VERRA REVIEW FINDINGS REPORT

This report includes the findings identified during Verra's review of the Southern Cardamom REDD+ Project. The review was conducted in accordance with Section 6 of the *VCS Registration and Issuance Process* and Section 4.7 of the *CCB Program Rules*. The validation/verification body (VVB) must address the findings raised in this report.

Specifically, the VVB must:

1. Address the findings and provide responses for Verra's review.
2. Attach supporting documentation as needed.

Note that confidential information may be provided as separate attachments and should be clearly designated as "confidential".

After the findings have been addressed, Verra may raise nonconformities with the VVB. The VVB must investigate the root cause of each nonconformity and document the corrective action(s) taken to prevent the nonconformity from reoccurring.

This report may be shared with the relevant accreditation body.

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Accreditation Body	ANSI National Accreditation Board (ANAB)
Project and Relevant Assessment(s)	1748 – The Southern Cardamom REDD+ Project VCS and CCBS validation (validation report issued on 26 November 2018)
Verra Program(s)	Verified Carbon Standard (VCS) Program Climate, Community & Biodiversity Standards (CCBS) Program
References	*VCS Standard, v3.7* *VCS Program Guide, v3.7* *VCS AFOLU Requirements, v3.6* *Climate, Community & Biodiversity Standards, v3.0* *CCB Program Rules, v3.1* ISO 14064-3:2006 ISO 14065:2013

Date of First Issue	21 August 2023
Due Date for Responses	17 November 2023
Date of Second Issue	1 March 2024
Review Conclusion	The review is closed. Verra reviewed the responses provided by SCS Global. To further investigate the allegations, Verra requested responses from Wildlife Alliance (WA) in a separate report. WA was required to take actions to mitigate the risk of future harm and continually improve the project. All reports associated with Verra's review are publicly available on the Verra Registry.
Date of Final Issue	10 September 2024

FINDINGS

SCS Context: As a preliminary matter, given the passage of time, eroded memories, turnover in SCS staff, turnover in project VVBs, a shift from working in office with some paper files to SCS staff working fully remote with only information that became digitized, and the existence of other parties who have or control specific knowledge and information, it is difficult for SCS to give a full and clear explanation of exactly why certain actions were or were not taken over five years ago. From speaking with some project staff, SCS has reason to believe that we do not currently have complete information at our fingertips, but we have provided responses to your inquiries with the best available information.

We also note that throughout the SCRP assessment, the SCS auditors were operating under the standard level of care at the time, based on our auditing experience since 2008 and feedback from representatives of the Verified Carbon Standard and Climate, Community and Biodiversity Standards. At the time of this assessment, SCS had reviewed several dozens of projects, and each had passed the registry review process. Like other professional industries, an accepted practice in 2017 may not be seen as best practice in 2023. The below responses are an attempt to view the project through the lens of acceptability at the time decisions were made.

We also note that the VVB standards of practice were based on any guidance that Verra offered directly or approved of implicitly by accepting project submissions. It is SCS' experience that Verra was developing rules over time to clarify the more general standards, as exceptions and need for clarifications arose. We expect that Verra will avoid a determination that they should not have accepted what was the common practice at the time and will instead be examining whether SCS followed the then-standard protocols given the nascent and broad nature of the standards.

Finding 1 – Free, Prior, and Informed Consent

Issues

1. It is unclear how the informational meetings described in Section 2.3.7 of the project description conform with free, prior, and informed consent (FPIC) requirements.
2. Section 3.2.41 of the validation report states that "confirmation was attained, and notice was provided sufficiently 'prior' to any authorization of activities." It is unclear how the VVB reached the conclusion that notice was "sufficiently prior", since conservation and community development activities began in the project zone as early as 2004, and FPIC meetings did not take place until 2017.
3. Section 3.2.41 of the validation report does not adequately describe the VVB's assessment and conclusions regarding stakeholders' ability to withhold consent and whether stakeholders had an appropriate channel to do so.

Action Required

1. The VVB must describe the full process carried out by the project proponent to obtain FPIC and clarify whether the following requirements were met:
    a) Stakeholders were informed prior to validation about the project design and implementation, including but not limited to the nature, size, pace, reversibility, and scope of the proposed activities. (*CCB Standards, v3.0*, Sections G3.4 and G5.2; *VCS Standard, v3.7*, Section 3.17.2)
    b) Stakeholders had the opportunity to evaluate impacts, raise concerns about potential negative impacts, and provide input on the project design sufficiently in advance of any authorization or commencement of activities to allow stakeholders to respond to the proposed design or action. (*CCB Standards, v3.0*, Sections G3.4 and G5.2; *VCS Standard, v3.7*, Section 3.17.2)
    c) All relevant stakeholders gave their unconditional and free consent for all project activities to commence. (*CCB Standards, v3.0*, Section G5.2)
    d) The inputs received during the local stakeholder consultations were considered, and in case they were not, that there is a justification as to why the inputs were not appropriate. (*CCB Standards, v3.0*, Section G5.2; *VCS Standard, v3.7*, Section 3.17.4)
    e) Consent was free of coercion, intimidation, manipulation, threat, or bribery. (*CCB Standards, v3.0*, Section G5.2)
2. The VVB must explain how it assessed the project's conformance with prior consent requirements. The VVB must include the following in its response:
    a) How it validated that prior consent was obtained despite conservation activities in the three protected areas beginning prior to the initial "FPIC meetings" in 2017.
    b) How it validated that the "FPIC meetings" were conducted in a timely and culturally appropriate manner, including language and gender sensitivity, and in a neutral and accessible setting.
3. The VVB must describe how it assessed and concluded that the FPIC process included the ability to

withhold consent for any and all project activities.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Sections G3.4 and G5.2
VCS Standard, v3.7, Sections 3.17.2—3.17.4

