verification team held interviews with multiple employees of the project and confirmed that the procedures described in the PDD and confirmed during validation are being implemented as described.

### 5.6 Stakeholders (G3)

During the site visit, the verification team held meetings and interviews with a suite of stakeholders across the project zone. In all most or all cases the stakeholders reported ongoing consultation as described in the PDD and monitoring report. Stakeholders continue to be involved in the project implementation and are cognisant of activities to ensure ongoing consultation. It is important to note that given the size of the project area, all project activities have not been implemented to date. In such cases, comments or grievances have been forwarded to project personnel in the form of official findings and are described in appendix A of this report.

### 5.7 Sustainable Development

The verification team reviewed the project documentation and performed on site observations confirming that the activities described in the project documentation are indeed being implemented. In addition, the verification team confirmed that the country of Kenya is taking part in implementing sustainable development goals under the UNDP (<http://www.ke.undp.org/content/kenya/en/home/sustainable-development-goals.html>) and have created a plan titled Kenya Vision 2030 (<http://www.vision2030.go.ke/about-vision-2030/>). In reviewing the goals and pillars of the UNDP and Kenya Vision, the verification team confirmed that education, health, water, agriculture, and climate change are specific targets.

Throughout the sections of this report the verification team has described the verification activities performed to confirm the implementation of the project design. The verification team was able to confirm that the project activities are intended to improve agricultural methods resulting in greater yield and increased food security. The project is protecting natural resources through avoiding deforestation resulting in the protection of the regional watershed. The project has also increased the number and

access to health clinics and doctors within the project area. Finally, during the site visit, the verification team held interviews with local community members who had received funding to support local education. All of the activities implemented by project personnel are consistent with the sustainable goals set forth by the Kenyan government.

## 6 LEGAL STATUS

### 6.1 Compliance with Laws, Statutes, Property Rights and Other Regulatory Frameworks (G4 & G5)

The audit team held interviews with project personnel, which consisted of government officials, community leaders, and land-use lawyers who provided the audit team with access to what were, in their opinion, all of the laws and statutes and other regulatory frameworks applicable to the project activities. The audit team cross-checked these laws with both the information provided in the PDD and Kenyan online database (<http://www.klrc.go.ke/index.php/constitution-of-kenya/117-chapter-five-land-and-environment/part-1-land/233-66-regulation-of-land-use-and-property>) and confirmed with a reasonable level of assurance that the project continues to be in conformance with all applicable laws, statutes and other regulatory frameworks. Moreover, the audit team reviewed employee contracts and interviewed employees who confirmed that they had been informed of their rights, made aware of potential safety issues associated with their jobs, and were provided with equipment to ameliorate any safety concerns associated with the work. Finally, the audit team met with members of the Kenyan government and landowners involved with the project, who confirmed that the project has the necessary approvals to implement the project activities.

### 6.2 Evidence of Project Ownership (G5)

There have been no changes to the ownership since validation, which was performed by SCS. A complete description of the verification activities employed to confirm this is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

### 6.3 Emissions Trading Programs and Other Binding Limits (CL1)

See Section 5.1 above.

### 6.4 Participation under Other GHG Programs (CL1)

See Section 5.1 above.

### 6.5 Other Forms of Environmental Credit (CL1)

See Section 5.1 above.

### 6.6 Projects Rejected by Other GHG Programs (CL1)

See Section 5.1 above.

### 6.7 Respect for Rights and No Involuntary Relocation (G5)

There have been no changes with respect to this indicator since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

**6.8 Illegal Activities and Project Benefits (G5)**

There have been no changes with respect to this indicator since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

**7 APPLICATION OF METHODOLOGY**

**7.1 Baseline Scenario (G2)**

There have been no changes with respect to this indicator since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

**7.2 Additionality (G2)**

There have been no changes with respect to this indicator since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

**8 QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS**

**8.1 Accuracy of GHG Emission Reduction or Removal Calculations (G2)**

The GHG Emission Reductions or Removals have been quantified correctly in accordance with the project description and the applied methodology.

For all instances in which values were transcribed between datasets (e.g., transcription from the project description to reporting workbooks, or between reporting workbooks), the audit team carefully traced values to ensure the absence of manual transposition errors.

**8.1.1 Data and Parameters Available at Validation**

There have been no changes in the data and parameters available at validation since validation (also performed by SCS). A complete description of the verification activities employed to confirm such is located under the cover of the CCB validation report posted on the VCS website.

<http://vcsprojectdatabase.org/#/ccb-all-project-details/1408>.

**8.1.2 Data and Parameters Monitored**

	<b>Steps taken by audit team to assess...</b>		
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<b>Data/Parameter</b>	<b>Accuracy of GHG Emission Reductions or Removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
<b>W[m]</b>	The audit team reviewed the fire monitoring implemented by project personnel and confirmed that no burning took place during the monitoring period	N/A	N/A
<b>AP 1 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>AP 2 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>AP 3 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>AP 4 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>AP 5 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>AP 6 [m=0]</b>	The audit team reviewed the stratification process for the forest types in the project area and confirmed the accuracy through on the ground	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG Emission Reductions or Removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	truthing		
<b>AP 1</b> <b>[m=0]</b>	The audit team reviewed the stratification process for the grassland in the project area and confirmed the accuracy through on the ground truthing	The audit team reviewed the guidelines for in B.1.1 of the methodology and confirmed that the best available data was used	N/A
<b>cB</b> <b>[m]</b>	The audit team re-calculated project baseline carbon stocks at the end of the current monitoring period and confirmed the value to be reported accurately	The audit team reviewed equation B.33 of the methodology and confirmed the equation to be applied correctly	N/A
<b>CB BGB</b> <b>[m]</b>	The audit team re-calculated project belowground biomass not decayed at the end of the current monitoring period and confirmed that the value was calculated accurately	The audit team reviewed equation F.32 of the methodology and confirmed the equation to be applied correctly	N/A
<b>CB SOC</b> <b>[m]</b>	The audit team re-calculated project carbon not decayed in soil at the end of the current monitoring period and confirmed the value to be calculated accurately	The audit team reviewed equation F.16 of the methodology and confirmed the equation to be applied correctly	N/A
<b>cP</b> <b>[m]</b>	The audit team re-calculated project forest carbon at the end of the current monitoring period and confirmed the value to be calculated accurately	The audit team reviewed equation B.31 of the methodology and confirmed the equation to be applied correctly	N/A
<b>cP</b> <b>[m]</b>	The audit team re-calculated project grassland carbon at the end of the current monitoring period and confirmed the value to be calculated accurately	The audit team reviewed equation B.31 of the methodology and confirmed the equation to be applied correctly	N/A
<b>CP</b> <b>[m-1]</b>	The audit team re-calculated project forest carbon at the beginning of the current monitoring	The audit team reviewed equation B.31 of the methodology and confirmed the equation to	

