VERIFICATION REPORT FOR THE KASIGAU CORRIDOR REDD+ PROJECT PHASE I – RUKINGA SANCTUARY



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Summary:

This report describes the verification audit of the Kasigau Corridor REDD+ Project Phase I – Rukinga Sanctuary ("the project"), a Reduced Emissions from Deforestation and Degradation (REDD+) project located in the Taita Taveta County, Coast Province, Kenya, that was conducted by SCS Global Services. The purpose of the verification audit was to conduct an independent assessment of the project to determine whether the project complies with the Verified Carbon Standard (VCS) rules. The criteria for the verification audit was the VCS Version 3. The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 8 findings were issued during the verification process. 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 verified the Project's compliance with the VCS Program requirements as set out in the VCS Rules.

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1 INTRODUCTION

1.1 Objective

In accordance with Section 5.1.1 the VCS Standard, SCS Global Services (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 submitted 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 as written in the Validation Report.

- The extent to which GHG Emission Reductions or Removals reported in the submitted 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
- VCS Standard
- VCS AFOLU Requirements
- VCS Non-Permanence Risk Tool)

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 the Taita Taveta County, Coast Province, Kenya and is aimed at reducing emissions from 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 monitoring report and non-permanence risk analysis were 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 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 verification 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 v1.10 (dated 1 November 2016) 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:

Document	**File Name**
Project Description	PROJ_DESC_562_25JAN2011.pdf
Initial monitoring report	MONIT_REP_562_01JAN2012_31DEC2012.pdf
Risk report	VCS Non-Permanence Risk Report Kasigau I_M4.v3 (2 December 2015)
Leakage calculations	Phase I Leakage Model_M4_v1.xls
CCB PDD	Project Design Document – 9 Sept 2009
Initial CCB monitoring plan	Monitoring Plan – 9 Sept 2009

Latest CCB PIR	Project Implementation Report 10 December 2014
Soil Calculations	Rukinga Deep 1m Soil Analysis - RA V2.1
GHG calculations	Rukinga Carbon Model and NERs_M=4_v2
Disturbance monitoring procedures	Standard Operating Procedure - Disturbance Monitoring - v1.0_2012-10-02
Inventory procedures	Standard Operating Procedure Kasigau - Forest Inventory v2.8_2012-11-12
Leakage procedures	Standard Operating Procedure Kasigau - Leakage v1.0_01_01_2011
Soil procedures	Standard Operating Procedure Kasigau - Soil v1.0_5_24_2011
Quality control procedures	Quality Control Procedure v1.6
Quality control calculations	Kasigau Corridor Phase 1 QA_QC M4 v1
Project area GIS files	PhaseI_ProjectArea.shp
Leakage area GIS files	LeakageArea.shp
Plot locations GIS files	PhaseI_Plots.shp
Community locations GIS files	Communities.shp
Natural risk literature	Andersson etal 2004_ Tropical Savannah Woodland Bond and Keeley 2005_Fire as a Global Herbivore Chapin 2009_Managing Ecosystems Sustainably Diaz etal 2006_Biodiversity Loss Threatens Human Wellbeing Rao 2013_Assessing Seismic Risk in Kenya Ryan and Williams 2011_How Does Fire Intensity and Frequency affect Miombo Woodlands Trollope etal 2002_Fire behaviour a Key Factor in the Fire Ecology of African Grasslands and

	Savannas Scholes and Archer 1997_Tree Grass Interactions in Savannahs
Stakeholder comments	Public Comments Kasigau Phase I and II Marungu CBO_signed

Due to the fact that the audit team simultaneously performed verification assessments of both the Phase I and Phase II REDD+ projects, the public comment documents listed above included comments from both projects.

2.3 Interviews

2.3.1 Interviews with Project Personnel

The process used in interviewing Project Personnel was a process wherein the audit team elicited information from Project Personnel regarding the project and its compliance with the verification criteria. Some meetings were held concurrently with site inspections (see Section 2.4 below). Other meetings were held remotely via telephone or Skype connection.

The following personnel associated with the project proponent and/or other entities involved in the project were interviewed.

Individual	**Affiliation**	**Role**	**Date(s) Interviewed**
Jeremy Freund	Wildlife Works LLC. (WW)	VP Carbon Development	Throughout Audit
Simon Bird	WW	Carbon Development	Throughout Audit
Cara Braund	WW	Office Manager	15-20 December 2014
Janie Hendriksen	WW	Director of regional Operations	15-20 December 2014
Rob Dodson	WW	Vice President of Africa Field Operations	15-20 December 2014
Laurian Lenjo	WW	Community Relations Manager	15-20 December 2014
Mwangi Githiru	WW	Biodiversity and Community Monitoring	15-20 December 2014
Nicholas Aguili	WW	Human resources Manager	15-20 December 2014

Philip Huo Njorge	WW	Finance Manager	15-20 December 2014
Joash Nyamdiena	WW	Community Trusts Auditor	15-20 December 2014
Eric Sagwe	WW	Head Wildlife Ranger	15-20 December 2014
Muasa Mwololo	WW	Biomass Team Supervisor	15-20 December 2014
Joshua Kitiro	WW	Biomass Team Leader	15-20 December 2014
Mathias Kakoi	WW	Biomass Team Leader	15-20 December 2014
Moses Mamodo	WW	Biomass Team Leader	15-20 December 2014
Cyprian Midaidasi	WW	Biomass Team Leader	15-20 December 2014
Darius Mkala	WW	Biomass Team Member	15-20 December 2014
Benjamin Ndolo	WW	Biomass Team Member	15-20 December 2014
Soloman Makau	WW	Biomass Team Member	15-20 December 2014

2.3.2 Interviews of Other Individuals

Residents of villages located near the project boundary were also interviewed. Due to the fact that the audit team simultaneously performed verification assessments of both the Phase One and Phase Two REDD+ projects the individuals and groups listed below included interviews from both projects. In many cases, for the sake of efficiency, stakeholder groups from both project were interviewed on the same day in a mutually acceptable location. Local residents of the following villages were interviewed during the dates listed.

