Validation Report

Validation of Tokenize Amazon Project

Report No: SLCCS/VDR/2023/03
Version : 02

Sri Lanka Climate Fund (Pvt) Ltd.
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Client	Rainforest Token
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Summary of the validation report

The Validation Division of the Sri Lanka Climate Fund (SLCF) has successfully conducted the validation of the Tokenize Amazon Rainforest Conservation Project, situated at KM 14, of BR-174, district of Presidente Figueiredo, State of Amazonas, Brazil. The validation was carried out in accordance with the Sri Lanka Carbon Crediting Scheme (SLCCS) eligibility criteria, as well as the CDM REDD+ Framework, VCS Module VMD0007 Version 1.0, BioCarbon Registry Version 3.1 (dated September 15, 2022), and the criteria recommended under the Planetary Carbon Standard (PCS). The purpose was to ensure the project's adherence to consistent project operations, monitoring, and reporting practices.

The project's primary objective is the quantification of greenhouse gas emissions reductions through the implementation of a REDD+ (Reducing Emissions from Deforestation and Forest Degradation) initiative. The project area spans 1001.4 hectares, focusing on preserving the Amazon rainforest ecosystem. The annual estimated emission reduction to be achieved through the implementation of this project is 774,302 tCO_{2e} after making provisions for 10% buffer stock.

Following a thorough evaluation, the Validation Division of SLCF certifies that the Tokenize Amazon Rainforest Conservation Project has diligently applied the baseline and monitoring methodologies outlined in the VCS Module VMD0007 Version 1.0, BioCarbon Registry Version 3.1 methodologies. The project has demonstrated compliance with all relevant SLCCS requirements, ensuring accurate measurement, monitoring, and reporting of carbon emissions reductions.

In light of the successful validation and the project's alignment with established methodologies and criteria, the Validation Division of SLCF hereby recommends the registration of the Tokenize Amazon Rainforest Conservation Project as an official SLCCS project activity. This recognition further solidifies the project's commitment to sustainable environmental practices and contributes to the broader goal of combating climate change. Validation Division of Sri Lanka Climate Fund thus requests the registration of the project as a SLCCS project activity.

Project Title	Tokenize Amazon Project
Report No	SLCCS/VDR/2023/03
Work carried out by	Validation Division - Sri Lanka Climate Fund
Work Approved by	Ms. Harshani Abeyrathna Chief Executive Officer Sri Lanka Climate Fund (Pvt) Ltd

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1 INTRODUCTION

1.1 Objective

The purpose of a validation is to have an independent review of the Carbon Management Assessment (CMA). In particular the project's baseline, the monitoring plan (MP), and the project's compliance with SLCCS standard are validated in order to confirm that the Carbon Management Assessment is sound and reasonable and meets the stated requirements and identified criteria. Validation is seen as necessary to provide assurance to stakeholders on the quality of the project and its intended generation of Sri Lankan Certified Emission Reductions Plus (SCER+).

The information included in the CMA and the supporting documents were reviewed against the requirements as set out by the SLCCS. The validation team has, based on the requirements in the Validation and Verification Standard, carried out a full assessment of all evidences to assess the compliance of the project with the SLCCS. The validation is not meant to provide any consulting to the project participants. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the Carbon Management Assessment.

1.2 Scope and Criteria

The validation scope is given as a thorough independent and objective assessment of the project design including especially the correct application of the methodology, the project's baseline study, local stakeholder commenting process, environmental impacts and monitoring plan, which are included in the CMA and other relevant supporting documents, to ensure that the proposed SLCCS project activity meets all relevant and applicable SLCCS criteria.

1.3 Involved Parties and Project Participant

Title of the Project Activity	*Tokenize Amazon Project*
Project Participant(s)	*Rainforest Token*
Host Party(ies)	*Brazil*
Consultant of the Project	SavePlanetEarth / Planetary Carbon Standard

1.4 Summary description of the project

Project Overview and Mission - The primary objective of this initiative is to safeguard and preserve the Amazon Rainforest and its intricate ecosystem. This endeavor is dedicated to combating the pressing challenges posed by illegal deforestation and the impact of climate change.