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG Emission Reductions or Removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	period and confirmed the value to be calculated accurately	be applied correctly	
<i>cP</i> [m=0]	The audit team re-calculated project forest carbon at the beginning of the current monitoring period and confirmed the value to be calculated accurately	The audit team reviewed equation B.31 of the methodology and confirmed the equation to be applied correctly	N/A
<i>cP</i> [m=0]	The audit team re-calculated project forest carbon at the beginning of the current monitoring period and confirmed the value to be calculated accurately	The audit team reviewed equation B.31 of the methodology and confirmed the equation to be applied correctly	N/A
<i>cP 1 BM</i> [m=0] <i>cP 2 BM</i> [m=0] <i>cP 3 BM</i> [m=0] <i>cP 4 BM</i> [m=0] <i>cP 5 BM</i> [m=0] <i>cP 6 BM</i> [m=0]	The audit team re-calculated project forest carbon across all strata at the beginning of the current monitoring period and confirmed the value to be calculated accurately	N/A – Validated allometric equations	N/A
<i>cP 1 BM</i> [m=0]	The audit team re-calculated project grassland carbon at the beginning of the current monitoring period and confirmed the value to be calculated accurately	N/A – Strata average	N/A
<i>cP SOC</i> [m=0]	The audit team resampled a portion of the project forest soil plots, calculated soil carbon values and confirmed the project value to be reported accurately	N/A – Soil lab values	N/A
<i>cP SOC</i> [m=0]	The audit team resampled a portion of the project forest soil plots, calculated soil carbon values and	N/A – Soil lab values	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG Emission Reductions or Removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	confirmed the project value to be reported accurately		
<b>EBA</b> <b>[m]</b>	The audit team recalculated the cumulative emissions allocated to the buffer account at the end of the current monitoring period and for the project value to be calculated accurately	N/A – basic multiplication	
<b>EU</b> <b>[m]</b>	The audit team recalculated the confidence deduction at the end of the current monitoring period and for the project value to be calculated accurately	The audit team reviewed equation F.57 of the methodology and confirmed the equation to be applied correctly	
<b>cP SOC</b> <b>[m=0]</b>	The audit team resampled a portion of the project grassland soil plots, calculated soil carbon values and confirmed the project value to be reported accurately	N/A – Soil lab values	N/A
<b>EA GER</b> <b>[m]</b>	The audit team re-calculated project GER's for the monitoring period and found the project values to be free from material error	The audit team reviewed equation F.53 of the methodology and confirmed the equation to be applied correctly	N/A
<b>EB</b> <b>[m]</b>	The audit team re-calculated project cumulative baseline emissions at the end of the current monitoring period and confirmed the project reported values to be accurate	The audit team reviewed equation F.16 of the methodology and confirmed the equation to be applied correctly	N/A

In all cases for data and parameters monitored the audit team used either raw project data or data collected by the audit team and performed a complete recalculation of GHG emission reductions to account for any possible transcription errors on the part of project personnel. Whereas, more parameters than are listed here have been included in the project monitoring report, only parameters monitored during the current monitoring period are considered here.

In closing, the audit team was able to come to a reasonable level of assurance that the final GHG emission reduction values reported by project personnel have been reported accurately and free from material error.

### 8.2 Quality of Evidence to Determine GHG Emission Reductions or Removals

The evidence used to determine the GHG reductions and removals was of sufficient quantity and appropriate quality. An identification of the categories of evidence used to determine the GHG Emission Reductions or Removals, and a description of the steps taken to assess the sufficiency of quantity, and appropriateness of quality, of each category of evidence, follows.

	<b>Steps taken by audit team to assess...</b>		
<b>Category</b>	<b>Reliability, source, nature of evidence</b>	<b>Information flow from data generation and aggregation, to recording, calculation and final transposition into the monitoring report</b>	<b>Appropriateness of implemented calibration frequency of monitoring equipment</b>
Reporting workbooks	Workbooks originated from Project Personnel and were determined, after thorough testing, to be of high quality and highly reliable; quantity of workbooks provided to audit team was sufficient	In all cases, audit team traced data contained in the monitoring report from the emission reduction workbooks back to their respective sources /23/ /24/ and /25/	N/A
GIS Data	All stratification and other demographic data was provided to the audit team, who confirmed that the data contained all the necessary information to recreate of the processes employed by the project and found the calculations consistent with values stated in the Project Description, Monitoring Report and applied calculations.	The audit team re-calculated the total project area, as well as the area of each land class in the project area. In addition, the audit team collected GPS data at each plot point visited in order to ensure consistency with strata level reporting in the monitoring report	N/A

### 8.3 Non-Permanence Risk Analysis

The determined value of the overall risk rating has not changed since the validation audit. The audit team did not perform a re-assessment of the non-permanence risk analysis from first principles, but did assess the following:

Whether any circumstances or conditions may have transpired since the prior verification audit such that the determination made by the previous verification body is no longer valid; and

Whether items meant to address certain risks are in place and functioning as intended.

The determined value of the overall risk rating of 10% is appropriate and in conformance with the AFOLU Non-Permanence Risk Tool, to the extent that said determined value was appropriate and in conformance to the AFOLU Non-Permanence Risk Tool at the time of the prior verification audit. The document reviewed by the verification team is titled “Annex 23 - Chyulu Hills\_VCS non-permanence risk report template, v3.1\_9 (dated 26 April 2017). Finally, for instances in which there were no changes from the previous risk assessment, the audit team confirmed that the risk rating remains valid to the extent that it was valid in the first place.

The findings of the audit team regarding the risk scores applied for each factor are as follows.

	Project Management		
Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
a)	No credits have been issued at this time and therefore this risk score is not applicable	N/A	N/A
b)	No credits have been issued at this time and therefore this risk score is not applicable	N/A	N/A
c)	The audit team is familiar with many members of the project management team and was able to confirm that this team designed and implemented these project types dating back to 2011. The audit team also reviewed published literature showing further experience in each of the required areas	The audit team was provided with access to all of the company websites showing the experience of the team members. The audit team considers this high quality	The Risk Score Is Appropriate
d)	The management team has offices in Kasigau and in many places	Given that the audit team had previous validated projects in and	The Risk Score Is Appropriate

	within the project area. The audit team visited all of these sites while in the project area confirming the claims in the PIR	around the management team offices, the audit team considers their own experience and knowledge high quality	
e)	The same individuals alluded to in item c above have also successfully implemented a number of AFOLU projects around the world, therefore meeting these requirements. The audit team reviewed the VCS project database on 1 March 2017 providing evidence for meeting this criteria	Also, as stated in item c above the project team has evidence of the types and number of projects available on their respective websites. In addition, the same information is available on the VCS website; therefore, the information can be considered to be of high quality	The Risk Score Is Appropriate
f)	The audit team reviewed the PIR and confirmed that Section 6.5.2 includes an exhaustive description of the adaptive management strategies for each risk associated with the project and constituting and adaptive management plan	Through interviews with local communities and project personnel, and review of meeting minutes, the audit team confirmed that the adaptive strategies were the result of a long collaborative process therefore are considered high quality	The Risk Score Is Appropriate
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.			The Risk Score Is Appropriate