- Dominy Lenjo – Secretary Taita and Director Amaka Ranch (19 December 2014)
- Pascal Kilou – Director Taita Ranch (19 December 2014)
- John Mwalui – Treasurer – Mwangu Ranch (10 December 2014)
- Charles M Mwaiseghe – Secretary Kambanga Ranch (19 December 2014)
- Newton Mkala – Director Mwangu Ranch (19 December 2014)
- Manuel Mwambacha – Secretary Muangu Ranch (19 December 2014)
- Gerald M Mbela – Vice Chairman Mwangu Ranch (19 December 2014)
- Rueben Mwaluma – Chairman Mwangu Ranch (19 December 2014)

- Francis Wambugu – Sagalla Ranch (19 December 2014)
- Marungu Hill Conservancy Association (MHCA) (15-20 December 2014)
- Kasigau Development Trust (KDT) (15-20 December 2014)
- Mwatate District Stakeholders Forum (MDSF) (15-20 December 2014)
- Mwachabo Development Forum (MDF) (15-20 December 2014)
- Sagalla Conservation and Development Forum (SCARDF) (15-20 December 2014)
- Rakata Group Ranch Managers (15-20 December 2014)
- Residents Kambanga and Maungu Ranches (15-20 December 2014)
- Employees of WW Factories (15-20 December 2014)
- Sagalla LLC (15-20 December 2014)
- Employees of WW Greenhouse (15-20 December 2014)
- Neema Womens Group (15-20 December 2014)

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 15-20 December 2014. 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.

- Viewed Project Personnel conducting re-measurements on inventory 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.

2.5 Resolution of Findings

Any potential or actual material discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings issued by SCS Global Services 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 Global Services of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement. A total of 5 NCRs were issued during the verification engagement.

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. A total of 3 NIRs were issued during the validation engagement.

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. No OFIs were issued during the validation engagement.

All findings issued by the audit team during the verification 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.

2.5.1 Forward Action Requests (FAR)

This section is not applicable as no forward action requests were included.

2.6 Eligibility for Validation Activities

SCS Global Services is an accredited verification body for Sectoral Scope 14 Agriculture, Forestry, and Land Use.

3 VALIDATION FINDINGS

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

3.1 Participation under Other GHG Programs

This section is not applicable as the project is only seeking registration under the VCS.

3.2 Methodology Deviations

This section is not applicable as not 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 VERIFICATION FINDINGS

4.1 Project Implementation Status

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. 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. No material discrepancies were found
Implementation status of monitoring plan and completeness of monitoring	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 PD, through the following: • Observed the set up and re-measurement of 4 plots across the project area and

Item	Verification Findings
	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 • 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 • 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 quality data management and storage • 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 • 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

Item	Verification Findings
	results with those reported in the project calculations (see Section 2.2 of this report) • The audit team reviewed the calculation of baseline emissions 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 • Re-calculated the uncertainty deduction, as prescribed by the methodology and confirmed that the value provided in the project calculations to be accurate • 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 • Observed the re-measurement of two leakage plots in the Project Area. In both cases the audit team produced a qualitative assessment of degradation equal to that of the project. In addition, the audit team agrees that the leakage monitoring employed by the Project is very likely to result in a conservative estimate of GHG Emission Reductions or Removals • Re-calculated the GHG Emission Reductions or Removals using a stepwise 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
Existence of material discrepancies between monitoring system and monitoring plan (as described in 4.3 of project description) and applied	• All tasks described in Section 5.1 of the monitoring report were in agreement with the monitoring plan as described above.

Item	Verification Findings
methodology	No material discrepancies were found
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	• Audit team confirmed that REDD+ projects are not within scope of Clean Development Mechanism • 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
Whether project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification	• Audit team is unaware of any other environmental crediting program that project would be eligible to participate in
Whether project has participated or been rejected under any other GHG programs since validation or previous verification	• 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

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4.2 Accuracy of GHG Emission Reduction and Removal Calculations

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 descriptionto reporting workbooks, or between reporting workbooks), the audit team carefully traced values to ensure the absence of manual transposition errors.

An identification of the data and parameters used to calculate the GHG Emission Reductions or Removals and a description of the steps taken to assess each of them, follows.

4.2.1 Data and Parameters Available at Validation

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project**	**Appropriateness of default values**

		description have been followed	
$\delta_{LE}, \hat{\delta}_{LE}$	N/A (confirmed at validation)	The audit team reviewed the leakage model and confirmed that previously validated and verified parameter following equation 9 of the methodology has not changed	N/A
$\hat{\eta}$	N/A (confirmed at validation)	The audit team reviewed the leakage model and confirmed that previously validated and verified parameter following equation 7 of the methodology has not changed	N/A
$\hat{\lambda}$	N/A (confirmed at validation)	The audit team reviewed the soil carbon model and confirmed that previously validated and verified parameter follows the methodology with respect to project measured data has not changed	N/A
ρ_{sp}	N/A (confirmed at validation)	The audit team reviewed the biomass calculations and confirmed that previously validated and verified parameter follows the methodology with respect to project measured data has not changed	N/A
$\hat{\sigma}_{DF}$	N/A (confirmed at validation)	The audit team reviewed the biomass cumulative deforestation model and confirmed that previously validated and verified parameter follows the methodology with respect to standard deviation has not	N/A

		changed	
$a_{project}$	N/A (confirmed at validation)	The audit team reviewed the GHG calculations and confirmed that previously validated and verified parameter follows the methodology with respect total project area has not changed	N/A
a_{LE}	N/A (confirmed at validation)	The audit team reviewed the leakage model and confirmed that previously validated and verified parameter follows the methodology with respect to total project area has not changed	N/A
cf_{sp}	N/A (confirmed at validation)	The audit team reviewed the biomass calculations and confirmed that previously validated and verified parameter follows the methodology with respect to total project area has not changed	N/A
$d_{j,k}$	N/A (confirmed at validation)	N/A - soil was not sampled this monitoring period	N/A
$f_{sp}(\cdot)$	N/A (confirmed at validation)	The audit team reviewed the allometric equations and cross checked them against the previously validated and verified equations and confirmed they have not changed	N/A