Project Location and Scope - Situated in the city of Presidente Figueiredo, State of Amazonas, Brazil, this project occupies a pivotal position within the Amazon Rainforest. It specifically addresses the region known as "the deforestation belt."

The project encompasses a land area of 1001.4 hectares, classifying it as a small-scale project according to the criteria outlined by the Planetary Carbon Standard (PCS). The project's sectoral scope aligns with REDD+.

Conservation Focus and Objectives - This project is distinct in that it does not encompass reforestation or afforestation activities. Its purpose is to be designated as a conservation project under the REDD+ Category. Its primary aim is to safeguard the 1001.4 hectares of land from the threats of deforestation and degradation within the Brazilian Amazon region. This area is particularly rich in endemic species, further highlighting the significance of its conservation efforts.

Geographic Distribution and Biodiversity -The Amazon Rainforest predominantly resides within Brazil, accounting for 60% of the rainforest expanse. Additional portions are located in Peru (13%), Colombia (10%), and smaller shares in Bolivia, Ecuador, French Guiana, Guyana, Suriname, and Venezuela. Globally, the Amazon constitutes over 50% of remaining rainforests and represents the world's largest and most diverse tropical rainforest ecosystem. It hosts an astonishing diversity of 16,000 species distributed among approximately 390 billion individual trees.

Deforestation Crisis and Project Rationale - Official data highlights a disconcerting trend: deforestation in Brazil's Amazon Rainforest has reached its highest level in over 15 years. Despite these alarming statistics, effective interventions to curtail this issue have proven elusive.

Project Registration and Emission Reduction Goals - Registered under the Sri Lanka Carbon Crediting Scheme (SLCCS), this project's core intention is to generate Sri Lankan Certified Emission Reductions Plus (SCER+) through the mitigation of deforestation. The credits derived from this endeavor are intended for trade in local or international voluntary carbon markets. The revenue accrued from carbon credit trading will be strategically reinvested in acquiring forest assets at high risk of deforestation.

Project Leadership and Community Engagement - Sanzio C Maciel, the project owner, is deeply concerned about the escalating loss of forest resources, biodiversity, and soil quality within the Amazon Region. This initiative represents a genuine effort to disrupt the alarming trajectory of deforestation in the region. Acknowledging the pivotal role of local communities in conserving the forest ecosystem, a mechanism has been established to incentivize their active participation in this conservation project. The expected annual GHG emission reduction resulting in the operation of project is 774,302 tCO_{2e}/year and the expected total GHG emission reductions in first crediting period is 7,743,020 tCO_{2e} after making provisions for 10% buffer stock.

2 GHG PROJECT DISCRIPTION

2.1 Project Characteristics

Essential data of the project is presented in the following table.

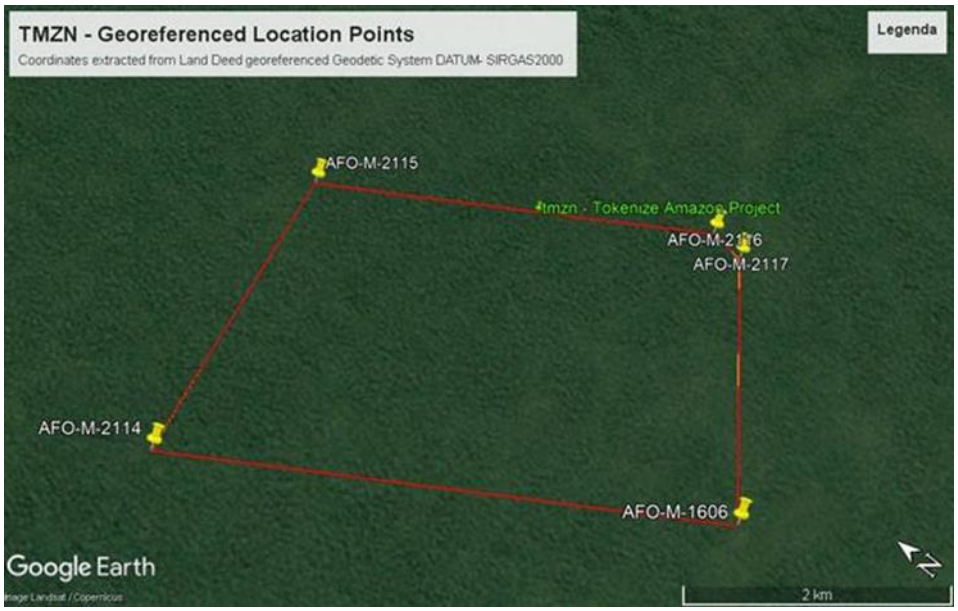
Item	Data		
Project Title	Tokenize Amazon Project		
Project size	⊡ Large Scale	☒ Small Scale	
	1	Energy industries (Renewable/ Non-renewable)	⊡