<b>Financial Viability</b>			
<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of the risk rating</b>
a)	N/A	N/A	N/A
b)	N/A	N/A	N/A
c)	N/A	N/A	N/A
d)	The audit team was provided with a suite of documentation supporting the breakeven analysis /28-32/. The audit team traced organization budget values through the series of project budget worksheets and confirmed that the secured funding	The documentation provided included audited financial documents and a detailed, user friendly budget workbook that allowed for assessment by the audit team and is therefore of high quality	The Risk Score Is Appropriate

	values were appropriate. In addition, the audit team reviewed the current and anticipated expenses and confirmed that the values provided for the anticipated project expenses were reasonable		
e)	N/A	N/A	N/A
f)	N/A	N/A	N/A
g)	In addition to the documentation provided above, the audit team held interviews with government officials and participating project partners who all confirmed the financial inputs provided, thus supporting this risk score	See item d above	The Risk Score Is Appropriate
h)	N/A	N/A	N/A
i)	N/A	N/A	N/A
Total Financial Viability (FV) [as applicable, (a + b + c + d + e + f+g+h+i)]  Total may not be less than zero.			The Risk Score Is Appropriate

<b>Opportunity Cost</b>			
<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of the risk rating</b>
a)	N/A	N/A	N/A
b)	N/A	N/A	N/A
c)	N/A	N/A	N/A
d)	The audit team performed on site evaluations including interviews with local communities in the project area who confirmed that the	The CCB PDDD and validation report have been accepted by the CCBA and are available on the CCBA website and is considered	The Risk Score Is Appropriate

	main agent of conversion in the baseline is engaged in subsistence agriculture. The audit team was further able to confirm this through observing the scale of the agriculture and the scarcity of water in the region that would make commercial agriculture highly unlikely. In addition the audit team performed the validation of the CCB portion of the project and were able to confirm that the project is designed to demonstrate net positive community benefits, as it is currently listed as certified under the CCBS	high quality	
e)	N/A	N/A	N/A
f)	N/A	N/A	N/A
g)	N/A	N/A	N/A
h)	The audit team reviewed the deed of assignment /1-2/ and confirmed that it contains language bestowing the carbon rights to the project proponent. In addition, the audit team met with members of the Chyulu Hills Conservation Trust who confirmed that the language in the deed was a result of input from all of the rights owners in the project area. Finally, the audit team held community meetings with representatives from each of the group ranches who confirmed that their representatives had the rights to sign their rights into the deed	The deed of assignment has been executed and requires a court order to change and therefore is legally binding and of high quality	The Risk Score Is Appropriate
i)	See item h above	See item h above	The Risk Score Is Appropriate
Total Opportunity Cost (OC) [as applicable, (a + b + c + d + e + f+g+h+i)]			The Risk Score Is Appropriate

Total may not be less than zero.	
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	<b>Project Longevity</b>		
<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Risk</b>
a)	Not Applicable		N/A
b)	The audit team reviewed the Deed of Assignment /1/and The Chyulu Hills Conservation Trust /2/ and held interviews with the trustees of the trusts, including government officials who confirmed that the legally binding commitment is in perpetuity and therefore a score of 0 is appropriate; Moreover, the objectives of the conservation trust specifically require the implementation of the REDD+ activities	See item h above	The Risk Score Is Appropriate
Total Project Longevity (PL) May not be less than zero			The Risk Score Is Appropriate

	<b>Opportunity Cost</b>		
<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>		<b>Risk</b>
a)	N/A	N/A	N/A
b)	Through a review of title documents and the deeds associated with the project the audit team was able to confirmed that ownership and resources access/use rights are in many cases held by different entities	All of the title and deed documents were provided with the relevant government stamp and signature and are therefore of high quality	<b>The Risk Score Is Appropriate</b>
c)	The audit team was able to uncover only one instance of land dispute occurring in the project area which, when computed by the audit team,	N/A	N/A

	results in approximately 1% of the total project area and therefore this risk score is not applicable		
d)	The dispute mentioned above is comprised in a disagreement between Mukulolo Ranching and Directed Company Ltd and Chyulu Hills National Park. The audit team met with officials from KWS who confirmed that the now settled dispute was in place prior to the existence of the project and therefore not a dispute caused by project activities	The documentation provided to the audit team, along with the corroborating claims from government officials are considered of high quality	The Risk Score Is Appropriate
e)	N/A the project is not a WRC project	N/A	N/A
f)	See item h of the opportunity cost above	See item h of the opportunity cost above	The Risk Score Is Appropriate
g)	The audit team met with project personnel and local community members who corroborated the documented evidence in the PIR of how past disputes have been resolved	The information provided in the CCB PDDD and the CCB validation report memorializing this documentation is considered high quality	The Risk Score Is Appropriate
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)] Total may not be less than zero.			The Risk Score Is Appropriate

	<b>Opportunity Cost</b>		
<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>		<b>Risk</b>
a)	The audit team held interviews with communities inside of the project boundary and confirmed that the all of the individuals in the audit sample had been consulted. The results of this sample leads the audit team to believe that the majority of communities inside the project area have been consulted	Interviews, consultation meeting minutes are considered high quality	The Risk Score Is Appropriate
b)	The audit team held interviews with individuals outside of the boundary of the project area where it was clear that the individuals have somewhat reliance on the project area. All of those interviewed had been consulted. The	Interviews and consultation meeting minutes are considered high quality	The Risk Score Is Appropriate

	project area is unique insofar as adjacent communities around other areas of the project boundaries are members of the group ranch(es) in which they have ownership and therefore are not considered reliant on the project area. Based on the results of the audit sample the audit team believes that the majority of those living outside the project area and who are also reliant on the project area have been consulted		
c)	The audit team also conducted the CCB validation of the project which was recently accepted by the CCBA and thus certified therefore meeting the requirements of this risk indicator	The CCB PDD and validation report are available on the CCBA website and are considered high quality	The Risk Score Is Appropriate
Total Community Engagement (CE) [where applicable, (a + b + c)]  Total may be less than zero.			The Risk Score Is Appropriate

	Opportunity Cost		
Risk	Assessment of rationale, assumptions and justification		Risk
a)	N/A	N/A	N/A
b)	The audit team download the WGI scores on 4 April 2015 and confirmed the governance score -0.736667 as reported in the project non-permanence risk report	The World bank governance indicator online database is considered of high quality ( <a href="http://info.worldbank.org/governance/wgi/index.aspx#home">http://info.worldbank.org/governance/wgi/index.aspx#home</a> )	The Risk Score Is Appropriate
c)			N/A
d)			N/A
e)			N/A
f)	The audit team met with the Kenyan government, particularly the Director of	The audit team considers the REDD Readiness online database of high	The Risk Score Is

	Climate Alfred Gichu who confirmed that Kenya was taking part and receiving funding for REDD Readiness. The audit team was able to corroborate this through the REDD Readiness online database	quality ( <a href="http://www.unredd.net/index.php?option=com_country&amp;view=countries&amp;id=16&amp;Itemid=573">http://www.unredd.net/index.php?option=com_country&amp;view=countries&amp;id=16&amp;Itemid=573</a> )	Appropriate
<b>Total Political (PC) [as applicable ((a, b, c, d or e) + f)]</b>			2 The Risk Score Is Appropriate
<b>Total may not be less than zero.</b>			

Natural Risk - Fire		
Risk	Assessment of rationale, assumptions and justification	Risk
	The audit team interviewed local communities and government officials who confirmed the claims in the PDDD that natural fire is not a threat to carbon stocks in the project area. The project is comprised of fire adapted ecosystems that only become threatened by anthropogenic activities. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government	The Risk Score Is Appropriate