VVB Response: SCS provides a comprehensive response to all above inquiries below:

Through interviews with the project proponent, and as stated in the Project Description ('PD"), the auditors confirmed that prior to the validation which began in 2018, the project had conducted FPIC activities through Social Impact Assessment (SIA) workshops in each of the villages within the project area, as described in section 2.1.8 of the PD. These workshops were conducted in various rounds starting in August 2017, and villages were revisited sometimes several times through March 2018 to ensure adequate participation. During the site visit activities, the audit team implemented a mix of a random and risk-based sample to select 14 of the 29 villages to visit and conduct interviews with community members to validate whether the stakeholder engagement as described in the PD was accurate and in conformance with the validation criteria.

In consultation with our local Cambodian social expert, So Malay, interviews were conducted in a culturally appropriate manner. Through a review of audit documentation and discussions with So Malay, we found that generally visits to each village began with group meetings and interviews with the chiefs, commune chiefs and subchiefs upon arrival at a village. Next, the audit team conducted interviews with randomly selected villagers, based on who was available, willing, and comfortable to speak with them. The auditor would walk around or even bike around each village independently with the goal of speaking with a number of individuals of varying characteristics (e.g., gender, age, position in the community). Sometimes interviewees were met in shops, in fields, in houses, or while walking along the roads. The interviews were conducted with groups of interviewees or with individuals separately.

During these interviews with a sample of community members, the SCS auditors found that the community members had been informed about the REDD project design, implementation of activities, impacts of the project on communities (customary use of timber and non-timber forest products, costs and benefits, and risk) through these SIA workshops. The auditors confirmed that the meetings were conducted in Khmer and that participants were given the opportunity to provide feedback on the project design and implementation. The auditors confirmed through the interviews with the community members that the FPIC process was free of coercion, intimidation, manipulation, threat, or bribery, and that the meetings were conducted in an appropriate manner and accessible/neutral setting. Through both interviews with community members, discussions with project personnel, and observations of FPIC workshops (through video evidence), the auditors confirmed that stakeholders provided consent through raising their hands.

As far as whether the feedback received from stakeholders were considered by the project or not, in reviewing the audit documentation, we found that in some cases community members presented concerns and confusion about land titling and the zoning process. The auditors learned that during these FPIC meetings, information was presented to the community members to clarify or correct any misconceptions and convey that the REDD project was separate from Cambodia's Order 001 pertaining to land titling, but that one of the project activities was to assist communities in speeding up the land titling process.

While on the site visit, the audit team heard of opposition to the project from members in the Teuk Laak community and others in the same commune (Chi Phat commune) as noted in the Climate Community and Biodiversity (“CCB”) finding NIR 3 and VCS finding NCR 16. The complaints described to the audit team centered on the issue of land tenure insecurity and lacking land titles, and ultimately resulted in the Teuk Laak community expressing low levels of consent to the project. As a result, the auditors issued findings as insufficient consent had been attained. In response to these FPIC findings, the project team conducted additional FPIC workshops with the three Chi Phat communities (consisting of approximately 3,000 individuals) in June 2018 and afterwards had indicated in response to SCS that they had achieved at least 68% consent from these three communities. In response, SCS auditors conducted a second site visit in August 2018 to these three communities to confirm the consent claims. During this second site visit, the auditors were able to reach a reasonable level of assurance regarding the increased level of consent for the project.

It must be noted that formal criteria for obtaining community consent is not fully defined in the CCB standard. In the current standard language, it is unclear what stakeholder “consent” means. For instance, does FPIC require 100% stakeholder approval, so that if even a single individual among hundreds or thousands of community members does not consent, then a project is not in conformance? Alternatively, does FPIC contemplate more democratic principles whereby approval of a majority of the community is sufficient? If a majority is sufficient, then does that mean 50.01% or does it mean more than 66.67%? If consent from 100% of the individuals potentially impacted by a project is required, such clear guidance is needed. It is our conclusion that, at the time of the assessment, the SCS auditors were operating under the then applicable standard of care. Such conclusion is based on our auditing experience since 2008 and feedback from representatives of the Verified Carbon Standard and Climate, Community and Biodiversity Standards. At that time, SCS had reviewed dozens of projects and each had passed the registry review process, Thus, in in the absence of clear guidance, the approximately 68% consent rate described by the project team in response to CCB Finding #3 was deemed to be acceptable.