$\hat{\ell}_{max}$	N/A (confirmed at validation)	The audit team reviewed the biomass calculations and confirmed that previously validated and verified parameter follows the methodology with respect to total project area has not changed	N/A
$\hat{m}_{LE}$	N/A (confirmed at validation)	The audit team cross checked the leakage calculations against the project description and previous monitoring period and confirmed that the sample size in the leakage area has not changed	N/A
n_{SCL}	N/A (confirmed at validation)	The audit team reviewed the soil carbon loss model and confirmed that previously validated and verified parameter following equation 19 of the methodology has not changed	N/A
p_{forest}	N/A (confirmed at validation)	The audit team reviewed the GHG calculations and confirmed that previously validated and verified parameter follows the methodology with respect to the proportion of the project area forested has not changed	N/A
p_{BGLT}	N/A (confirmed at validation)	The audit team reviewed the NER calculations and confirmed that	N/A

		previously validated and verified parameter follows the methodology with respect to large tree belowground biomass emissions has not changed	
r_{sp}	N/A (confirmed at validation)	The audit team reviewed the biomass calculations and confirmed that previously validated and verified parameter follows the methodology with respect to the root to shoot ratio for species has not changed	N/A
U_{DF}	N/A (confirmed at validation)	N/A (confirmed at validation)	N/A

4.2.2 Data and Parameters Monitored

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project description have been followed**	**Appropriateness of default values**
$\rho_{soil,j,k}$	N/A - direct soil samples were not collected this monitoring period	N/A	N/A
$a_{j,k}$	The audit team observed the set-up and re-measurement of biomass plots and confirmed that the radii for plots as described in the monitoring plan was followed exactly	The audit team reviewed the guidelines for sampling in Section 13.3.2 of the methodology were followed	N/A
a_k	The audit team recalculated the area for each strata using the calculated geometry function in Arc Map for the project area shape files and confirmed that the	Confirmed that the project followed the guidance for stratification as set out in Section 13.2 of the methodology	N/A

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project description have been followed**	**Appropriateness of default values**
	strata areas has been calculated correctly		
$cf_{soil,i,j,k}$	N/A - direct soil samples were not collected this monitoring period	N/A	N/A
$dbh_{i,j,k}$	The audit team observed the re-measurement of field plots by the project biomass team and re-measured one randomly selected plot and confirmed that tree diameters were collected accurately	N/A – The methodology does not contain methods of formulae for this parameter	N/A
$h_{i,j,k}$	The audit team observed the re-measurement of field plots by the project biomass team and re-measured one randomly selected plot and confirmed that tree heights were collected accurately	N/A - The methodology does not contain methods of formulae for this parameter	N/A
v	The audit team observed the re-measurement of field plots by the project biomass team and confirmed that shrub were collected accurately and as described in the monitoring plan	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$m_{dry,j,k}$	The audit team re-calculated project biomass for the non-tree parameter and confirmed that the validated parameter value was being applied correctly	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$r_{BASE,i,j,k}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated	N/A - The methodology does not contain methods of formulae for this parameter	N/A

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project description have been followed**	**Appropriateness of default values**
	parameter value was being applied correctly		
$r_{TOP_{i,j,k}}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated parameter value was being applied correctly	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$C_{AGNT}^{[m]}$	The audit team re-calculated project biomass for the aboveground non-tree parameter and confirmed that the validated parameter value was being applied correctly	The audit team cross checked the calculation against equation 54 of the methodology and confirmed that the project calculations use the appropriate formulae	N/A
$C_{BGLT}^{[m]}$	The audit team re-calculated project biomass for the belowground large tree parameter and confirmed that the validated parameter value was being applied correctly	The audit team cross checked the calculation against equation 50 of the methodology and confirmed that the project calculations use the appropriate formulae	N/A
$C_{BGNT}^{[m]}$	The audit team re-calculated project biomass for the belowground non tree parameter and confirmed that the validated parameter value was being applied correctly	The audit team cross checked the calculation against equation 64 of the methodology and confirmed that the project calculations use the appropriate formulae	N/A
$C_{SDW}^{[m]}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated parameter value was being applied correctly	The audit team cross checked the calculation against equation 44 of the methodology and confirmed that the project calculations use the appropriate formulae	
$C_{SOIL}^{[m]}$	N/A – Direct soil sampling was not performed this monitoring period	N/A	N/A
$o_i^{[m]}$	The audit team observed the re-measurement of two leakage plots and recalculated the proportion of degradation caused by	The audit confirmed that the calculation of degradation followed the methods set out in Section 10.3.2 of the	N/A

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project description have been followed**	**Appropriateness of default values**
	leakage and confirmed that the project calculations were accurate	methodology	
$\bar{O}^{[m]}$	The audit team recalculated the average state of observations reported by the project and confirmed that the reported project value for this parameter was calculated accurately	N/A – Basic average calculation	N/A
F_{LE}	N/A the cumulative deforestation and degradation predicted is not updated until the baseline re-evaluation	N/A	N/A
$\hat{r}_{LE}^{[m]}$	The audit team estimated leakage factor as a proportion of baseline emissions reported by the project and confirmed that the reported project value for this parameter was calculated accurately	The audit team cross checked the project calculations against equation 33 of the methodology and confirmed the methodology formulae was followed	N/A
$v_{ij,k}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated parameter value was being applied correctly	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$y_{INTACT,j,k}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated parameter value was being applied correctly	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$y_{DECAYED,j,k}$	The audit team re-calculated project biomass for the standing dead tree parameter and confirmed that the validated parameter value was being applied correctly	N/A - The methodology does not contain methods of formulae for this parameter	N/A
$C_{AGLT}^{[m]}$	The audit team re-calculated project biomass for the aboveground large	The audit team cross checked the calculation against equation 44 of	N/A