Project Scope *(according to UNFCCC sectoral scope numbers for CDM)*	2	Energy distribution	⊡
	3	Energy demand	⊡
	4	Manufacturing industries	⊡
	5	Chemical industries	⊡
	6	Chemical industry	⊡
	7	Construction	⊡
	8	Transport	⊡
	9	Mining / Mineral production	⊡
	10	Fugitive emissions from fuels (solid, oil and gas)	⊡
	11	Fugitive emissions from production and consumption of halocarbons and hexafluoride	⊡
	12	Solvents use	⊡
	13	Waste handling and disposal	⊡
	14	Afforestation and Reforestation	☒
	15	Agriculture	⊡
Applied Methodology	Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry Version 3.1, September 15, 2022 Approved VCS Module VMD0007 Version 1.0 REDD Methodological Module: Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP) As recommended by the Planetary Carbon Standard (PCS)		
Technical Area(s)	Rainforest Conservation - AFOLU Category: Reduced Emissions from Deforestation and Degradation (REDD+)		
Crediting period	Renewal crediting Period (10 years)		
Start Date of crediting period	28th October 2021		

2.2 Project Location

Location of Project Activity	KM 14, of BR-174, district of Presidente Figueiredo, State of Amazonas, Brazil
Province	State of Amazonas – Brazil
District	Presidente Figueiredo
DS Division	Not Applicable

City/Town	City of Presidente Figueiredo
Community	Estrada da Nona
Coordinates	-1.520719° -60.449124°



2.3 Technical Project description

As per the copy of deed provided by the project proponent, the location of the project is KM 14, of BR-174, district of Presidente Figueiredo, State of Amazonas, Brazil. The project falls under AFOLU Category: Reduced Emissions from Deforestation and Degradation (REDD+).

The figure under 2.2 above shows the location Points registered in the LAND DEED and georeferenced by the Brazilian Government, as described below:

“Registered with the Notary and Public Registry Office of Presidente Figueiredo under #2,435, on page 255 of Book #2-K, Presidente Figueiredo/AM, with an area of 1,001.4337 hectares and a perimeter of 13,153.54 m. PERIMETER DESCRIPTION: The description of this perimeter starts at point AFO-M-2115, georeferenced in the Brazilian Geodetic System DATUM - SIRGAS2000, MC-63’W, coordinates N 9,833,203.196 m and E 784,080.750 m, from which it borders Lote 1268, with azimuth of 149°00’32’ for a distance of 3,463.97 m to point AFO-M-2116, coordinates N 9,830,233.714 m and E 785,864.358 m; from which it borders Ramal da Nona, with azimuth of 188°35’52’ for a distance of 300.07 m to point AFO-M-2117, coordinates N 9,829,937.021 m and E 785,819,500 m; from which it borders 785.8 Lote 124, with azimuth of 237°22’20’ for a distance of 2,204.19 m to point AFOM-1606, coordinates N 9,828,748.569 m and E 783,963.151 m; from which it borders state government lands, with azimuth of 328°10’12’ for a distance of 4,587.75 m to point AFO-M-2114, coordinates N 9,832,646.396 m and E 781,543.572 m; from which it borders Lote 126A, with azimuth of 77°37’20’ for a distance of 2,597.56 m to point AFO- M-2115, which is the starting point of this perimeter of 13,153.54 m. All coordinates described herein are georeferenced to the Brazilian Geodetic System and are represented in the UTM System, referenced to Central Meridian #63 WGr, using SIRGAS2000 as Datum. The azimuths, distances, area, and perimeter were calculated in the UTM projection plan. PROPERTY RURAL CODE #951.137.170.020-7. NIRF [Rural Property Number in the Brazilian Internal Revenue Service] 9.533.646-0. CCIR [Rural Property Registration Certificate] #42719749218.