Natural Risk - Pest		
Risk	Assessment of rationale, assumptions and justification	Risk
	The audit team interviewed local communities and government officials who confirmed the claims in the PDDD that natural risks from pests are not a threat to carbon stocks in the project area. The project is comprised of multiple ecosystems that only become threatened after conversion. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government	The Risk Score Is Appropriate
Significance	No Loss - natural ecosystem does not suffer from pest damage or disease	

Natural Risk - Extreme Weather		
Risk	Assessment of rationale, assumptions and justification	Risk

<p>The audit team interviewed local communities and government officials who confirmed the claims in the PDDD that natural risks from extreme weather is drought and not a threat to carbon stocks in the project area. The project is comprised of multiple ecosystems that only become threatened after conversion. The audit team discovered that the drought ending in 2009 was one of the most extreme on record, however the drought adapted ecosystems showed no signs of carbon stock loss due to drought. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government</p>	<p>The Risk Score Is Appropriate</p>
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Natural Risk – Geological Risk		
Risk	Assessment of rationale, assumptions and justification	Risk
	<p>The audit team interviewed local communities and government officials who confirmed the claims in the PDDD that geological risks are not a threat to carbon stocks in the project area. The project area has experienced past volcanic activity, however the recurrence frequency does not fall within the requirements of the risk tool, as the most recent volcanic activities are estimated at 400 to 500 years BP</p>	<p>The Risk Score Is Appropriate</p>

In summary, given the audit teams experience in the region, the audit team agrees with the assessment of project personnel that the natural risk literature is indeed lacking. Overall, the audit team agrees with the expert opinion that has been documented in the PIR. Finally, the audit team agrees that the minimum risk score of 10% has been appropriately applied in this project case.

#### 8.4 Climate Change Adaptation Benefits (GL1)

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

The project proponents must:

##### Climate Change Adaptation Benefits

<p><b>GL1.1</b> -Identify likely regional climate change and</p>	<p>The audit team reviewed the PIR and confirmed it</p>
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<p>climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project.</p>	<p>includes regional climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project. The audit team reviewed the suite of literature referenced in the PDDD and confirmed that the climate predictions of the literature are consistent with the claims in the PDDD</p>
<p>Conformance Y</p>	

<p><b>GL1.2</b> - Identify any risks to the project’s climate, community and biodiversity benefits resulting from likely climate change and climate variability impacts and explain how these risks will be mitigated.</p>	<p>Whereas, the impacts of climate change are difficult to predict, the audit team agrees with the assessment in the PIR regarding the anticipation of climate change risks and the mitigation measures needed to avoid the expected risks. Based on the current information available, the audit team confirmed with a reasonable level of assurance that the PIR provides adequate information for meeting the requirements of this indicator</p>
<p>Conformance Y</p>	

<p><b>GL1.3</b> - Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of communities and/or the conservation status of biodiversity in the project zone and surrounding regions.</p>	<p>The audit team reviewed the PIR and the referenced literature for this section and confirmed that PIR provides information that the anticipated climate changes are having or are likely to have an impact on the well-being of communities and/or the conservation status of biodiversity in the project zone and surrounding regions</p>
<p>Conformance Y</p>	

<p><b>GL1.4</b> - Demonstrate that the project activities will assist communities and/or biodiversity to adapt to the probable impacts of climate change.</p>	<p>The audit team reviewed the PIR and confirmed that it provides an adequate demonstration that the project activities will assist communities</p>
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Conformance Y	and/or biodiversity to adapt to the probable impacts of climate change. Whereas, the effects of climate change are uncertain, the audit team agrees that the mitigation and adaptive strategies provided in the PIR are appropriate for the communities and biodiversity in the project zone
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## 9 COMMUNITY

### 9.1 Net Positive Community Impacts (CM1)

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

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

The project proponents must:

#### Net Positive Community Impacts

<p><b>CM1.1</b> - Use appropriate methodologies to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The 'with project' scenario must then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups.</p>	<p>The audit team reviewed the PIR and confirmed it includes an estimate of the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples. The audit team confirmed that the project uses a methodology that is consistent with the Theory of Change, as is suggested by the CCB Standards. While on site, the audit team interviewed local community members who confirmed that the claims in the PIR were a result of the consultation process and are therefore clearly defensible. Furthermore, the focal issues used as indicators of change allowed the audit team to assess how these impacts over the current monitoring period. The PIR includes enough information to assess impacts and shows the result to be net positive for all communities, therefore meeting the requirements of this indicator</p>
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Conformance - Y	
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<b>CM1.2</b> - Demonstrate that no High Conservation Values identified in G1.8.4-6 will be negatively affected by the project.	Given that the community HCV's are inherently correlated with the climate benefits, the audit team agrees that avoided deforestation results in only positive impacts on the community HCV's described in G1.8.4-6
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## 9.2 Offsite Stakeholder impacts (CM2)

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

The project proponents must:

### Offsite Stakeholder Impacts

<b>CM2.1</b> - Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.	The audit team reviewed the PIR and confirmed that it addresses the identification of offsite stakeholders. While on site, the audit team community leaders and landowners who confirmed that the offsite stakeholder impacts described in the PIR are accurate. Furthermore, the audit team held interviews with landowners who confirmed that the current system of land tenure and ownership result in low risk of negative risks to offsite stakeholders
Conformance - Y	

<b>CM2.2</b> - Describe how the project plans to mitigate these negative offsite social and economic impacts.	The audit team agrees with the mitigation measures provided in the PIR that focusing on the wildlife human conflict is an area to best achieve success in mitigating these negative impacts.
Conformance - Y	

<b>CM2.3</b> - Demonstrate that the project is not likely to result in net negative impacts on the well-being	Given that the project activities are designed to avoid deforestation, the audit team agrees that the result of the project is designed to provide a
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of other stakeholder groups.	continued source of forest resources and grazing land. Whereas, wildlife human conflicts may affect other stakeholder groups, the audit team agrees that the mitigation measures in place are sufficient to ensure the project does not result in negative impacts on other stakeholders
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### 9.3 Exceptional Community Benefits (GL2)

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

Project proponents must:

#### Exceptional Community Benefits

<b>GL2.1</b> - 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.	The audit team reviewed the latest information provided by the United nations development Programme (UNDP) and confirmed claims in the PIR that Kenya is a low development country ( <a href="http://hdr.undp.org/en/countries/profiles/KEN">http://hdr.undp.org/en/countries/profiles/KEN</a> )
Conformance Y	

<b>GL2.2</b> -Demonstrate that at least 50% of households within the lowest category of well-being (e.g., poorest quartile) of the community are likely to benefit substantially from the project.	While on site, the audit team visited a number of communities who can be considered in the lowest category of wellbeing, as they did not have readily available access to basic needs, such as clean drinking water, medical attention, and education. It is the understanding that the focus of the project mitigation activities are to focus on just such issues, beginning with those who are without. Given this strategy, the audit confirmed with a reasonable level of assurance that the project
Conformance Y	

	meets the criteria of this indicator
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<p><b>GL2.3</b> - Demonstrate that any barriers or risks that might prevent benefits going to poorer households have been identified and addressed in order to increase the probable flow of benefits to poorer households.</p>	<p>While on site the audit team held meetings with representatives from all the community groups who confirmed that representatives from each group will be represented as trustees of the CHCT. The audit team agrees with the claims in the PIR that elite capture, fewer chances of employment, and no representation in the decision making process are likely barriers or risks that might prevent benefits going to poorer households. Interviews with community members confirmed that the representatives to the trust have the full decision making responsibilities for the community members and they agree that this is the best way to ensure equality in benefit sharing. The audit team agrees that the information provided in the PDDD provides an adequate demonstration for meeting the criteria of this indicator</p>
<p>Conformance Y</p>	