	Steps taken by audit team to assess…		
Data/Parameter	**Accuracy of GHG Emission Reductions or Removals**	**Whether methods/formulae set out in project description have been followed**	**Appropriateness of default values**
	tree parameter and confirmed that the validated parameter value was being applied correctly	the methodology and confirmed that the project calculations use the appropriate formulae	

In addition to the parameters set out above the audit team reviewed the project emission reductions workbook in order to assess the flow of data and calculations required to produce the GHG Emission Reductions or Removals for this reporting period. In addition, the audit team reviewed all pertinent imagery against on the ground observations to test a sample of accuracy assessment ground truthing points.

The audit team confirmed the values assessed at validation had been correctly pasted into the workbook. The audit team then re-calculated the GHG Emission Reductions or Removals using the biomass values, as well as the area for each stratum and confirmed that the project calculations were consistent with the verifier values. In conclusion, the GHG Emission Reductions or Removals have been quantified correctly in accordance with the project description and the applied methodology.

4.3 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.

	Steps taken by audit team to assess…		
Category	**Reliability, source, nature of evidence**	**Information flow from data generation and aggregation, to recording, calculation and final transposition into the** monitoring report	**Appropriateness of implemented calibration frequency of monitoring equipment**
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	In all cases, audit team traced data contained in the monitoring report from the emission reduction workbooks back to their respective sources, which were: - Rukinga Carbon Model and	N/A

	was sufficient	NERs_M=4_v2 - Rukinga Deep 1m Soil Analysis - RA V2.1 - Phase I Leakage Model_M4_v1.xls	
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

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4.4 Non-Permanence Risk Analysis

The determined value of the overall risk rating has not changed since the prior verification 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 15% 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. 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.

4.4.1 Internal Risk – 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)	The project is a REDD/AUD AFOLU project and therefore does not rely on tree planting to generate GHG credits.	N/A	Risk rating is appropriate
(b)	The Project has previously undergone validation and verification and therefore will require protection of carbon stocks for which credits have already been issued.	N/A	Risk rating is appropriate
(c)	The audit team reviewed the work history and training of the Project Personnel and implementing partners. The audit team confirmed that the management team includes individuals with significant experience necessary undertake all project activities (i.e., any area of required experience is covered by at least one individual with at least 5 years' experience in the area).	NA	Risk rating is appropriate
(d)	Audit team worked and assessed the project in the country and in the project area and confirmed that the project management team meets this criterion.	N/A	Risk rating is appropriate
(e)	The audit team reviewed the history of the technical advisors for the project and confirmed that Wildlife Works LLC. has a long successful history of managing carbon projects from development through certification	The source is the VCS website, which more than meets the requirement for quality data	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(f)	The audit team assessed the adaptive management processes described throughout the CCB documentation and confirmed that the processes previously validated and verified, constitute an adaptive management plan. In addition, the audit team interviewed local residents near the project area who had a firm understanding of how consultation is used to enhance the project.	The verified CCB PDD and PIR are well written and clearly define the adaptive management process.	Risk rating is appropriate

4.4.2 Internal Risk – Financial Viability

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	-	-	N/A
(c)	-.	-	N/A
(d)	The audit team reviewed the financial budget of the project while on site. The audit team also sampled inputs driving the model and confirmed that the future sale of credits is based on conservative estimates.	The audit team found the project cash flow budget and associated documentation neat, organized and user friendly. The project team were able to provide a clear description of the inner workings of the budget as well as record keeping.	Risk rating is appropriate
(e)	-	-	N/A
(f)	-	-	N/A
(g)	-	-	N/A

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(h)	See above for assessment of rationale As breakeven has already occurred, no cash out is required before project reaches breakeven; therefore, audit team agrees that project has inherently secured 100% of funding needed to cover total cash out before project reaches breakeven	N/A	Risk rating is appropriate
(i)	See above for assessment rationale As breakeven has already occurred, no cash out is required before project reaches breakeven; therefore, audit team agrees that project inherently has as callable resources 100% of funding needed to cover total cash out before project reaches breakeven	N/A	Risk rating is appropriate

4.4.3 Opportunity Cost

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	-	-	N/A
(c)	-.	-	N/A
(d)	The audit team reviewed evidence supporting the PDD and confirmed that the baseline scenario is subsistence-driven. In addition while on site, the audit team visited communities in every district in the project area further confirming this claim	The audit team reviewed the previously validated PDD and PIR and conducted numerous community interviews while on site and confirmed that the data provided is of high quality	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(e)	-	-	N/A
(f)	-	-	N/A
(g)	-	-	N/A
(h)	The audit team reviewed conservation easements and confirmed that they contain language consistent with the previously verified easements bestowing the carbon rights to the project	The audit team was provided with the conservation easements and confirmed that they are required documentation for such arrangements and of high quality	Risk rating is appropriate
(i)	NA	NA	Risk rating is appropriate

4.4.4 Internal Risk – Project Longevity

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
	The audit team reviewed the calculation of project longevity score provided in the risk report and confirmed that it was calculated correctly. In addition, the audit team reviewed the CCB PDD and initial PIR confirming that the management plan is described throughout the document and covers crediting	The audit team was provided with the validated and verified Kasigau Phase I CCB PDD and initial PIR, the conservation easements listed in Section 2.2 of this report, which can be considered of high quality	Risk rating is appropriate