3. VALIDATION METHODOLOGY

3.1 Method and Criteria

The validation of the project consisted of the following steps:

- Appointment of team members and technical reviewers
- Publication of the Carbon Management Assessment (CMA)
- Desk review of the CMA and supporting documents
- Validation planning
- On-Site assessment
- Background investigation and follow-up interviews with personnel of the project developer and its contractors
- Draft validation reporting
- Resolution of corrective actions (if any)
- Final validation reporting
- Technical review
- Final approval of the validation

3.1.1 Appointment of team members and technical reviewers

On the basis of a competence analysis and individual availabilities, a validation team, consisting of team leader, two team members as well as the one technical review personnel was appointed.

The list of involved personnel and their qualification status are summarized in the section 07.

Name	Company	Function	Task Performed
Mr. Chamara Ariyathilaka	Sri Lanka Climate Fund	TL/TE	☒DR ☒SV ☒RI ☐TR
Mr. Himarsha Rajapaksha	Sri Lanka Climate Fund	TM	☒DR ☒SV ☐RI ☐TR
Ms. Wageesha Alankara	Sri Lanka Climate Fund	TM	☒DR ☒SV ☐RI ☐TR
Ms. Harshani Abeyrathna	Sri Lanka Climate Fund	ITR	☒DR ☐SV ☐RI ☒TR

TL -Team Leader TE- Technical Expert TM- Team Member ITR- Internal Technical Reviewer
DR- Document Review SV- Site Visit RI- Report Issuance TR- Technical Review

3.1.2 Publication of the Carbon Management Assessment for Public Review

According to the SLCCS requirement the draft CMA, as received from the project participants, has been made publicly available on the dedicated SLCCS website prior to the validation activity commenced. Stakeholders have been invited to comment on the CMA within the 30 days public commenting period.

No comments were received for this project

3.1.3 Desk Review of CMA and supporting documents

Desk review was conducted on 20 April 2023 at the office of Sri Lanka Climate Fund. The objective of desk review is to confirm the accuracy and validity of information provided in the CMA against the respective supporting documents. As part of desk review, following documents were reviewed by the validation team.

- Carbon Management Assessment Report
- Studies and preliminary assessments undertaken for the individual project activities.
- Contract agreements entered into with suppliers
- Completion statement
- Copy of Deed
- Monitoring management systems
- Competency of personnel engaged in the defined monitoring process.

3.1.4 On- Site Inspection

As part of the validation process, a virtual site visit was conducted by the validation team on 20th April 2023. The purpose of this virtual visit was to assess whether the design of the project aligns with the description provided in the CMA. Moreover, the site inspection aimed to verify that the project description, as stated in the CMA, accurately reflects the actual implementation on the ground.

During the virtual site visit, the validation team thoroughly examined the proposed monitoring plan, monitoring parameters, and the responsibilities assigned to the project monitoring team. This assessment allowed for the validation team to review and confirm the validity and appropriateness of these aspects in line with the project's monitoring requirements and objectives. The insights gained from this virtual site inspection contributed significantly to the overall evaluation and validation process.

3.1.5. Background investigation and follow-up interviews

Personnel and stakeholders relating to the project activities were virtually interviewed to confirm the background information of issues raised by the validation team. A summary of information resulted in the interviews are given in the following tabulated format

Name	Designation	Organization/Entity	Method (Face to face/ Telephone)	Main topics covered
Sanzio C Maciel	CEO	Rainforest Token	Via Zoom	Project start date, commissioning date, crediting period, Procurement procedures, Issues and challenges associated with monitoring of the project, UNSDGs covered by the project, future operation and future plans, funding options and regular maintenance and operation

3.2 Definition of Clarification Request, Forward and Corrective Action Request

A **Clarification Request (CL)** will be issued where information is insufficient, unclear or not transparent enough to establish whether a requirement is met.