<p><b>GL2.4</b> - Demonstrate that measures have been taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project, and that the project design includes measures to avoid any such impacts. Where negative impacts are unavoidable, demonstrate that they will be effectively mitigated.</p>	<p>The audit team reviewed the PIR and confirmed that the measures taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project are more than adequate given the audit team's understanding of the social dynamics in the project zone. In addition, the audit team spoke with local women's groups (groups that are often marginalized in the area) and confirmed that certain mitigation measures described in the PIR were the result of their input</p>
<p>Conformance Y</p>	

<p><b>GL2.5</b> - Demonstrate that community impact monitoring will be able to identify positive and negative impacts on poorer and more vulnerable groups. The social impact monitoring must take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups,</p>	<p>As stated above, the project has demonstrated that the measures taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project are more than adequate. Given that the main focal group identified are women and children, the audit team agrees that</p>
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including women.	the monitoring plan is designed to take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups, including women
Conformance Y	

## 10 BIODIVERSITY

### 10.1 Net Positive Biodiversity Impacts (B1)

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

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

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

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

The project proponents must:

#### Net Positive Biodiversity Impacts

<b>B1.1</b> -Use appropriate methodologies to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The 'with project' scenario should then be compared with the baseline 'without project' biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.	The audit team confirmed that the PIR provides an estimate of the changes in biodiversity using the Theory of Change methodology, as suggested by the CCB Standards. The audit team agrees with the project assessment that the positive and negative impacts on biodiversity are directly linked to the health and existence of the ecosystems that comprise habitat for wildlife. Moreover, the audit team is intimately familiar with the importance of wildlife to the biodiversity of the ecosystems themselves. The audit team was also able to confirm that the PIR provides a transparent description of the net impacts by comparing the 'with project' and 'without project' scenarios that allows for assessment by the auditor and the public resulting in net positive impact estimates
Conformance Y	

<b>B1.2</b> Demonstrate that no High Conservation Values identified in G1.8.1-3 will be negatively affected by the project.	Given that the biodiversity HCV's are inherently correlated with the climate benefits, the audit team agrees that avoided grassland conversion and avoided deforestation are expected to have only positive impacts on the biodiversity HCV's described in G1.8.1.3
Conformance Y	

<b>B1.3</b> - Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.	The audit team reviewed the PIR and confirmed that it includes language addressing species used by the project.
Conformance Y	

<b>B1.4</b> - Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species.	N/A – This indicator is not applicable as no non-native species are used in the project
Conformance Y	

<b>B1.5</b> - Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.	N/A – This indicator is not applicable as no GMO's will be used to generate emission reductions or removals
Conformance Y	

## 10.2 Offsite Biodiversity Impacts (B2)

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

The project proponents must:

### Offsite Biodiversity Impacts

<b>B2.1</b> - Identify potential negative offsite	While on site, the audit team held meetings with
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biodiversity impacts that the project is likely to cause.	wildlife experts from KWS who corroborated the claims in the PIR that the project is unlikely to result in negative offsite biodiversity impacts. In addition, the audit team has experience in the region and agrees that keeping ecosystems intact provides corridors for wildlife that potentially cause problems with human settlements. Finally, the audit team was provided with literature showing the correlation between habitat and human wildlife conflicts, further confirming the claims in the PIR.
Conformance Y	

<b>B2.2</b> - Document how the project plans to mitigate these negative offsite biodiversity impacts	N/A – As no negative impacts are expected as a result of the project activities, no mitigation measures are necessary
Conformance Y	

<b>B2.3</b> - Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net effect of the project on biodiversity is positive.	N/A – See B2.2 above
Conformance Y	

### 10.3 Exceptional Biodiversity Benefits (GL3)

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

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

#### Exceptional Biodiversity Benefits

<b>GL3.1</b> - Vulnerability - Regular occurrence of a	The audit team reviewed the IUCN Red List and
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<p>globally threatened species (according to the IUCN Red List) at the site:</p> <p><b>GL3.1.1</b> - Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual.</p>	<p>confirmed the claims in the PDDD that the project zone is home to <i>Diceros bicornis</i> (black rhino), meeting the critically endangered criteria for this indicator  <a href="http://www.iucnredlist.org/details/6557/0">http://www.iucnredlist.org/details/6557/0</a>.</p>
<p>Conformance Y</p>	<p>Furthermore, the audit team interviewed members of KWS who confirmed claims that 80% of the black rhino's home range is within the project area</p> <p>Finally, while on site, the audit team personally witnessed the project lion tracking program and were successful in using the GIS tracking software to locate one of the collared males within the project boundaries</p>

## 11 VERIFICATION CONCLUSION

In conclusion, the project complies with the verification criteria for projects set out in VCS Version 3 and the CCB Standards 2nd Edition. The audit team holds no qualifications or limitations regarding the above statement. Thus, the audit team has verified the Project's compliance with the VCS Program requirements as set out in the VCS Rules. It should be noted that the methodology requires fairly conservative methodological choices for emission calculations. These conservative methodological choices, along with the conservative choices inherent in the approach selected by project personnel, result in the project meeting the estimated GHG emission reductions.

The differences in the table below between the baseline emissions and the net GHG emission reductions or removals is a consequence of uncertainty with respect to the soil carbon sampling effort. Given large areas of basalt in the project area, project proponents were limited as to the sample size necessary to produce low error values. The verification team recalculated the confidence deduction for each of the carbon pools included in the project boundary and confirmed the value to be appropriate and only soil carbon required the deduction.

Verification period: From 19-September-2013 to 31-December-2016

Verified GHG emission reductions and removals in the above verification period:

Year	Baseline emissions or removals (tCO <sub>2</sub> e)	Project emissions or removals (tCO <sub>2</sub> e)	Leakage emissions (tCO <sub>2</sub> e)	Net GHG emission reductions or removals (tCO <sub>2</sub> e)
19 September 2013 – 31 December 2013	198,102	0	0	176,488
1 January 2014 – 31 December 2014	695,261	0	0	619,404
1 January 2015 – 31 December 2015	695,261	0	0	616,904
1 January 2016 – 31 December 2016	693,356	0	0	617,707
<b>Total</b>	<b>2,281,980</b>	<b>0</b>	<b>0</b>	<b>2,033,002</b>

### Buffer Allocation

**2013 – 19,810**

**2014 – 69,526**

**2015 – 69,526**

**2016 – 69,336**

**CCB STANDARDS CRITERIA CHECKLIST:**

<b>GENERAL SECTION</b>	<b>CONFORMANCE</b>
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
<b>CLIMATE SECTION</b>	
CL1. Net Positive Climate Impacts (Required)	YES
CL2. Offsite Climate Impacts (“Leakage”) (Required)	YES
CL3. Climate Impact Monitoring (Required)	YES
<b>COMMUNITY SECTION</b>	
CM1. Net Positive Community Impacts (Required)	YES
CM2. Offsite Community Impacts (Required)	YES
CM3. Community Impact Monitoring (Required)	YES
<b>BIODIVERSITY SECTION</b>	
B1. Net Positive Biodiversity Impacts (Required)	YES
B2. Offsite Biodiversity Impacts (Required)	YES
B3. Biodiversity Impact Monitoring (Required)	YES
<b>GOLD SECTION</b>	
GL1. Climate Change Adaptation Benefits (Optional)	YES
GL2. Exceptional Community Benefits (Optional)	YES
GL3. Exceptional Biodiversity Benefits (Optional)	YES

## APPENDIX A: VERIFICATION FINDINGS

The following tables include all issues raised during the verification audit of the Chyulu Hills REDD+ Project. It should be noted that all language under “Client Response” is a verbatim transcription of responses to findings as provided by project personnel.