4.4.5 External Risk – Land Tenure and Resource Access/Impacts

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	The audit team reviewed the information provided in the conservation easements and while onsite interviewed members of the trust confirming that ownership and resource rights are held by the same entity	Conservation easements and trust designation documents are required documents for such activities and are considered high quality	Risk rating is appropriate
(b)	N/A	N/A	N/A
(c)	While on site, the audit team visited local districts and confirmed that the project management team has consistently and is currently working with communities to determine and mitigate any disputes that may arise over land tenure or ownership. Based on the interviews performed by the audit team no disputes exist at this time	N/A	N/A
(d)	While on site, the audit team visited local districts and confirmed that the project management team has consistently and is currently working with communities to determine and mitigate any disputes that may arise over access/use rights. Based on the interviews performed by the audit team no disputes exist at this time	N/A	N/A
(e)	N/A – the project is not a WRC project	N/A	N/A
(f)	As the rights of use contracts have not changed, the legally binding commitment to continue the management practices confirmed at validation are still in place	See item (a) above	Risk rating is appropriate
(g)	N/A	N/A	N/A

4.4.6 External Risk – Community Engagement

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	N/A	N/A	N/A
(b)	While on site, the audit team visited multiple communities (see Section 2.3.2) in the project area who confirmed claims in the initial risk report that people living outside the project boundary are not reliant on the project area. In addition, it was obvious to the audit team that given the ownership of the group ranches comprising the region that communities outside the project area are not reliant on the project area	N/A	N/A
(c)	The project has been successfully certified under the CCB Standards and generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area.	The certified CCB documentation can be considered high quality	Risk rating is appropriate

4.4.7 External Risk – Political Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	The audit team downloaded dataset from World Bank Institute's Worldwide Governance Indicators (for the most recent five years, 2009-2014, as of November 2014) and confirmed the WGI score of -0.67167	The dataset used is required by the AFOLU Non-Permanence Risk Tool, and can be considered high quality	Risk rating is appropriate
(c)	-	-	N/A

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	-	-	N/A
(e)	-	-	N/A
(f)	The audit team reviewed the REDD Readiness web page confirmed that Kenya is implementing REDD+ Readiness under the FCPF	The audit team considers the evidence to be the main source for confirming such information and is of high quality https://www.google.com/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=redd+readiness+kenya	Risk rating is appropriate

4.4.8 External Risk – Natural Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Fire	Given the forest types comprising the project area, the prevailing literature, and the expertise of the audit team with such, the project area forest types are highly fire adapted and are susceptible to loss of carbon stocks from natural fire due to human-created conditions. The success of the project in reducing these human-created activities is sufficient for keeping the likelihood and significance of natural fire static.	The audit team reviewed the literature supporting the claims in the project risk report and confirmed that they are from peer reviewed scientific literature and therefore of high quality (see Section 2.2 of this report)	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Pest and Disease Outbreaks	Given the forest types comprising the project area, the prevailing literature and the expertise of the audit team with such, the project area forest types are highly resistant to pest and disease outbreaks. The audit team visited inventory plots across each district in the project area and confirmed that the species composition is consistent with the forest types listed in the PDD and therefore the risk of any changes to the ability of the forest areas to resist pest and disease outbreaks is insignificant	The audit team reviewed the literature supporting the claims in the project risk report and confirmed that they are from peer reviewed scientific literature and therefore of high quality (see Section 2.2 of this report)	N/A
Extreme Weather	No changes have occurred to the likelihood and significance of extreme weather since validation and the previous verification. The audit team is experienced working in the region and agrees that extreme weather does not pose a risk to the carbon stocks in the project area	N/A	N/A
Geological Risk	No changes have occurred to the likelihood and significance of geological events since validation and the previous verification. The audit team is experienced working in the region and agrees that geological events do not pose a risk to the carbon stocks in the project area	N/A.	N/A

In conclusion, the audit team found the risk analysis provided by the client to be accurate and well documented. The audit team agrees with the overall risk rating to be 15% as calculated according to the requirements of the AFOLU Non-Permanence Risk Tool. The total number of VCU's that should be deposited into the buffer account is 75,125 tCO2e.

5 VERIFICATION CONCLUSION

The audit team asserts, with no qualifications or limitations, that:

- The project complies with the verification criteria for projects and their GHG Emission Reductions or Removals set out in VCS Version 3
- The project complies with the validation criteria for projects set out in VCS Version 3

The audit team has been able to confirm that the project has been implemented in accordance with the project description and subsequently validated variations.

The audit team has been able to confirm, with a reasonable level of assurance, that the quantity of GHG Emission Reductions or Removals set out below has been quantified in accordance with the VCS rules. As documented in Section 4.4 above, the audit team can also confirm that the non-permanence risk score of 15% has been quantified in accordance with the VCS rules. The total number of VCU's to be issued is 425,706

Buffer Allocation

2013 – 36,608

2014 – 38,517

Monitoring Period: From 1 January 2013 to 31 December 2014. Verified GHG Emission Reductions or Removals in the above verification period:

Year	Baseline emissions or removals (tCO_2e)	Project emissions or removals (tCO_2e)	Leakage emissions (tCO_2e)	Net GHG Emission Reductions or Removals (tCO_2e)
2013	244,054	0	0	244,054
2014	256,777	0	0	256,777
Total	500,831	0	0	500,831

APPENDIX A: LIST OF FINDINGS

The following tables include all issues raised during the verification audit of the Kasigau Phase I 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. It should be noted that as both the Kasigau Phase I & II verification assessments were performed simultaneously, the below findings include findings from both projects.

NCR 2014.1 dated 01/11/2015

Standard Reference: VM0009 v1.1 Section 13.11

Document Reference: Standard Operating Procedures (SOP) for Biomass Plot Sampling: Kasigau I & II

Finding: The VM009 v1.1 Methodology states that "To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include:

-Comprehensive documentation of all field measurements carried out in the project area.