As specifically asked by review question (1a), yes, the FPIC workshops occurred in August 2017-March 2018 which is prior to the validation activities (April 2018), but after the official start date of the project which was January 2015. However, as previously mentioned, some of community engagement activities had begun in 2002 and 2004 which was many years prior to any consideration of seeking carbon finance or becoming a REDD project. Through recent discussions with the project team, it was conveyed that it was not until 2016 that the Prime Minister established Southern Cardamoms National Park and granted Wildlife Alliance (WA) permission to begin developing the REDD project. The contract between the government and WA was not officially signed until 2017 which then allowed for the significant upscaling of activities from the pre-REDD project levels. Nonetheless, in this recent review of project documentation (Section 2.1.13 of the PD), SCS has found that activities “that led to the generation of GHG emission reductions” *may* have begun prior to the start date, on a small-scale, but that the material expansion of these activities with intention of generating GHG emission reductions did not occur until 2016 and 2017. SCS provides more detail regarding the start date in the response to finding 5 below.

Again, SCS followed the standard industry practices at the that time. Nonetheless, SCS strongly believes that additional guidance from the registry is warranted regarding circumstances in which project personnel or partners have been working with communities and implementing activities prior to the consideration of carbon finance or the commencement of the official REDD project activities, as such circumstances can be quite common of REDD projects.

Verra Response

Verra acknowledges the response from SCS Global regarding the project's stakeholder engagement and FPIC activities.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 2 – Ongoing Disputes

Issues

1. Section 3.2.44 of the validation report states that "No ongoing disputes or unresolved conflicts are occurring over rights to lands, territories and resources." This statement contradicts the information in Section 2.5.6 of the validated project description, which describes conflicts and disputes in the project zone related to land tenure rights.
2. Section 2.5.6 of the validated project description does not provide sufficient details about the ongoing conflicts and disputes.

Action Required

1. The VVB must clarify whether it observed evidence of ongoing conflicts or disputes in the project zone. If it did, the VVB must provide an assessment of the conflicts or disputes to confirm whether:
   a) The project has properly identified all ongoing unresolved disputes and those which have been resolved in the past 10 years.
   b) The project will not prejudice the outcome of any ongoing unresolved disputes.
   c) The project has taken the measures needed to support the resolution of conflicts and disputes.
2. The VVB must describe at least the following details of all ongoing conflicts or disputes:
   a) The parties involved.
   b) The location of lands, territories and/or resources involved.
   c) The impacts of the dispute on the project and the implementation of project activities.
   d) The involvement of the project and/or project personnel in the dispute or dispute resolution.
   e) How the implementation of the project will not exacerbate the conflict or influence the outcome of an unresolved dispute.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Section G5.5
VCS Standard, v3.7, Section 2.4.1 (Principle of Completeness)

VVB Response: In review of the SCRP audit, SCS concludes that the auditors did find evidence of ongoing disputes in several villages The auditors issued VCS finding #16, which indicates "While on the site visit, the audit team heard of opposition to the project in several locations, most notably in the Teuk Laak community as noted in the CCB finding NIR.3, as well as other project communities in the same commune as well as in different communes. The complaints described to the audit team centered on the issue of land tenure insecurity and lacking land titles. The issue of land insecurity and land tenure rights is raised in the project's PD several times…". As a result of this finding, the project team updated section 2.5.6 of the PD to add information about the presence of these disputes and how the project activities have been designed to support the resolution of land tenure disputes by specifically helping communities to acquire official land tenure title to their community lands. In reviewing the audit documentation (findings, notes, validation report), SCS believes that section 3.2.44 of the Validation Report contains an unclear statement and could be revised (if requested by the registry) to indicate there were in fact disputes related to land tenure.

. However, in reviewing section 2.5.6 of the PD along with the PD template requirements, SCS believes that template reporting requirements have been fulfilled considering the standard level of reporting and detail accepted at the time of this PD submission.

In relation to the second part this issue ("The VVB must describe at least the following details of all ongoing conflicts or disputes…."), aside from the information presented in the PD, findings, and validation report, SCS does not have additional information. However, from review of the documentation, we conclude that the audit team followed the standard operating procedures including document review, interviews with stakeholders, and discussions with the project team and partners to evaluate this component. Judging from the available information in the PD, findings, and validation report, SCS concludes that the disputes over land tenure and territory involved various communities, particularly the Teuk Laak community which is how SCS discovered such disputes. The disputes relate to uncertainty in land tenure rights and uncertainty in the boundaries of tenure/resource use, as well as landless migrants without title (outside of the project communities). The communities exist within the community zone of the protected area; therefore, this would be the location of the disputing parties and their resources. The presence of such disputes creates a risk for the implementation of activities, participation of communities in activities, and ultimately could lead to additional deforestation in project areas or leakage areas. The project had indicated that a project activity would be to work with communities through participatory land-use planning to identify boundaries of their land and assist community members in acquiring official tenure documentation to the lands, thus helping to resolve such disputes and prevent them in the future. Ultimately the project was neither materially affected by nor materially affected the disputes. As such, the project would not exacerbate conflicts because, with or without the project, the resolution and granting of land tenure would fall under the purview of the Cambodian government land registry ministry in accordance with national and local laws.