### NIR 1 Dated 24 Jan 2016

**Standard Reference:** The CCB Standards Second Edition CM1.1

**Document Reference:** NA

**Finding:** The CCB Standards state "Use appropriate methodologies to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being<sup>41</sup>, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The ‘with project’ scenario must then be compared with the ‘without project’ scenario of social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups."

Whereas, the verification team understands that the language in this indicator is vague, we take this to at least mean that the methodology is supported by the literature and that the reporting is performed using statistically sound methods.

During the site visit, while reviewing the community impact results, it was explained to the audit team that the sample size for the household survey was determined using a "sample size equation." When asked how the coefficient of variation was developed for use in the sample size formula, it was made apparent that this had not taken place. Based on the incongruent methods discussed during the site visit, please provide evidence that the community household survey and therefore the community impacts have been reported using statistically sound methods.

**Project Personnel Response:** The Project Proponent accepts this finding. According to the latest National Census in Kenya undertaken 2009, these Locations had a total of 22,105 households, 16,304 in the East and 5,801 in the West. Using simple sample size estimators for social surveys (e.g., see [http://www.raosoft.com/sample\\_size.html](http://www.raosoft.com/sample_size.html) and <http://www.surveysystem.com/sscalc.htm>), the sample size to give a margin of error of 5% and a 95% confidence level is about 378. (NB: after a population size of about 1,500 to 2,000, the sample size required at this margin of error and confidence interval does not change very much.)

Consequently, for both logistical reasons and the statistical considerations discussed above, we initially targeted to sample 400 households in total across the entire Chyulu Hills REDD+ Project Zone, 200 each in the East and West, and covering seven administrative Locations on the eastern side (Mang'elele/Nthongoni, Nzambani/Muthingiini, Utithi/Thange, Nguumo/Kaunguni, Makindu/Manyatta, and Kiboko/Kalii), and the three Locations/Ranches in the western side (Imbirikani, Kuku and Rombo). Though slightly less than 400 households were necessary, this survey aimed to interview slightly more households to cater for a less-than 100% return rate in the future surveys. In terms of distribution, the sample framework was based on probability proportionate to the number of households per Location. The following was the household number and distribution by Location:

- East: Mang'elete/Nthongoni 50, Nzambani/Muthingiini 35, Utithi/Thange 50, Nguumo/Kaunguni 20, Makindu/Manyatta 30, and Kiboko/Kalii 15.
- West: Imbirikani 65, Kuku 60 and Rombo 75

Lastly, within each Location, selection of actual households followed a random process where each Location was first overlaid with a 1-km grid and each grid intersection numbered. Based on the number of desired households for each Location, the designated number of grid intersections corresponding to number of households were randomly selected. The household nearest to each grid intersection was interviewed; when there was no household in the near vicinity (c1km on any side) of a grid intersection in a certain section of the Location, the team moved to the next random point until the target number of households was attained.

**Auditor Response:** The verification team reviewed the response provided by the project proponent and agree that the sample size is sufficient for meeting the desired error targets. The information provided is sufficient for resolving this issue.

**NCR 2 Dated 24 Jan 2016**

**Standard Reference:** The CCB Standards Second Edition B1.1; SBIA\_Part\_3.PDDf

**Document Reference:** Chyulu Hills Monitoring Report\_PIR v2.0 Section 5.3.1.2

**Finding:** The CCB Standards state "The project must generate net positive impacts on biodiversity within the project zone and within the project lifetime, measured against the baseline conditions...

The project proponents must:

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

In addition the SBIA Part 3, is replete with references to the relationship between forest cover and biodiversity.

The project PIR provides a suite of information regarding what has and has not taken place with respect to biodiversity monitoring, however there is no clear statement(s) regarding the impacts of the project on biodiversity. During the site visit, it was discussed that given the timing of normalizing biodiversity monitoring, that no results were available at this time and thus, the reason for not reporting biodiversity benefits in the PIR. Further discussion revealed that one indicator for biodiversity had indeed been monitored and that indicator was forest protection (forest connectivity and avoided fragmentation). Given that biodiversity impacts have been monitored and the results are not reported in the PIR, the project is not in conformance with the standards.

**Project Personnel Response:** The Project Proponent accepts this finding. By protecting native habitats, safeguarding water availability and ensuring landscape connectivity, the Chyulu Hills REDD+ Projects' net impacts on biodiversity values will be positive in the 'With Project' scenario in comparison to the 'Without Project' scenario as described in the Project Document. Section 5.3.1.2 of the Project Monitoring Report details the biodiversity impact assessment that was completed for this monitoring period. Additionally, the results of the climate monitoring demonstrate that no significant ecosystem conversion has taken place since Project Validation. Sections 8.1.2. and 8.1.3 of the Project Monitoring Report have been revised to include new text to address this issue. In Section 8.1.2 the following statement has been added "As is detailed in Section 6.2.3 there were no habitat disturbances in the Project Area, and no areas of deforestation or grassland conversion that met the Project's definition of a significant event. As the existing forest cover was maintained and no forest or grassland loss or fragmentation occurred, based on our theory of change analysis this demonstrates that the Project's net impact on biodiversity for this monitoring period was positive in comparison to the with-out project scenario." In Section 8.1.3. the following statement was added "As is noted I section 8.1.2 above, there were no habitat disturbances in the Project Area, and no areas of deforestation or grassland conversion. Therefore, under the theory of change analysis this demonstrates that the Project's net impact on biodiversity, including HCVs, for this monitoring period was positive in comparison to the with-out project scenario." These statements makes the connection between the protection of forest cover, and the Project's provision of net positive biodiversity benefits to the Project Zone clear. Please refer to the document "Chyulu Hills Monitoring Report\_PIR v3.PDDf", sections 8.1.2 and 8.1.3 to see the revisions.

**Auditor Response:** The verification team reviewed the updates to the PIR and agree that the updated language is sufficient for meeting the requirements of the protocol with respect to biodiversity impacts. The information provided is sufficient for resolving this issue.

**NCR 3 Dated 24 Jan 2016**

**Standard Reference:** The VCS Standard v3.6 Section 3.16.5

**Document Reference:** Annex 9 - SOP - Chyulu Soil Field Sampling v3.3 2016-06-02

**Finding:** The VCS Standard states "Where measurement and monitoring equipment is used, the project proponent shall ensure the equipment is calibrated according to the equipment's specifications and/or relevant national or international standards."