This document must be detailed enough to allow replication of sampling in the event of

staff turnover between monitoring periods.

- Training procedures for all persons involved in field measurement or data analysis. The

scope and date of all training must be documented.

-A protocol for assessing the accuracy of plot measurements using a check cruise and a

plan for correcting the inventory if errors are discovered.

-Protocols for assessing data for outliers, transcription errors, and consistency across

measurement periods.

-Data sheets must be safely archived for the life of the project. Data stored in electronic

formats must be backed up"

During the field portion of the site visit the audit team was made aware of field SOP's that are not included in the project documentation and therefore is not in conformance with the methodology. Specifically, in a few instances the audit team encountered tree stems that included a third fork, in which case a specific protocol was applied. Whereas, the audit team agrees that the protocol results in conservative estimates of GHG reductions and removals, the documentation does not allow for "Comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods." Please amend the project documentation to include such information.

Client Response: Wildlife Works accepts this finding. The Standard Operating Procedure (SOP) for biomass plot sampling is a robust document that provides the plot teams with a full suite of procedures and comprehensive guidance for the measurement of trees and shrubs in the Kasigau Corridor REDD+ Project Phase I and Phase II. This document was written initially at the onset of the Project, and has been amended over the Projects crediting period to reflect any gaps in the included procedures and as the methods have been refined. The SOP did not include specific guidance on how to determine the location

for diameter measurement on trees that have a third fork in a stem. Though this was not included in the written SOP, the Biomass Plot Sampling team had developed a uniform procedure that has been used consistently throughout the Project to date, and which provides a conservative measurement of carbon in the Project Area. The Biomass SOP has been updated to incorporate the methods that were used by the biomass sampling team. The following text was added to section 7.2.6.9. of the Biomass SOP for the Kasigau Corridor REDD+ Project Phase I and Phase II concerning trees with the first fork occurring less than 40 cm above the ground: “If there is a third split in the stem less then 1 m above the second fork, then the diameter of the stem should be measured immediately below the third split at a location below any swelling occurring from the stem split (Figure A9).” Additionally, the following text has been added to section 7.2.6.10. for trees with the first fork occurring greater than 40 cm but less than 1.4 m above the ground: “If there is a third split in the stem less then 1 m above the second fork, then the diameter of the stem should be measured immediately below the second split and below any swelling associated with the second fork (Figure A12).”

Auditor Response: The audit team was provided with amended field SOP's and was able to confirm the language added to Sections7.2.6.9 and 7.2.6.10 and additional figures, A9 and A12 were added and therefore now allow for repeatability in the case of staff turnover. The information provided is sufficient for closing this finding.

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

NCR 2014.2 dated 01/11/2015

Standard Reference: VM0009 v1.1 Section 13.11

Document Reference: Standard Operating Procedures (SOP) for Biomass Plot Sampling: Kasigau I & II

Finding: The VM009 v1.1 Methodology states that "To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include:

-Comprehensive documentation of all field measurements carried out in the project area.

This document must be detailed enough to allow replication of sampling in the event of

staff turnover between monitoring periods.

- Training procedures for all persons involved in field measurement or data analysis. The

scope and date of all training must be documented.

-A protocol for assessing the accuracy of plot measurements using a check cruise and a

plan for correcting the inventory if errors are discovered.

-Protocols for assessing data for outliers, transcription errors, and consistency across

measurement periods.

-Data sheets must be safely archived for the life of the project. Data stored in electronic

formats must be backed up"

During the field portion of the site visit the audit team was made aware of field SOP's that are not included in the project documentation and therefore is not in conformance with the methodology. Specifically, in a few instances the audit team encountered tree stems that were considered "branches" and not stems, in which case a specific protocol was applied. Whereas, the audit team agrees that the protocol results in conservative estimates of GHG reductions and removals, the documentation does not allow for "Comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods." Please amend the project documentation to include such information.

Client Response: Wildlife Works accepts this finding. The Standard Operating Procedure (SOP) for biomass plot sampling is a robust document that provides the plot teams with a full suite of procedures and comprehensive guidance for the measurement of trees and shrubs in the Kasigau Corridor REDD+ Project Phase I and Phase II. This document was written initially at the onset of the Project, and has been amended over the Projects crediting period to reflect any gaps in the included procedures and as methods have been refined. The SOP did not include specific guidance on how to determine whether

something should be considered a tree stem or as a branch. Though this was not included in the written SOP, the Biomass Plot Sampling team had developed a uniform procedure that has been used consistently throughout the Project to date, and which provides a conservative measurement of carbon in the Project Area. The Biomass SOP has been updated to incorporate the methods that were used by the biomass sampling team. The following text was added to section 7.2.6.7 of the Biomass SOP for the Kasigau Corridor REDD+ Project Phase I and Phase II: “A tree stem is defined as having a diameter of at least 1/3 or greater of the diameter of the main stem, anything with a diameter of less than 1/3 of the diameter of the main stem is classified as a branch. The diameter should be measured just above the fork for determination of stem or branch.”

Auditor Response: The audit team was provided with amended field SOP's and was able to confirm the language added to Sections7.6.2.7 and therefore now allow for repeatability in the case of staff turnover. The information provided is sufficient for closing this finding.

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

NCR 2014.3 dated 01/11/2015

Standard Reference: VM0009 v1.1 Section 13.11

Document Reference: Standard Operating Procedures (SOP) for Biomass Plot Sampling: Kasigau I & II

Finding: The VM009 v1.1 Methodology states that "To ensure that carbon stocks are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project proponent must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include:

- Comprehensive documentation of all field measurements carried out in the project area.

This document must be detailed enough to allow replication of sampling in the event of

staff turnover between monitoring periods.

- Training procedures for all persons involved in field measurement or data analysis. The

scope and date of all training must be documented.

-A protocol for assessing the accuracy of plot measurements using a check cruise and a

plan for correcting the inventory if errors are discovered.