A **Corrective Action Request (CAR)** will be issued where:

- mistakes have been made in assumptions, application of the methodology or the project documentation which will have a direct influence on the project results,
- the requirements deemed relevant for validation of the project with certain characteristics have not been met or

A **Forward Action Request (FAR)** will be issued when certain issues related to project implementation should be reviewed during the first verification.

3.3 Draft Validation

After reviewing all relevant documents and taken all other relevant information into account, the validation team issues all findings in the course of a draft validation report and hands this report over to the project proponent in order to respond on the issues raised and to revise the project documentation accordingly.

3.4 Resolutions of findings

The findings of validation process are summarized in the tables below,

Type of the Finding	⊡ CL ☒ CAR ⊡FAR
Finding No	CAR-1
Ref. To CMA	Sections 1.11
Action requests by validation team	In section 1.11 of the CMA, version 01, the first crediting periodis set for ten (10) years starting from 28th October 2021. However, the ending date is not compliant with the givenreporting format.
Summary of Project owner response	Due to an inadvertent oversight, the crediting period has beeninaccurately stated in the CMA version 01. As a measure to rectify this situation, a comprehensive examination of thestipulations provided by the SLCCS pertaining to the establishment of the crediting period was undertaken.Consequently, the ending date of the crediting period has been duly corrected and can be verified in the CMA version 02, dated 04.05.2023.
Validation team Assessment	Validation team reviewed the latest version of the CMA to confirm the correctness and the applicability of the revised crediting period. As indicated by the PP, the revised creditingperiod starts from 28th October 2021and ends by 12th October 2031. This is fully compliant with the procedures and modalities of SLCCS.

Conclusion	⊡To be checked during the first periodic verification ⊡Additional action should be taken (finding remains open) ⊡Project documentation was corrected correspondingly ☒ **Appropriate action was taken. The finding CAR-1 is closed**

In the following table the findings from the desk review of the published CMA, Site visits, interviews and supporting documents are summarised**:**

Table: Summary of CARs, CLs and FARs issued

Validation Category	Specific section	No. of CAR	No. of CL	No. of FAR
General description of project activity	General description Project Location Project boundary	01		
	Involved Parties and Project Participants			
	Project specification			
	Start date /Commissioning date			
	Technical project description			
	Contribution to sustainable development			
	Technology employed			
Project Baseline, Additionality and Monitoring Plan	Application of the Methodology			
	Baseline identification			
	Calculation of GHG emission reductions Project emissions Baseline emissions Leakage			
	Additionality determination			
	Monitoring Methodology			
	Monitoring Plan			
	Project management planning			
Duration of the Project / Crediting Period				
Environmental impacts				
Stakeholder Comments				
SUM		**01**		

3.5 Final Validation

The final validation starts after issuance of the proposed corrective action (CA) of the CARs CLs and FARs by the project proponent. The project proponent was replied on those and the requests are “closed out” by the validation team in case the responses were assessed as sufficient. In case of raised FARs the project proponent has to respond on this, identifying the necessary actions to ensure

that the topics raised in this finding are likely to be resolved at the latest during the first verification. The validation team was assessed whether the proposed action is adequate or not.

In case the findings from CARs and CLs cannot be resolved by the project proponent or the proposed action related to the FARs raised cannot be assessed as adequate, no positive validation opinion can be issued by the validation team. In this project activity positive validation opinion is granted by Executive board (EB).

3.6 Internal Technical Review

Carbon Management Assessment (CMA) and additional background documents related to the project design submitted by Rainforest Token and baseline was reviewed. Furthermore, the validation team has used additional documentation by third party legislation, technical reports referring to the project design or to the basic conditions and technical data.

Technical data was reviewed by technical team based on information given in the CMA, supporting documents and observations on virtual validation site visit. Before submission of the final validation report a technical review of the whole validation procedure was carried out. The technical reviewer is a competent GHG auditor being appointed for the scope this project falls under. As a result of the technical review process the validation opinion and the topic specific assessments as prepared by the validation team leader may be confirmed or revised. Furthermore, reporting improvements might be achieved.

3.7 Final approval

After successful technical review of the final report, an overall assessment of the complete validation was carried out by the validation team of SLCCS and final approval is granted by EB.