During the site visit, the verification team discovered that the scales used to measure soil had not been calibrated by the sampling team. Using the collective brain power of the team, the sampling team was able to use materials on hand to calibrate the scales in the field. The verification team confirmed that the scale was not out of calibration and was reporting accurately. Whereas, it was apparent to the verification team that the lack of calibration had not affected the soil reporting, there is no assurance that the scales will not need calibration in the future. Given that there are no correct procedures in the monitoring plan to assure proper calibration, the project is not in conformance with the standards.

**Project Personnel Response:** The Project Proponent accepts this finding. The Standard Operating Procedure (SOP) for soil carbon sampling is a robust document that provides the plot teams with a full suite of procedures and comprehensive guidance for soil carbon estimation in the Chyulu Hills Project Area. This document was written initially at the onset of the Project, and has been amended to reflect any gaps in the included procedures and as methods have been refined. The soil sampling SOP has been revised to include procedures for the proper calibration of the scales used in the sampling. The added procedures are all in line with the scale calibration methods that the sampling team developed during the field visit with the auditor. Please refer to the documents "SOP - Chyulu Soil Field Sampling v3.4 2017-01-31" and "SOP - Soils Bulk Density v1.6 2017-01-31" for the revised procedures.

**Auditor Response:** As stated in the project response, the soil sampling SOP's have been amended to include appropriate language regarding calibration. The updated SOP's are sufficient for resolving this issue.

**NIR 4 Dated 24 Jan 2016**

**Standard Reference:** The Rules for the Use of the CCB Standards Third Edition.

**Document Reference:** Chyulu Hills Monitoring Report\_PIR v2.0 Section 2.6.1

**Finding:** The rules for the Use of the CCB Standards define the project implementation report as "– The document that describes how the project has been implemented in accordance with its validated design and delivered net positive benefits to meet the requirements of the CCB Standards."The verification team interprets this definition to imply an accurate description. The project monitoring report states "A Project Office was established at MWCT's CCRC facility on Kuku A ranch in the summer of 2016, and a REDD+ office was constructed. This office serves as the administrative headquarters of the CHRP, and is open to all community members and stakeholders to visit to gain information about the Project and/or place comments or grievances..."

During the site visit, the verification team was made aware that the project office is in the midst of construction and not yet completed or ready for use. Whereas, the verification team understands that the language was never intended to make false claims, as is apparent through a review of other sections of the report in which the language leads the reader to understand that the office is not yet operational. In order to assure that the PIR is an accurate description of the project implementation, please update the PIR to allow the reader the proper context and status of the project activities with respect to the project office.

**Project Personnel Response:** The Project Proponent accepts this finding. The Project Office as an operating entity is fully operational and has been for some time. This includes the designated project officers, project communications and project coordination through the Project's Board of Trustees meetings. The construction of the physical Project Office was however unexpectedly delayed. In the meantime the MWCT staff who provide services that support the functions of the Project Office are using the existing office space which is adjacent to the new building that will house the REDD+ Project Office. The new Project Office building is expected to be completed and functional by April 30, 2017 The Project Monitoring Report/Project Implementation Report has been updated to reflect the proper context of the Project Office and the status of the building which will house it. Please refer to the document "Chyulu Hills Monitoring Report\_PIR v3.PDDf", sections 1.3 and 2.1.5.5 and table 6 to see the revisions.

**Auditor Response:** As stated in the project response, the PIR has been amended to more accurately describe the project activities that have been implemented by project personnel. The information provided is sufficient for resolving this issue.

**NIR 5 Dated 24 Jan 2016**

**Standard Reference:** N/A

**Document Reference:** N/A

**Finding:** The PIR states "The area of the soil carbon accounting region for each PAA is different than the total area of each PAA. This is due to the significant presence of lava flows across the Chyulu Hills. Figure 32 shows the soil carbon stratification that was developed using a Thiessen Polygon method. For this method, approximately 180 points across the Project Area were sampled for the presence of lava. The strata were then created by establishing Thiessen polygons surrounding each sample and combining like polygons in ArGIS."

During the verification exercise, the verification team were unable to reproduce the same values as reported by project personnel. For example, for the forest area strata project personnel is reporting 125,710ha as covered by soil. The verification team produced a result of 125,119ha of forest area strata covered by soil.

In producing this result it became apparent that the soil plots did not cover a large enough range to create Thiessen polygons that encompass the entire project and that soil portions of the project area not encompassed by the Thiessen polygons would have to be estimated using other methods. The verification team is in no way saying the method employed by the verification team is not the only correct method to estimate soil cover and is not stating that the project reported values are incorrect. In order to further assess the accuracy of this reporting by project personnel, please provide additional information that will allow the verification team to understand how the project values are being determined.

**Project Personnel Response:** The Project Proponent accepts this finding. As discussed during the online meeting on 1/27/2017 between WWC and the VVB, the WWC team determined that the processing extent of the Thiessen polygon layer generated by the VVB was using the extent of the soil sample feature class rather than the extent of the PAA. This caused the bounding rectangle of the ensuing Thiessen polygon layer to be slightly smaller than the PAA, leaving several "white spaces" where no Thiessen polygons existed on the PAA. This processing difference was pointed out to the VVB and it was agreed that this was the reason why the VVB was unable to match the soil coverage area that was reported by WWC. It was agreed on the call that the VVB will re-create the Thiessen polygons using a processing extent of at least the size of the PAA to ensure complete coverage of the ensuing Thiessen polygon layer and the soil are will be re-calculated to match the resulting area achieved by WWC. This was verbally accepted by the VVB as an adequate presentation of information to satisfy the finding. The figure below represents a) the Thiessen polygon layer created by the VVB and b) the original Thiessen polygon layer created by WWC cover the extent of the PAA. It can be noted that the difference between the two layers corresponds to the difference produced by the VVB when using the processing extent of the soil sample layer.

**Auditor Response:** As stated in the project response, the verification team and project personnel held online meetings to discuss the differences between the two sets of data and confirmed that the verification team was applying the methods erroneously. Upon re-running the analysis using the project area extent, the verification team were able to replicate the results reported by project personnel. The information provided is sufficient for resolving this issue.

**NCR 6 Dated 24 Jan 2016**

**Standard Reference:** The CCB Standards Second Edition G3.8-9

**Document Reference:** N/A

**Finding:** The CCB Standards state "Document and defend how communities and other stakeholders potentially affected by the project activities have been identified and have been involved in project design through consultation, particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input. A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project. "

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

During the site visit the verification team encountered individuals who had very little to no understanding of the status of project activities. Specifically, the KWS rangers and the community of Noolasiti. And in other cases, it was unclear to the verification team whether or not the ignorance was an honest representation of the knowledge of the interviewee. Whereas, the verification team understands that the project cannot force community members to show up to meetings or to otherwise take part in the project, the level of understanding of the groups stated above is of particular concern. Based on the findings during the site visit, the project is not in conformance with the standards with respect to the indicators referenced here.