-Protocols for assessing data for outliers, transcription errors, and consistency across

measurement periods.

-Data sheets must be safely archived for the life of the project. Data stored in electronic

formats must be backed up"

During the field portion of the site visit the audit team was made aware of field SOP's that are not included in the project documentation and therefore is not in conformance with the methodology. Specifically, in a few instances the audit team encountered trees under three meters had tree specific measurement protocols. Whereas, the audit team agrees that the protocol results in conservative estimates of GHG reductions and removals, the documentation does not allow for "Comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods." Please amend the project documentation to include such information.

Client Response: Wildlife Works accepts this finding. The Standard Operating Procedure (SOP) for the biomass plot sampling is a robust document that provides a plot teams with a full suite of procedures and comprehensive guidance for the measurement of trees and shrubs in the Kasigau Corridor REDD+ Project Phase I and Phase II. This document was written initially at the onset of the Project, and has been amended over the Projects crediting period to reflect any gaps in the included procedures and as methods have been refined. The SOP did not include specific guidance on how to determine the location

for the measurement of the stem diameter on trees that have at least one stem that is greater than 5 cm in diameter but where the tree is under 3 m in total height. Though this was not included in the written SOP, the Biomass Plot Sampling team had developed a uniform procedure that has been used consistently throughout the Project to date, and which provides a conservative measurement of carbon in the Project Area. For trees under 3 m in total height, but with a DBH of 5cm or greater the diameter is measured at 1.4 m regardless of the presence of any forks in the stem. The SOP has been amended to include this guidance in section 7.2.6.11. of the Biomass SOP for the Kasigau Corridor REDD+ Project Phase I and Phase II.

Auditor Response: The audit team was provided with amended field SOP's and was able to confirm the language added to Sections7.6.2.11 and therefore now allow for repeatability in the case of staff turnover. The information provided is sufficient for closing this finding.

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

NIR 2014.4 dated 01/11/2015

Standard Reference: VCS Standard v3.4 Section 3.11.1

Document Reference: NA

Finding: The VCS Standard states that "The project description shall be accompanied by documentary evidence establishing conclusively one or more of the following rights of use (see VCS document Program Definitions for definition of right of use) accorded to the project proponent(s):

1) A right of use arising or granted under statute, regulation or decree by a competent authority.

2) A right of use arising under law.

3) A right of use arising by virtue of a statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such right of use).

4) A right of use arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such right of use).

5) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals which vests the right of use in the project proponent.

6) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions or removals which vests the right of use in the project proponent.

7) A right of use arising from the implementation or enforcement of laws, statutes or regulatory frameworks that require activities be undertaken or incentivize activities that generate GHG emission reductions or removals."

During the site visit the audit team was made aware that a portion of the Project area had changed ownership. In addition, the new land owner expressed that the former land parcel would now be represented as three separate land parcels with three separate conservation easements. Please provide evidence that the portion of the Project Area now owned by Francis Wambugu and subsequently, the remaining two portions of the parcel are still covered by the rights of use agreements previously in place or by new rights of use agreements as defined in the VCS Standard.

Client Response: During this monitoring period the sale of portions of Sagalla Ranch was completed. This sale resulted in a sub-division of the Group Ranch from one parcel with a singular ownership group into 3 individual parcels each under different ownership. Wildlife Works was aware of this process throughout the sale, and has worked closely with all of the parties to ensure that there is no interruption of Project Activities or adverse impacts on the forest or biodiversity as a result of the subdivision. All of the landowners are aware of the Kasigau Corridor REDD+ Project, and are fully supportive of it and its goals. We have verified the sale, and established the authenticity of the land Title Deeds. The Conservation Easement (CE) that was signed by the Landowners of Sagalla Ranch specifically states that the terms of the CE must be included in the deed or other instrument used to sell or sub-divide the ranch, and the presence of the CE will be disclosed to any purchaser. However, to ensure the validity of the CE and full understanding of its terms two new Conservation Easements have been signed with the Landowners of the new sub-divided land parcels. This includes Mr. Izera Wambugu and Kale Holdings, the owners of the two sub-divided parcels. This will ensure that these two new land parcels will remain fully engaged in the REDD+ Project and continuing adhering fully to the terms of Project. We have provided the 2 new CEs to the auditor as evidence that the rights of use are in place for these land parcels.

Auditor Response: As stated in the client response, the audit team was provided with copies of the new conservation easements which clearly state " In consideration for the payment under clause 6, the Grantors transfer all carbon units and any rights, titles and interests arising from Carbon Sequestration, Carbon Rights, any other Carbon related benefits arising under REDD or other internationally accepted Carbon Offset project on the Land that exists or may come to exist at law ("Conservation Rights") to Grantee for the period up to and including the Expiry Date of this deed." In which Carbon Rights are defined as "any right, entitlement or claim to the legal, commercial or other benefit, whether present or future, to Carbon Sequestered in the trees or any other vegetation on the Land."

The audit team considers these documents to be confirmation that the requirement of the original easement that the terms of the easement must be included in the deed or other instrument used to sell or subdivide the ranch. The information provided is sufficient for closing this finding.

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

NIR 2014.5 dated 01/11/2015

Standard Reference: The VCS AFOLU Non-Permanence Risk Tool v3.2 Section 2.3.1 (a)

Document Reference: Non-Permanence Risk Report - The kasigua Corridor REDD Project - Phase I Rukinga Sanctuary 4th Monitoring Period Section 2 (a)

Finding: The VCS AFOLU Non-Permanence Risk Tool requires that a risk score of 2 be applied if "Ownership and resource access/use rights are held by different entity(s) (e.g., land is government owned and the project proponent holds a lease or concession)."

Given that the Carbon Rights have been given to wildlife Works LLC and the land from which they are generated is owned by the local communities, it appears that a score of 0 is not appropriate for this risk indicator. Please provide evidence that the Resources Access/Use Rights are held by the same entity or otherwise adjust the Risk score accordingly.

