

Submitted to: Verra

Project under public consultation: REFORESTATION OF LAND FOR MULTIPLE USES (ID 3877)

Date: July 21, 2023

## Public consultation response

### REFORESTATION OF LAND FOR MULTIPLE USES

[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 REFORESTATION OF LAND FOR MULTIPLE USES 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 with 25 members including Agro cortex, Bioassets, Biofílica, Biofix, BR Carbon, BVRio, Carbon Credits Consulting, Carbonext, Conservação Internacional, Eco securities, Ekos Brasil, ERA Brazil, FAS, IDESAM, Impact Earth, MyCarbon, Radicle, Redda+, Re.green, Rioterra, Systemica, South Pole, Sustainable Carbon, Volkswagen Climate-Partner and WayCarbon, it is great to see new carbon projects being developed.

The following aspects contained within the Project Description were observed:

#### Methodology and Baseline

The additionality is pointed out based on the scenario prior to the project, with areas of agriculture and pasture activities.

The additionality approach is performed using the Combined tool to identify the baseline scenario and demonstrate the additionality of the CDM A/R project activities. The additionality analyzes and steps are correctly indicated, according to the methodology, however, they are not so well detailed in the VCS PDD draft.

Scenario 2, of Sub-step 1a, for example, only mentions that the restoration of degraded areas would be “unlikely” given the history of land use, however, it does not bring greater contextualization and arguments of the historical context of land use and occupation in the place and region and the difficulty linked to the recovery and restoration of these areas.

Barrier analysis (Sub-step 2a), on the other hand, presents current and robust data to argue the need to implement the project, bringing the historical context, market barriers and difficulties in financing reforestation activities. It is important to note that the barriers were well described, but the company has been active in eucalyptus forestry in the Midwest region (project region) even before the carbon project.

The last Step 4 – Analysis of common practice, also presents satisfactory content, bringing comparisons with other companies in the sector and contexts of similar activities in the region, emphasizing that restoration clearly does not fit as a common local practice, this common practice being precisely agriculture and other activities aimed at agribusiness that are not aimed at recovering or conserving forest areas.

It is shown that some trees were removed for eucalyptus planting (removal authorizations will be presented to the auditors) and this removed biomass was accounted for. However, it was not clear why they did not account for litter in the baseline if they will consider this reservoir in the project.

It was also not found in the table of estimated removals of the section in question (p.128) nor of the section 4.4 - Net GHG Emission Reductions and Removals (p.117) that of the baseline that was calculated.

The project explains that the start date of the project is retroactive (15/January/2020), as it was the date of the first planting of the Autometal farm and that the incentive to generate credits was seriously considered. As evidence, they cite the meetings held with external consultants for project development, the hiring of external consultants and, mainly, point out that in December 2019 they submitted to the CDM Secretariat and the Brazilian DNA (Brazilian DNA) an official notification of the proponents' intention to seek registration through the CDM.

Mention is made of the methodology used to identify wetland areas, where only the soil map of Brazil is mentioned. In addition to this base not being specific to identifying wetlands, the scale is high/low resolution at the property level.

The project presents the carbon stock reservoirs and explains in the document the entire calculation base to estimate the GHG removal or reduction values. However, the allometric equation (and associated parameters) that will be used in the ex-ante restoration estimation is not presented.

It was also not clear where the eucalyptus data that were used for the ex-ante calculation of CO<sub>2</sub> removals came from.

The project ultimately completes the estimated net emission reductions or removals over 30 years of 394,371.13 tCO<sub>2</sub>e.

### **Ownership and Project Proponents**

These are private properties and LACAN is the Project Proponent and the landowners are the Partners. LACAN will demonstrate its legal right to control and operate the activities of the grouped project through the formal partnership/lease agreements signed between them and the partners. There are no signs of land irregularity, and governance structures were not described, only the % of buffer to be retained.

The allocation of credits is not described. There is no involvement of other entities in the project, other than the proponent.

The PP informs that more information regarding the legal control and right of operation of the activities will be demonstrated to the VVB.

As the project is submitted only to VCS certification, there are no details regarding work with communities. It is indicated in the draft PDD only that there is a commitment to the FSC certification criteria, applied in the eucalyptus plantation areas, which deals with socio-environmental responsibility with the communities and neighbors of the forest management operations. In addition, it is mentioned that the communities were positively engaged and consulted regarding the implementation of the project, seeking to meet their interests.

In the “Position” field (or “Title” in English), requested by the PDD VCS template, the position of the applicant's contact person must be indicated. In the case of the project under analysis, “Project Proponent (PP)” was indicated.

### **Local Stakeholder Consultation and AFOLU-Specific Safeguards**

The four properties that comprise the 2 project instances are under the scope of the Project proponent's (PP) FSC certification. The stakeholder identification and engagement process was heavily based on the socio-environmental guides of the FSC standard, which require similar analyses. In this way, many of the safeguards were applied based on this previous study already conducted by the certification.

The consulted populations were those located close to the farm where the project is implemented, Autometal, within a radius of 20km.

Communication channels were established only via email from the person responsible for the project and physical address – the justification was that the restoration areas are small and will not generate an impact. In this sense, it is not clear whether the interested parties are fully aware and informed of the development of the project (this should also be better scored).

No demand that emerged from the public consultations was mentioned or exemplified – this may be due to the fact that the project is still going through the validation period through a draft document.

The risks and impacts generated by the project were briefly identified, with the main narrative of these topics being that “no risks were identified”. A better explanation of these impacts, both positive and negative, would be ideal in order to ensure transparency and effective project governance – attributes required by the VCS standard. All properties are under contractual arrangements and duly signed agreements with the landowners.

Much of the public consultation evidence or other results were not included as the project is still in the early stages of implementation.

### **Other Comments**

The project is able to clearly present the activities and scope it plans to work on, making it possible to understand the relevance and importance of implementation in the region, especially ecological restoration.

The map presented has relatively poor quality in the PDD draft file (under validation) and, in the export to the present analysis file, the quality was even more reduced. The maps presented do not have subtitles, and some without references in the body of the text, making it difficult to understand the relationships and geographic views.

Some aspects such as ownership, additionality and safeguards were confused and lacked information that would guarantee greater robustness and transparency to certify such aspects.

The project provides clarification on meeting the criteria for eligibility of the project, but it is noticed the absence of presentation of the data that were raised to facilitate understanding. The basis used to identify wetland areas is also questioned.

As for the removal calculations, the lack of information on the ex-post calculation of the restoration and the parameters that will be monitored is pointed out. There are also doubts

about the exclusion of the litter reservoir from the baseline, since this reservoir is considered in the project, and about the discount or not of the baseline in the final calculations of removal of the project, since the value is not presented in the tables.

The additionality section features well-written, grounded steps and others with little information. It is understood, however, that the project is still going through an initial phase, of analysis of the validation draft, which can be better incremented and detailed in future versions of the document (which applies to other sections as well). It is important to note that the barriers were well described, but the company has been active in eucalyptus forestry in the Midwest region (project region) even before the carbon project.

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