Verra Response

Verra acknowledges the response from SCS Global regarding ongoing disputes in the project area.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 3 – Compliance with 2008 National Protected Areas Law

Issues

1. Section 3.2.45 of the validation report does not provide adequate assessment of the zoning status of the project area. Article 11 of the National Protected Areas Law[1] requires that each protected area is divided into four management zones.
2. Section 2.5.5 of the validated project description states that "The Project Area is comprised of parts of three protected areas under the jurisdiction of the MOE, and as such, once zoned, the Core and Conservation Zones of these protected areas are protected from deforestation activities." It is unclear whether the project area was zoned prior to validation or whether this zoning took place at a later date.
3. It is unclear whether the VVB had access to and reviewed the maps showing the demarcated zones in the project area.

Action Required

1. The VVB must clarify and provide assessments and conclusions regarding the following:
   a) How it determined that the project area does not include land outside any of the three protected areas (Boutm Sakor National Park, Tatai Wildlife Sanctuary, and Southern Cardamom National Park).
   b) The adequacy and accuracy of evidence used to assess the project's compliance with the 2008 National Protected Areas Law. This evidence must be made available to Verra as supporting documentation for this review. Documents may remain confidential if it meets the definition of "sensitive information" in the VCS Program.
   c) How it determined whether the protected areas had been delineated properly to include all four zones (i.e., Core, Conservation, Sustainable Use, and Community zones) required by the law at the time of validation.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Section G5.6

VVB Response: The auditors followed standard operating procedures for assessment of project area boundaries which entailed a review of maps in the PD, corresponding GIS files, and relevant ancillary information. Through this analysis, the auditors confirmed that the project area only included land within the three protected areas.

With regard to the 2008 Protected Areas Law and the requirement for zoning of protected areas, as stated in section 3.3.4 of the Validation Report, the auditors "Confirmed, through review of a translated version of the 2008 Cambodian Protected Area Law /61/, that all protected areas are zoned for management purposes and that in the case of the SCRP, the Project Accounting Area (PAA) is zoned as either a core zone or conservation zone and only small-scale use for NTFPs is allowed in the conservation zone (see attached SCRP zoning map)." SCS conducted a review of the zoning map provided to the auditors (S Cardamom Zones PAA v2.jpg, see attached), and confirmed that the communities exist outside of the project area (in

[1] https://portal.mrcmekong.org/assets/v1/documents/Cambodian-Law/-Protected-Areas-Law-(2008).pdf

the community zone) and that the four required zones (core, conservation, sustainable use, and community) had been established/mapped in agreement with the 2008 Protected Areas Law. This map was provided to the auditors at the time of the audit and is listed in the report as S_Cardamom_Zones_PAA.pdf, but the file had since gotten corrupted. During this review, SCS recently requested a new one from the client, which served as evidence supporting the project's compliance with the 2008 National Protected Areas law. The map contains an official seal from the Cambodian government as well as logos for the project team and partners. At the time of the site visit, the auditors noted that the community members were still able to go into the forest to collect products, but that demarcation of the protected forest was still in progress, as is common for the implementation of project activities to occur overtime. As described in table 22 of the PD, one of the project's SMART objectives is "By 2027, have 2 CPAs in the REDD+ Project Zone zoned and demarcated." Given the large size of this protected area, the auditors found it reasonable that the project activity of installing demarcation posts would occur over a period of several years, which is common for many REDD projects that entail boundary demarcation activities.

Verra Response

Verra acknowledges the response from SCS Global regarding the project's compliance with the 2008 National Protected Areas law.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 4 – Land Rights

Issues

1. Section 2.5.2 of the validated project description states that "Under Order 01 all land in the Project Zone has been titled and all property clearly delineated." This statement contradicts the disputes discussed in Section 2.5.6 of the validated project description.
2. It is unclear how the VVB assessed the project's impacts on the rights of landowners to occupy and use their land in the project zone.
3. Section 3.2.29 of the validation report discusses the project's impact on community members' access to resources granted through customary rights. However, the validation report does not address the project's impact on community stakeholders' access to state public resources.

Action Required

1. The VVB must clarify and confirm the status of land rights in the project zone.
2. The VVB must provide an assessment of land rights in the project zone. The assessment must include at least the following:
   a) A conclusion regarding the statement that "all land in the Project Zone has been titled and all property clearly delineated."
   b) An assessment of the project's impacts on the rights of landowners (including, but not limited to, individuals, groups with communal titles, and indigenous peoples) in the project zone.
   c) An assessment of the project's impacts on unresolved land disputes and ongoing titling

processes in the project zone.

d) An assessment of the project impact on the community stakeholders' access rights to state public resources.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Sections G5.2 and G5.5

VVB Response: SCS has found that the audit team confirmed through on-site observations, along with the review of spatial datasets and maps provided, that the communities existed within a buffer zone, known as the "project zone" located outside of the project area, but that communities did not reside within the project area. The auditors noted while on-site and through interviews with community members that land surrounding the communities had been set aside for community members to continue to farm and collect forest products to support their livelihoods. This was found to be in conformance with the 2008 Protected Areas Law and in alignment with the zoning map provided to the auditors (S Cardamom Zones PAA v2.jpg, see attached).