4. DATA FOR VALIDATION PROCESS

4.1 Project Details

4.1.1 General Description

The primary objective of the Tokenize Amazon Project is the conservation and sustainable development of the Amazon Rainforest, with a specific focus on safeguarding vulnerable territories from deforestation and degradation. In addition, the project endeavours to retain carbon stock in the region, encouraging enduring forest conservation. This mission is further reinforced by its alignment with the REDD+ program protocols.

To realize its primary objective, the Tokenize Amazon Project follows a structured strategy encompassing several phases: initiating with land acquisition, then transitioning to carbon credit certification under the United Nations REDD+ program for the procured lands. Subsequent phases involve collaboration with indigenous tribes, addressing the region's poverty, empowering local farmers, launching an eco-friendly online store, and culminating with an integration into the METAVERSE.

The project's active period stretches from 28th October 2021 to 27th October 2031, with aspirations to register it under the AFOLU Category: Reduced Emissions from Deforestation and Degradation (REDD+) in alignment with rainforest conservation project standards.

Historically, the area has been plagued by illegal loggers operating in syndicates, particularly along the 18 km "Estrada da nona" route, leading to skyrocketing deforestation rates. This region is also marked by poverty, with many children devoid of educational opportunities. However, since the

Tokenize Amazon Project's inception, there has been a significant halt in deforestation. The initiative not only ensures land ownership but has also successfully rallied neighbouring landowners, thereby safeguarding a region quadruple their land size.

4.1.2 Employed Technology

Located in Presidente Figueiredo, in the State of Amazonas, Brazil, the Tokenize Amazon Project stands as a beacon of conservation within the "deforestation belt" of the Amazon Rainforest. Covering 1001.4 ha, this project is classified under the small-scale category by the PCS, and its principal mission is to combat illegal deforestation, mitigate climate change, and rigorously safeguard the Amazon ecosystem, which houses a multitude of endemic species.

Despite witnessing the worst deforestation rates in the Amazon in over 15 years, efforts by the government to curtail this menace have been largely ineffective. As a counteraction, the Tokenize Amazon Project has strategically positioned itself under the REDD+ Category, focusing solely on conservation without involving any reforestation or afforestation tasks.

Registered under SLCCS, this endeavour aims to produce long-lasting and credible Sri Lankan Certified Emission Reduction Plus (SCER+) from the halted deforestation. The intention behind these certifications is to trade the accrued carbon credits in both local and international voluntary carbon markets. The income generated through trading will be reinvested to secure more forest territories at high risk of deforestation.

Sanzio C Maciel, the proprietor of the project, deeply resonates with the urgent need to halt the relentless depletion of the Amazon's resources, its unparalleled biodiversity, and the degradation of its soil quality. Recognizing the pivotal role of the local communities residing within the forest ecosystem, he underscores their involvement in the conservation process. As such, a systematic approach has been conceived to reward communities that lend their support to the project.

To guarantee the project's efficacy in climate-related goals, namely in curbing CO_2 emissions by reducing deforestation, a comprehensive monitoring plan has been devised. This plan aims to provide accurate carbon stock assessments and gauge the carbon emission reductions achieved by the REDD+ Project throughout its credit term. This climate-centric monitoring initiative encompasses three primary activities that will span the entire duration of the project.

The Tokenize Amazon Project plays a pivotal role as a significant carbon sink, safeguarding an impressive carbon stock of 8,603,360 tCO_2e that would have otherwise been compromised due to deforestation. By meticulously preserving the forest, the project not only retain its natural essence but also bolster its capability to sequester carbon. Leveraging cutting-edge technologies, we continuously assess and monitor the project site, ensuring early detection of potential threats. This proactive approach facilitates timely interventions, ensuring the site's protection and perpetuating its role as a vital carbon reservoir.

The Validation Team has meticulously verified the accuracy of the project description. This was achieved through a multi-faceted approach that encompassed a review of the project site's deed, a thorough examination of protective measures and technologies deployed for site monitoring, a hands-on site visit, and comprehensive interviews with both the project participants and their representatives. The project site will be preserved for a span of 30 years, with monitoring activities scheduled over a 10-year timeframe in the present cycle. To ascertain the precision and comprehensiveness of the CMA, the validation team employed methods such as virtual site

inspections, sample analyses, a review of extant designs and feasibility studies, and comparative analysis with analogous projects.
The SLCF Validation Division hereby attests to the complete accuracy of the project description as presented in the final CMA.