Client Response: Phase I:

In the Wildlife Works Project Kasigau Corridor REDD+ Project Phase I, The Rukinga Sanctuary the land ownership and the rights of use are held by the same entity. This Ranch is majority owned by Wildlife Works Inc., and the same company also wholly owns the resource rights. Wildlife Works Inc. is also the Project Proponent for the Phase I project. This Project administered on the ground by Wildlife Works Carbon under an agreement between both companies.

Phase II:

Wildlife Works accepts this finding for the Wildlife Works Project Kasigau Corridor REDD+ Project Phase II, The Community Ranches. In this Project the land ownership and the rights to all resources for the 13 Group Ranches are granted to the ranch owners under leasehold from the Government of Kenya. The ranch owners have then transferred the rights to the resources to Wildlife Works through Conservation Easements. Therefore, as the Auditor notes, the land ownership and the rights to the resources are held by different entities, the ranch owners and Wildlife Works. Therefore, the Non-Permanence tool for the Phase II Project has been revised to reflect a “2” value for this factor. However, the “Land Tenure and Resource Access/Impacts” section of the Non-Permanence tool had previously had a “-2” value as a result of the Project being eligible for a mitigation due to the use of the Conservation Easements. This negative value could not be carried forward, therefore the where the previous rating of this section was “0 (-2)”, it is now “0 (0)” and the overall Risk Rating of the Project does not change.

Auditor Response: The audit team was provided with the updated risk report for phase II and confirmed that the appropriate risk score for this item has been applied by the project and is now in conformance with the requirements of the tool.

Additionally, the response provided by project personnel is consistent with the outcome of interviews with landowners while onsite and therefore does not require a change to this risk score.

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

NIR 2014.6 dated 01/11/2015

Standard Reference: The VCS AFOLU Non-Permanence Risk Tool v3.2 Section 2.4.1

Document Reference: Non-Permanence Risk Report - The kasigua Corridor REDD Project - Phase I Rukinga Sanctuary 4th Monitoring Period Section 3

Finding: The VCS AFOLU Non-Permanence Risk Tool states that "Natural risk is based on likelihood (i.e., the historical average number of times the event has occurred in the project area over the last 100 years) and significance (i.e., the average significance of each event). Any significant natural risk (i.e., a risk affecting more than 5% of the project area) that has occurred over the past 100 years in the project area shall be considered applicable to the project. The frequency and significance of events shall be estimated based on historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts. Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data. Where such data are not available for the project area, likelihood and significance shall be determined based on conservative estimates (ie, not underestimating the possible frequency or severity) of historical events in the region in which the project is located."

The Non-Permanence Risk report provide by Project personnel does not include the appropriate evidence for frequency and significance of events for the natural risks in the Project Area. Please provide the appropriate evidence (as described above) for both the frequency and significance of events for the natural risks in the Project Area.

Client Response: The Project Areas for the Kasigau Phase I and Phase II REDD+ Projects is located in Southeastern Kenya. This region is not a prime area for forestry, industrial agriculture or development. As such there is very little research or publication on the ecosystem properties and dynamics in this region, including the main topics of the Natural Risk section of the VCS Non-Permanence tool. Therefore, there are no clear estimates of the frequency of and significance to forest biomass of the various natural disturbances listed in the VCS tool available from historical records, probabilities, remote sensing data, or peer-reviewed scientific literature. Wildlife Works has had a presence in the Project area for nearly 20 years, and several employees have lived in the region for more than 20 years. This has provided us with significant expertise gained from firsthand experience of the natural risk cycles and disturbance regimes that are present in this ecosystem and the effect of the disturbances on forest biomass. We have provided the auditor with written evidence to support the frequency and significance estimates that were made in the VCS Non-Permanence tool. This evidence relies on published data, where available, or where not, the documented first hand expertise of our Director of Social and Biodiversity Monitoring, Dr. Mwangi Githiru. This is the evidence that Wildlife Works has used to select conservative estimates of the frequency and significance for each of the natural risk categories in the VCS Non-Permanence tool.

Auditor Response: The audit team reviewed the literature provided by project personnel and included in section 2.2 of the verification reports and confirmed that they provide the information required by the risk tool with respect to natural risks. The information provided is sufficient for closing this finding.

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

NCR 2014.7 dated 08/28/2015

Standard Reference: VCS Non-Permanence Risk Report Template v3.1

Document Reference: Kasigau Phase I_VCS non-permanence risk report template, v3.1-5

Finding: The VCS non-permanence risk tool requires that "All instructions, including this introductory text, should be deleted from the final document. And "All sections must be completed using Arial 10pt, black, regular (non-italic) font."

There are a number of areas in which the instructions have not been deleted from the final document and therefore is not in conformance with the requirements of the template.

Client Response: The client responded outside the cover of this workbook.

Auditor Response: The updated risk report no longer contains the errors referenced in the initial finding have been adequately addressed. The updated risk report allows for closing this finding.

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

NCR 2014.8 dated N/A

Standard Reference: VCS Non-Permanence Risk Report Template v3.1: AFOLU Requirements v3.4 Section 3.7.3

Document Reference: Kasigau Phase I_VCS non-permanence risk report template, v3.1

Finding: The AFOLU Requirements state "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."

Subsequent to the issuance of the verification report the audit team realized that the Kasigau Phase I and II projects were completed using v3 instead of v3.1 of the VCS Non-Permanence Risk Report Template and therefore is not in conformance with the VCS rules. Whereas, the changes in the template do not affect the individual or overall risk score, the latest version of the template v3.1 must be used.

Client Response: The client responded outside the cover of this workbook.

Auditor Response: The risk report has been updated to the latest version of the template and no longer results in a conformance issue with respect to the use of the latest version of the template.

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