In a recent review of the PD, audit notes, findings and discussions with the project proponent, SCS has found that Wildlife Alliance worked closely with the Ministry of Environment (MoE) for much of the zoning process between 2002-2016. The work included consultations to delineate the community areas and forest boundaries, and help codify communities' rights in regard to these areas. This work also involved verifying the land use claims made by long-term community occupants through aerial imagery, ground checks, etc. The result was delineation and mapping of community area boundaries that enabled the land tenure rights of existing members of these communities to be formally recognized and have access to cadastral land titling. The Provincial State Land Management Committee then started to issue official land title documentation to the community members, which we have learned is a lengthy and bureaucratic process.

SCS recognizes that in hindsight the statement "Under Order 001 all land in the Project Zone has been titled and all property clearly delineated" can be read to be broader than intended because while all land in the Project Zone had been zoned and mapped, the distribution of official land title documentation was not complete. Further, even if the land had been zoned and titled it does not preclude the potential for confusion over land tenure by community members which potentially can result in disputes.

Furthermore, section 2.5.6 of the PD requires that any ongoing unresolved or resolved disputes over the last 20 years be identified. Thus, land tenure disputes which were more prevalent before the zoning and titling process are relevant to this section of the PD. Ultimately SCS found that the process to mapping land tenure for those living on state land took many years and at the project start the distribution of official title documentation was still underway and was said to be a lengthy and bureaucratic process. As a result, a key project activity was to work with the communities to understand property zones, physically demarcate boundaries, assist in the process of acquiring titles, and ultimately resolve uncertainties to prevent land disputes. We provide a response to the projects impact on ongoing disputes in the response to finding #2 above.

In relation to the projects impacts on the rights of landowners in the project zone, many of these communities exist within the community zone of the protected area and thus are governed by the zone regulations outlined in the 2008 Protected Areas Law, which was established prior to and separate from the REDD project. However, in review of the project and audit documentation, a REDD project activity is to specifically work with local authorities to distribute land titles to alleviate uncertainty regarding land tenure and rights. Another project activity is to support enforcement of the 2008 Protected Areas Law through using carbon finance to increase the ranger-community enforcement mechanisms, to ultimately prevent deforestation. Such an activity could impact illegal occupancy (if such occupancy and resource use is not in compliance with established laws and regulations) by supporting enforcement of such previously established laws.

In relation to the projects impacts on community stakeholders access rights to state resources, SCS finds that much of the project zone and specifically area where communities are located is governed by the 2008 Protected Areas Law. Therefore, we find that the project itself does not explicitly restrict access rights to state resources, but given that a project activity was to amplify the already existing governmental enforcement of laws and regulations that may relate to such resources, the project may have had some impact on access rights.

Verra Response

Verra acknowledges the response from SCS Global regarding land rights in the project zone.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 5 – Project Start Date

Issues

It is unclear how the project start date justification conforms with the requirements set out in the *VCS Standard, v3.7*. More specifically, as described in Section 2.1.14 of the validated project description and Section 3.2.1.3 of the validation report, the project start date is not the date on which the project began generating GHG emission reductions or removals.

Action Required

The VVB must assess whether and how the project's start date of 1 January 2015 conforms with the *VCS Standard, v3.7* requirements.

Program Rule(s)

VCS Standard, v3.7, Sections 3.1.2 and 3.7.1
VCS AFOLU Requirements, v3.6, Section 3.2.1

VVB Response: In review of the SCRP audit, we have found that unlike some REDD+ projects that have clear start dates associated with each project activity (e.g., climate activities, community activities, etc), the project partner Wildlife Alliance ("WA") had been working in the region for several years, conducting small-scale community-oriented engagement, conservation, and land tenure-based activities prior to the REDD project, but these were limited in scale due to a lack of funding. These engagements had been underway before any consideration of carbon financing or development of a REDD project. However, in May 2016, the Prime Minister announced the creation of the Southern Cardamom National Park ("SCNP"), which, according to the project team was a critical moment for the development of a REDD+ project. Wildlife

Alliance obtained permission to begin developing the SCRP in October 2016. The objective of the SCRP was thus to provide sustained funding to more effectively implement and expand on the community development, land tenure, and conservation activities already underway. According to the project team the start date was selected based on what was considered to be a reasonable date in which amplified REDD activities began while still remaining in conformance within accordance with VCS rules that allow historical start date for projects. We found that the audit team confirmed the project start date was 1 January 2015 as at the time of the audit, it was conveyed that this signified the date that the project proponents scaled up its forest conservation activities, began attracting investors, and sought approval from the Cambodian government to officially implement a REDD project. It also corresponded with the end date of the national Forest Reference Emission Level (FREL)historic reference period, which could allow for nesting within the national REDD program.

For context, through our years of auditing REDD projects, SCS has found that it is also not uncommon to see projects where the project proponent or partners been implementing community engagement or conservation-based activities on a small-scale prior to the start of the REDD Project. By implementing the REDD Project, it can allow for a scaling up of activities due to additional funding, partnerships, and legal approvals of a REDD project.

Nonetheless, through the current review of this audit, SCS has identified the differentiation between REDD project activities (requiring conformance to CCBS and VCS) versus previous Wildlife Alliance and MOE activities as a challenge. With the recent information from Wildlife Alliance, SCS sees the justification for later start dates such as when the SCNP was established or when WA received permission for developing the project. We can also see justification for Verra to create a clear rule going forward for an earlier start date in an instances such as this project given that WA was technically working in the region for several years, even though it was only on a small scale. However, based on the standard of practice at the time and the lack of such a clear rule, we believe that the chosen start date is justified. Again, SCS identifies this scenario as an area needing additional guidance from the registry.