4.2 Approvals

Project Proponent has obtained all approvals regarding the projects activities from related institutions operating under Government of Brazil and validation team was checked those approvals during virtual site visit.

4.3 Application of Methodology

4.3.1 Title and reference

Under the SLCCS registration, CDM methodologies are recognized and compatible. This is further outlined in the "Quantification of GHG Emissions Reductions for REDD+ Projects" document, as part of the BioCarbon Registry Version 3.1, dated September 15, 2022. Additionally, the approved VCS Module VMD0007, Version 1.0, provides a methodological module for REDD, detailing the estimation of baseline carbon stock changes and greenhouse gas emissions resulting from unplanned deforestation (BL-UP), all in alignment with the Planetary Carbon Standard.

4.3.2 Applicability

The selected methodology's applicability criteria have been fully met. This initiative is a rainforest conservation project, as verified by the feasibility study and virtual validation site visit. The endeavor falls under the AFOLU Category, specifically targeting Reduced Emissions from Deforestation and Degradation (REDD+). With a land expanse of 1001.4 ha, the project qualifies as a small-scale venture. Therefore, it satisfies all prerequisites of the small-scale methodology within the AFOLU Category for Reduced Emissions from Deforestation and Degradation (REDD+).

Table: Applicability of selected methodology

No	Applicability Criteria	Project Activity	Applicability Criteria Met?
1	This methodology encompasses projects aimed at reducing emissions from deforestation and degradation, conserving forest carbon stocks, sustainably managing forests, and enhancing forest carbon stocks	The project involves the preservation of 1001.4 hectares within the deforestation belt of the Amazon rainforest, an area under imminent threat of deforestation. The initiative will undergo monitoring for a duration of 30 years. Additionally, the project owner maintains the legal entitlement to the property throughout the monitoring timeframe.	Yes
2	Illustration of respective situations under which each of the methodology (i.e. AFOLU Category for Reduced Emissions from Deforestation and Degradation (REDD+)	The project is a rainforest conservation project, so methodologyAFOLU Category for Reduced Emissions from Deforestation and Degradation (REDD+) is only applicable.	Yes

3	This methodology is applicable to project activities that preserves a land plot of a rainforest.	The project conserves 1001.4 hectares from the Amazon rainforest.	Yes
4	AFOLU projects should satisfy following conditions to be eligible to apply this methodology: • Country Participation • National Focal Point: • National Strategy or Action Plan. • National Forest Monitoring System • Forest Reference Emission Level/Forest Reference Level (FREL/FRL • Safeguard Information System • Emission Reduction • Conservation • Sustainable Management • Enhancement of Carbon Stocks • Stakeholder Engagement • Environmental and Social Safeguards • Periodic Reporting	The project activities cover the eligibility criteria successfully	Yes

4.3.3 Project Boundary

The project is located in the city of Presidente Figueiredo, State of Amazonas, Brazil. In the heart of Amazon Rainforest, in a place known as “the deforestation belt”.

The extent of land being conserved under this project is 1001.4 ha. Above ground biomass - Arboreal vegetation and Below ground biomass.

4.3.4 Baseline Identification

In accordance with the methodology, "Quantification of GHG Emissions Reductions for REDD+ Projects," as outlined in BioCarbon Registry Version 3.1 dated September 15, 2022, the baseline scenario of the project activity was examined. It was determined that, within the baseline scenario, the region where the project activity was situated had been highly susceptible to deforestation risks. Illegal loggers had encroached upon all available land areas in the region, resulting in continuous clearance of forests for short-term financial gains. Furthermore, the communities residing in these areas lacked strong leadership in terms of conserving the existing forest resources.

During the study of the baseline on a spatial basis, the project proponent developed a series of spatial maps encompassing land use changes within the project area and the reference region. The initial and final reference years considered for this mapping were 2013 and 2022, respectively. The outcomes of this cartographic analysis are as follows.