**Project Personnel Response:** The Project Proponent accepts this finding. Since its inception the Project has undertaken very extensive outreach to community members and their leaders living in the Project Zone of about half a million hectares and with a population in excess of 140,000 people, based on documented census data and is accessible for further review if so desired. The Project is also committed to maintaining this outreach as the project implementation proceeds. The Project's plan for the next two years is to undertake one series of community meetings or "barazas" in 2017 and two in 2018. Each series of outreaches involves about 30 meetings at locations throughout the Project Zone to ensure reasonable access to every community member in the Project Zone. In addition, one community leaders meeting is planned in both 2017 and 2018. These meetings are for Group Ranch leaders, civil society leaders, and local government officers. At all these meetings, the objectives of the REDD+ project, its potential benefits, and updates on its status are provided and feedback and questions from participants are received. Please see the document "CHRP Outreach Plan 2017" for a detailed plan of the barazas to be held through 2017.

In relation to KWS, the project will work with the senior Wardens of both Tsavo West and Chyulu Hills National Parks to provide two information-sharing meetings for KWS staff who are posted to these two parks. Tsavo West is a very large park and staff may be moved between locations depending on operational needs. In addition, staff are regularly transferred between parks resulting in significant turnover. The meetings will ensure that as many staff as possible are knowledgeable about the REDD+ project. In addition, the Project will provide information booklets at the Chyulu Hills gate to Tsavo West and at the Mzima Springs ranger post, both located in the project area and both involving interaction with park visitors. These booklets will provide rangers at these locations with information about the REDD+ project.

**Auditor Response:** The verification team reviewed the project response and agree that the plan described should be sufficient for addressing this issue. The verification team understands that it is not always possible to ensure every community member is 100% knowledgeable of the implementation status of the project. This is compounded when project activities are implemented over a long period of time. The focus of this finding is to memorialize this issue so that it can be assessed at future verification. The information provided is sufficient for addressing this issue.

**NCR 7 Dated 24 Jan 2016**

**Standard Reference:** The CCB Standards Second Edition G3.10

**Document Reference:** N/A

**Finding:** The CCB Standards state "Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process must be publicized to communities and other stakeholders and must be managed by a third party or mediator to prevent any conflict of interest. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented."

During the site visit, the verification team interviewed a project employee who had raised a grievance with their supervisor. Not only could the verification team not find any evidence of the grievance in the project offices where such items are held, the grievance was never resolved. Based on this breakdown of the workings of the grievance process the project is not in conformance at this time with respect to this indicator.

**Project Personnel Response:** The Project Proponent accepts this finding. During the site visit it was discovered that one member of the plot sampling had stated a grievance verbally to his supervisor, but that the supervisor did not follow the Project's grievance policy. Instead, verbal discussions on the issue were held between the plot team and managers, but the issue of the individual's grievance was not resolved. The grievance concerned the issue that the plot team was working on Sundays, despite having received instruction from Project management that they should not be working on Sundays. In investigating this individual's grievance after the audit field visit it was discovered that not only had the Project's grievance policy not been followed, but Kenyan labor law had not been followed. As the plot team had worked on Sundays, they should have been paid double salary for working on Sunday. Therefore, first to resolve the issue that the Project's grievance policy was not followed for this individual's submitted grievance, the individual was given a letter explaining their grievance, the process that was undertaken and the resolution for their grievance, which is the full back pay they were owed for working on Sundays. This individual was given the letter, and it was verbally explained to them. The individual signed the letter to acknowledge the resolution of their grievance, and a grievance record template was completed for this issue and filed with the signed letter in the Project Office. To secondly resolve the pay issue for the sampling team, the Project Proponent has provided each member of the sampling team a copy of the same letter, and the full amount in back pay owed to them. Each member of the plot sampling team has signed the letter, acknowledging receipt of the money, and the resolution of the issue. A digital copy of the signed letters has been provided to the auditor, in addition to a copy of the completed grievance record template. Project staff have been reminded about the importance of adhering to the grievance policy, and have been instructed to follow the policy in any future grievance, whether the grievance is from a project employee, a project stakeholder or a community member.

**Auditor Response:** The verification team raised this issue during the site visit to ensure it could be addressed while the verification team was still on site. The verification team observed progress related to this issue during the site visit and also reviewed the information referenced in the project response. The information provided is sufficient for resolving this issue.

**NCR 8 Dated 24 Jan 2016**

**Standard Reference:** VCS AFOLU Requirements Section 3.7.3

**Document Reference:** Annex 23 - Chyulu Hills\_VCS non-permanence risk report template, v3.1\_7

**Finding:** The VCS AFOLU Requirements states "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification. In the case of projects that are not validated and verified simultaneously, having their initial risk assessments validated at the time of VCS project validation will assist VCU buyers and sellers by providing a more accurate early indication of the number of VCUs projects are expected to generate. The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document."

Additionally, the risk report template v3.1 instructs the user to report dates using the format "DD-Month-YYYY." This is understood by the verification team to read a 2 digit value for Day, a four digit value for year, and for month to be spelled out. The project monitoring report does not use this format (Date of Issue and Monitoring Period) and is therefore not in conformance with the VCS rules.

**Project Personnel Response:** The Project Proponent accepts this finding. The Non-Permanence Risk Tool dates have been updated to reflect the format "DD-Month-YYYY" for both the date of issue and for reporting the monitoring period covered by the report.

**Auditor Response:** The updates to the risk report are sufficient for resolving this issue.

**NCR 9 Dated 24 Jan 2016**

**Standard Reference:** VCS AFOLU Non-Permanence Risk Tool v3.3 Section 2.2.1

**Document Reference:** Annex 23 - Chyulu Hills\_VCS non-permanence risk report template, v3.1\_7

**Finding:** The VCS AFOLU Non-Permanence Risk Tool states "Each project management risk factor set out in Table 1 shall be assessed. Where a risk factor does not apply to the project, the score shall be zero for such factor. "

The project non-permanence risk report contains a number of instances where the risk rating column contains "N/A" and therefore is not in conformance with the rules.

**Project Personnel Response:** The Project Proponent accepts this finding. The Non-Permanence Risk Tool has been updated so that for any Risk Category that is not applicable to the project the Risk Score has been recorded as a zero.

**Auditor Response:** The updates to the risk report are sufficient for resolving this issue.

**NIR 10 Dated 24 Jan 2016**

**Standard Reference:** VCS AFOLU Non-Permanence Risk Tool v3.3 Section 2.2.2

**Document Reference:** Annex 23 - Chyulu Hills\_VCS non-permanence risk report template, v3.1\_7

**Finding:** The VCS AFOLU Requirements states "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification. In the case of projects that are not validated and verified simultaneously, having their initial risk assessments validated at the time of VCS project validation will assist VCU buyers and sellers by providing a more accurate early indication of the number of VCUs projects are expected to generate. The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document."

In addition, the risk report template states at the beginning of each section "Document and substantiate the risk and/or mitigation for each risk factor applicable to the project. Include any relevant documentary evidence. Where a risk or mitigation is not relevant to the project, please write "Not applicable"."

Whereas, the verification team has been provided with some documentation supporting the risk scores, no reference to such documentation exists in the risk report. Please update the risk report to "Document and substantiate the risk and/or mitigation for each risk factor applicable to the project."

**Project Personnel Response:** The Project Proponent accepts this finding. The Non-Permanence Risk Tool dates have been updated to provide references in the text for the documentation used in determining the appropriate Risk Category and Risk Score.

**Auditor Response:** The updates to the risk report are sufficient for resolving this issue.