Verra Response

Verra acknowledges the response from SCS Global regarding the project start date.

Verra received additional responses and commitments from WA on related issues (e.g., FPIC) in a separate report. This finding is closed.

Finding 6 – Grievance Mechanism

Issues

1. It is unclear whether the grievance redress procedure allows for accessible and neutral spaces for stakeholders to submit grievances.
2. Section 3.2.27 of the validation report does not include an assessment of the appropriateness of the grievance redress procedure. Rather, it only states that stakeholders were aware of the process.

3. The grievance redress procedure does not strictly follow the three steps set out in the *CCB Standards*.

Action Required

1. The VVB must provide an assessment and conclusion as to whether:
    a) The physical locations (Ministry of Environment branch office, Community Based Ecotourism offices, MOE Ranger stations) are culturally appropriate spaces and allow grievances to be submitted freely.
    b) The electronic (Facebook, phone) grievance channels are accessible to all stakeholders who may want to use them and allow grievances to be submitted freely.
2. The VVB must provide an assessment of the appropriateness of the grievance mechanism. The assessment must confirm whether:
    a) The procedure was designed through a participatory process.
    b) The design allowed for grievances to be submitted regarding sensitive issues such as free, prior and informed consent, rights to lands, territories and resources, benefit sharing and participation.
    c) The procedure takes into account traditional methods of conflict resolution.
3. The VVB must clarify and confirm whether the grievance redress procedure includes at least the following:
    a) Culturally appropriate access (for submission of grievances) and format of responses from the project proponent.
    b) Access to mediation by a neutral third party.
    c) Access to arbitration or competent courts in the relevant jurisdiction.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Section G3.8
VCS Standard, v3.7, Section 3.17.3

VVB Response:

In review of audit materials, SCS found that while on-site visiting each of the villages, the auditors observed the grievance policy posted in the villages such as in commune halls and visitor centers. The auditors observed that these boxes were clear and accessible, therefore capable of allowing grievances to be submitted freely by the stakeholders. SCS has since learned from the project team that the number of grievance boxes has increased from the 7 boxes available at the initial Validation/Verification site to now 29 locations in total. In reviewing the audit materials and discussions with the auditors, we found that it was also confirmed during interviews with community members that they were aware of the grievance policy which was conveyed during the SBIA (FPIC) meetings. The project team also indicated that during the FPIC meetings the grievance and redress procedures were discussed and input from community members was solicited during the original FPIC process to help ensure that the established mechanism is aligned with traditional methods and channels of conflict communication and resolution. This resulted in several modes of presenting grievances, as it was conveyed that community members preferred to present their concerns directly to local authorities (e.g., village, community or district level) over the use of the grievance boxes.

During the audit, the auditors also confirmed that the Facebook page listed in the PD was active and served as another location to submit grievances. In review of details of these mechanisms, SCS concludes that they were appropriate in that they would allow grievances to be submitted freely and anonymously.

At the time of the audit, the auditors issued a finding requesting this policy and they had reviewed it to ensure conformance with the requirements. Likewise, during the site visit and through review of the Grievance & Redress procedure, the in-country specialist on the audit team, So Malay, confirmed that the procedure which includes grievance boxes in communal locations and/or conveyance of grievances to village or commune chiefs and leaders is considered to be culturally appropriate.

SCS has re-reviewed this Grievance and Redress mechanism. We confirmed that the electronic channels of conveying grievances (Facebook page) is still operational and publicly accessible. We again confirmed that this policy is appropriate as it is accessible to community members through confidential grievance boxes and/or raising grievances with village chiefs or commune chiefs who serve as the first line of resolution. It then contains levels of elevating such complaints if the complaint cannot be resolved. Such elevation ultimately extends to a referral to authorities which may include arbitration at the relevant provincial and national authorities or courts if necessary.

Verra Response

Verra understands that SCS Global Services has reassessed the implementation of the project's current grievance redress mechanism, and confirmed with Wildlife Alliance that the number of grievance boxes has increased.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 7 – Stakeholder Engagement

Issues

1. It is unclear how the VVB crosschecked the information provided by the project regarding the stakeholder engagement process.
2. Section 2.3.7 of the validated project description does not clarify whether and how the project design was affected by the stakeholder input.
3. Section 2.3.8 of the validated project description does not explain how the project proponent will consider stakeholder input and adapt management throughout the lifetime of the project.
4. Section 2.3.8 of the validated project description does not describe the plan developed to continue communication and consultation between the project proponent(s) and communities and other stakeholders. Section 2.3.8 of the validated project description references Section 4.4.1 of the same document, which is insufficient because it does not provide information about continued consultation, but rather information about the community monitoring plan.
5. The evidence used by the VVB to assess the effectiveness of the stakeholder consultation is insufficient. Per Sections 3.2.23 and 3.2.24 of the validation report, in order to assess the stakeholder consultation process, the VVB reviewed the meeting minutes, photographic evidence, and sign-in sheets, and performed interviews with project personnel involved in community outreach, community chiefs, and sub-chiefs. The local community stakeholders were not

interviewed.

