

Submitted to: Verra

Project under public consultation: The ARR Horizonte Carbon Project (ID 3350)

## Public consultation response

### The ARR Horizonte Carbon Project

[The Nature-based Solutions Brazil Alliance](#) aims to promote and stimulate an agenda to discourage deforestation and forest degradation through the creation of guidelines and good practices, generating a safe and reliable business environment. The NBS Brazil Alliance appreciates this opportunity to share input on the Arca REDD+ Project. The open consultation process and the possibility to participate actively is an opportunity to improve the integrity of the carbon credits.

As a non-profit association of project developers whose members are: Agrocortex, Bioassets, Biofilica, BR Carbon, BVRio, Carbonext, Ecosecurities, ERA Brazil, FAS, IDESAM, Instituto Ekos Brasil, Mirova Natural Capital – Althelia Funds, Permian and South Pole, it is great to see new carbon projects being developed.

The following aspects contained within the Project Description were seen as concerns:

#### Methodology and Baseline

To determine the baseline scenario, the AR-TOOL02 tool - "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities" - was applied, taking into consideration barrier analyses, thus concluding the maintenance of degraded pasture areas for activity 1; and the continuity of degraded pasture or sandy areas for activity 2. In the referred document, there is no information and demonstrations about the estimated GHG reductions and removals derived from the activities proposed by the project. This section is "Section to be completed for the validation and verification analysis". However, a preliminary analysis is mentioned, whose estimated annual reduction is 86397 tCO<sub>2</sub>e. The estimate of annual GHG reduction/removal from this preliminary analysis considers only activity 1 (eucalyptus plantation), complementary calculations including native species will be presented in the validation and verification reports.

#### Ownership and Project Proponents

The project activity will be conducted initially in 41 areas, owned or leased by Suzano S.A. In this sense, the company, besides being one of the proponents of the project, is also the owner of the project. As part of the evaluation process for selecting new properties, the deeds of each property are evaluated by the institution in order to ensure compliance with all legal requirements.

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## Local Stakeholder Consultation and AFOLU-Specific Safeguards

No information is provided in the current PD.

### Additionality

The most problematic part of the document is the transparency regarding the beneficiary(ies) and clear parameters for monitoring the socio-environmental benefits expected with the implementation of the project. Since it is a commercial plantation (with parts of the land already bought by Suzano) and the fact that the commercial planting of eucalyptus is the core-business of the project proponent, **it is questionable whether the project within these parameters would not already occur naturally in a baseline scenario, even with a well-defined positive socio-environmental impact matrix.**

Moreover, as it is an activity with high profitability and high IRR, it is not acceptable for the project proponent to avoid conducting the additionality analysis by step 2 (Investment analysis), with a simplistic argument that "*Given the barrier analysis identifies only one alternative land use scenario, it would not be necessary to proceed with step 3 (sic)*". It's worth noting that the correct sentence is supposed to be "it would not be necessary to proceed with **step 2**", once step 3 is the barrier analysis (presented in the PD) and step 2 is the investment analysis (avoided to be presented).

The document has many parts identical to the ARR CERRADO CARBON PROJECT (ID 2790). For more details on the alliance's analysis of some inconsistency points, it is recommended that the auditor also access the document.

### Other Comments

**Relevant information is missing in several sections of the PDD, making a deeper analysis of the document impossible.**

It is a grouped project, however it is not possible to conclude if it is also a multi-activity project, since in some sections it is titled this way, and in others it contradicts itself. For inclusion of new instances, eligibility criteria will be considered for both activity 1 (eucalyptus planting) and activity 2 (implantation of native species).

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The NBS Brazil Alliance appreciates this important opportunity to record our comments. We welcome the project proponents to reach-out directly with any questions or follow-up

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requests related to the comments shared above by contacting **NBS Brazil Alliance Coordinator, Victor Ferraz**, at [nbs@nbsbrazilalliance.com](mailto:nbs@nbsbrazilalliance.com).

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