Action Required

1. The VVB must clarify whether the information provided by the project proponent was cross checked with objective evidence, and how it independently assessed the stakeholder consultation process.
2. The VVB must assess the effectiveness of the stakeholder consultation process, and confirm whether it includes:
    a) Mechanisms for considering stakeholder input and adapting management.
    b) A plan for continued communication and consultation between the project proponent(s) and communities and other stakeholders.
3. If the VVB did not interview community members, it must explain how it concluded that the stakeholder consultation process was effective without such evidence.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Section G3.4
VCS Standard, v3.7, Sections 3.17.4, 3.17.3, and 2.4.1 (Principle of Completeness)

VVB Response

In review of the PD, SCS agrees with Verra's assessment that it is lacking clear information regarding continued consultation with stakeholders as well as how such stakeholder consultation and input have and will impact the project implementation. However, in review of audit documentation and discussions with the auditors, we found that during the site visit interviews with local community stakeholders, the auditors learned that community members were given the opportunity to provide feedback on the project as well as present concerns and their ideas during the SBIA/FPIC meetings and directly to local representatives (commune chiefs, etc). With regard to community interviews conducted, section 3.2.25 of the Validation Report states, "While onsite, the audit team interviewed community members across the project zone and confirmed that meetings were held in the relevant language of Khmer." Likewise in other sections like 3.2.21 and 3.2.22 it states, "While on site, the audit team held interviews with community members across the project zone…", but unfortunately such information was not conveyed in sections 3.2.23-3.2.24 although interviews with community members interviews were in fact a line of evidence used to confirm the stakeholder consultations and channels. Therefore, the Validation Report could be updated to more directly reflect this, if requested by the registry.

SCS has also had recent discussions with the project proponent who attested to conducting stakeholder consultations as part of a continuous FPIC process and to ensure community activities were designed in close partnership with the communities.

In response to point three above, SCS reviewed the past audit documentation and found that the audit team did conduct direct interviews with community stakeholders in the villages visited in order to evaluate the effectiveness of the stakeholder engagement, in addition to the other evidence reviewed that is described in the Validation report. As such, sections 3.2.23-3.2.24 of the Validation Report do not provide a complete list of the evidence that was actually used to evaluate the stakeholder consultation process. Also, more information about the stakeholder communication and interviews the auditors conducted is described below in the response to finding #8.

Verra Response

Verra acknowledges the response from SCS Global regarding stakeholder engagement and ongoing consultation with stakeholders.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 8 – Stakeholder Communication with Auditors

Issue

1. It is unclear whether and how the VVB ensured that community members were able to communicate independently with the auditors during the site visit.

Action Required

The VVB must clarify how it confirmed direct and independent communication was facilitated between stakeholders and auditors. The VVB must elaborate on the following:

1. How it selected the stakeholders and confirmed the selection was representative of all project stakeholders.
2. How it confirmed the information provided by community members was an accurate reflection of community sentiment.
3. How it ensured interviews were conducted in a culturally appropriate manner.
4. Whether and how the VVB evaluated any risks to stakeholders associated with communicating openly with the VVB.

Program Rule(s)

Climate, Community & Biodiversity Standards, v3.0, Section G3.3
VCS Standard, v3.7, Section 5.1.1

VVB Response: SCS GHG audits are conducted following standard auditing operating procedures in accordance with the rules and requirements of our International Standards Organization (ISO) accreditation under the ANSI National Accreditation Board (ANAB). One facet of these procedures is that a sample-based approach is applied in our auditing. Given that it is frequently not practicable or efficient to assess 100% of the reported data and information, sampling is often used to select a representative subset of the population for detailed inspection, whether that is a subset of communities, individuals in communities, forest inventory plots, trees, etc. Where practicable, the introduction of randomness to the sampling process is recommended, so that any results can be extrapolated to the total population (i.e., the entire set of data under review) in a statistically valid manner.

In the Southern Cardamoms REDD+ Project (SCRP) sampling plan, which includes an assessment of the potential risks of the project, the audit team identified the community consultation component as an area of relatively high risk given the large number of project communities (29) across a broad area (~500,000 ha), and the number of total individuals within these communities (~16,000 people). Thus, during the site-visit, the audit team opted to spend a substantial amount of time visiting a relatively large sample of communities to evaluate the stakeholder consultation aspects of the project. Initially, a random sample consisting of 14 of the 29 communities was decided upon in the planning stages of the audit. However, it became apparent through discussions with the local project team that this completely random sample would not be logistically feasible in the time allocated for the site visit, given the distance/travel time between villages and impassible roads to some villages. Given the priority to visit a large sample of villages because of the perceived risks, the audit team altered the sampling plan to target clusters of villages, or communes, to ensure they would have sufficient time to visit as many villages and interview as many individuals as possible. Villages closer to the project area were also prioritized given the risks of deforestation and degradation in the project area posed by nearer communities. This approach was consistent with the standards of care and practice at the time.

Randomness was introduced into the selection of participants to interview. In consultation with our local Cambodian social expert, So Malay, a technical expert who has worked with SCS on numerous REDD projects, interviews were conducted in a culturally appropriate manner. Generally, visits to each village began with group meetings and interviews with the chiefs, commune chiefs and subchiefs upon arrival at a village. Next, the audit team conducted interviews with randomly selected villagers, based on who was available, willing, and comfortable to speak with them. The auditor would walk around or even bike around each village independently with the goal of speaking with a number of individuals of varying characteristics (e.g., gender, age, position in the community). Sometimes interviewees were met in shops, in fields, in houses, or while walking along the roads. The interviews were conducted with groups of interviewees or with individuals.

The SCS in-country expert, So Malay has extensive experience in conducting community interviews throughout her native country of Cambodia. We relied on her experience, professional judgement, intuition, and knowledge of cultural norms, to ensure that the interviews were conducted in a in a culturally appropriate manner and that the information provided by community members was shared openly and is an accurate reflection of community sentiment. While it is always a risk that stakeholders do not communicate openly with a VVB, SCS worked to reduce that risk by ensuring that a local expert, So Malay, with substantial experience in community engagement conducted these interviews. So Malay worked closely with SCS auditors before, during, and after the site visit to ensure that VCS and CCB requirements were adequately addressed.

In reviewing the audit team’s work, SCS believes that it met its contractual requirements and fulfilled its professional duty by meeting the standard of care.

Verra Response

Verra acknowledges the response from SCS Global regarding the facilitation of direct and independent communications between stakeholders and auditors.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.

Finding 9 – Public Comments

Issue

1. Section 2.6 of the validation report states that "With regard to the second comment, given that the comment did not mention specific objections to the project itself, but rather to REDD projects in general, it was not necessary to respond." However, the second public comment contains grievances specific to the Southern Cardamom REDD+ Project. Therefore, the response provided by the project and VVB is insufficient.
2. It is unclear if the project proponent has addressed each public comment received during the public comment period.

Action Required

The VVB must clarify how the project proponent addressed the claims in the public comment pertaining the Southern Cardamom REDD+ Project. The response must address at least the following topics:

1. Project additionality;
2. Legitimacy of maps and GIS layers;
3. Collusion between credit buyers, Wildlife Works, and local officials;
4. Project boundary and disputes within the project boundary;
5. Losses; and
6. Stakeholder dissatisfaction.

Program Rule(s)

CCB Program Rules, v3.1, Section 4.6.7
VCS Standard, v3.7, Section 3.17.8

VVB Response: In review of the audit conducted in 2018, it appears that the project proponent did not explicitly address each specific claim made in the public comment. However, during the course of the audit, the auditors reached a reasonable level of assurance regarding the topics included in the public comment and we summarize those here:

(1) Project additionality: The additionality of the project was evaluated through crosschecking against the Additionality tool requirements, interviews with the project team, on-site observations, and interviews with community members. The auditors ultimately concluded that in the absence of continued enforcement, the baseline scenario would represent conversion of forest area to slash-and-burn agriculture in the project area. The auditors confirmed that the additionality of the project was in conformance with the requirements of the VCS "Tool for the Demonstration of and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" and was demonstrated in the PD.

(2) Legitimacy of maps and GIS layers: The auditors conducted interviews with MoE officials as well as the project team to confirm that all spatial data utilized in the project was official MOE data – Department of Geographic Information Systems. The auditors conducted specific checks of the spatial data and boundary information to confirm project boundaries and ownership. The boundaries and geographic information were also directly confirmed through on the ground observations during the site visit.

(3) Collusion between credit buyers, Wildlife Works and Local officials: The validation and verification process generally does not evaluate the post-issuance buying of carbon credits as that is outside the scope of the requirements. Likewise, the auditors issued finding 11 for additional information and documentation and the anti-corruption policies by the project team. Overall, through on-site observations, interviews with a range of stakeholders including local officials and the project team, review of documentation, the auditors did not find any evidence or reason to believe there was corruption between these parties.

(4) Project boundary and disputes within the project boundary – The auditors conducted a review of the project boundaries through both the shapefiles provided, official maps of the project zoning (see response to issue 3 above) and on-site observations of the project boundaries. The auditors also conducted a review of any disputes within the project area (see response to finding #2 above).

(5) Losses: In regard to losses, the auditors concluded through an evaluation of the additionality as described above and the on-site observations that the forests in the project area were under threat of deforestation. The project proposed implementation of activities to reduce the risks of forest loss through monitoring, enforcement and protection measures as well as implementation of sustainable agriculture, boundary demarcation, supporting clarity in land tenure/titles.

(6) Stakeholder dissatisfaction: As described in response to finding #6 above, the auditors confirmed that a grievance and redress procedure that conformed to the requirements was in place and made accessible to stakeholders. The auditors confirmed on-site the presence of grievance boxes to for stakeholders to submit comments. The auditors interviewed a range of local stakeholders on-site and while there was some apprehension about the project (see findings regarding the follow up FPIC activities), the auditors concluded that procedures and mechanisms were in place to monitor and address potential stakeholder dissatisfaction.

Thus, SCS concludes that the concerns raised in the public comment were addressed and confirmed during the audit process in 2018.

Verra Response

Verra acknowledges that SCS Global reached a reasonable level of assurance during the 2018 audit regarding the project's conformance with program rules in the context of the topics included in the public comment described above.

Verra received additional responses and commitments from WA in a separate report. This finding is closed.