Year	*Deforestation (ha)*
2010	*610*

2021	*11618*

Following Step 02's Equation outlined in section 19, the calculation of deforestation within the reference region was completed, resulting in an estimated rate of approximately 1000.4 hectares per annum. Through the implementation of this project, the project proponent aimed to cease this deforestation rate, ensuring a long-term assurance regarding the biomass carbon stock.

4.3.5 Formulas used to determine Emission Reductions

- Based on approved VCS Module VMD0007 Version 1.0
- REDD Methodological Module: Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP)

And,

- Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry Version 3.1, September 15, 2022

Were used under the Planetary Carbon Standard eligibility criteria.

4.3.6 Quantification of GHG Emission Reductions and Removal

Calculation of baseline emission factor

As approved by the Planetary Carbon Standard, the emission factor was calculated using VCS Module VMD0007 Version 1.0, REDD Methodological Module: Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP), And, Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry, Version 3.1, September 15, 2022.

Annual Emission Reduction Calculation

Project proponent has set crediting period for 10 year (10) starting from 28th October 2021. Baseline emission was calculated complying with the requirements provided in VCS Module VMD0007 Version 1.0, REDD Methodological Module: Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP), And Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry, Version 3.1, September 15, 2022.

The summary of the emission reduction calculation validated by the validation team is as follows.

Baseline Emission

Year	Estimated GHG emission reductions or removals (tCO_2e)
Year 01- 28/10/2021- 12/10/2022	860,336
Year 02- 13/10/2022- 12/10/2023	860,336
Year 03- 13/10/2023- 12/10/2024	860,336
Year 04- 13/10/2024- 12/10/2025	860,336
Year 05- 13/10/2025- 12/10/2026	860,336

Year 06- 13/10/2026- 12/10/2027	860,336
Year 07- 13/10/2027- 12/10/2028	860,336
Year 08- 13/10/2028- 12/10/2029	860,336
Year 09- 13/10/2029- 12/10/2030	860,336
Year 10- 13/10/2030- 12/10/2031	860,336

Project Emission

No emissions are identified for this project activity.

Leakage Emission

Leakage emissions are not identified for this project activity.

Estimated net emission reduction

Year	*Estimated baseline emissions or removals (tCO_2e)*	*Estimated project emissions or removals (tCO_2e)*	*Estimated leakage emissions (tCO_2e)*	*Buffer Pool Allocation (10%) (tCO2e)*	*Estimated net GHG emission reductions or removals (tCO_2e)*
Year 01- 28/10/2021 - 12/10/2022	*860,336*	-	-	*86,034*	*774,302*
Year 02- 13/10/2022 - 12/10/2023	*860,336*	-	-	*86,034*	*774,302*
Year 03- 13/10/2023 - 12/10/2024	*860,336*	-	-	*86,034*	*774,302*
Year 04- 13/10/2024 - 12/10/2025	*860,336*	-	-	*86,034*	*774,302*
Year 05- 13/10/2025 - 12/10/2026	*860,336*	-	-	*86,034*	*774,302*

Year 06- 13/10/2026 - 12/10/2027	*860,336*	-	-	*86,034*	*774,302*
Year 07- 13/10/2027 - 12/10/2028	*860,336*	-	-	*86,034*	*774,302*
Year 08- 13/10/2028 - 12/10/2029	*860,336*	-	-	*86,034*	*774,302*
Year 09- 13/10/2029 - 12/10/2030	*860,336*	-	-	*86,034*	*774,302*
Year 10- 13/10/2030 - 12/10/2031	*860,336*	-	-	*86,034*	*774,302*
Total	*8,603,360*	-	-	*860,340*	*7,743,020*
Total number of crediting years	*10*				
Annual average over the crediting period	*860,336*	-	-	*86,034*	*774,302*

4.3.7 Methodology deviations

No Methodology deviations were identified for this project.

4.3.8 Monitoring Plan

Validation team assessed the compliance with the requirements of monitoring plan, as follows:

i) Compliance of the monitoring plan with the approved methodology:

- Project proponent has identified data and parameters to be monitored within the project activity. A monitoring plan has been developed to oversee the Tokenize Amazon Project in relation to its climate-related objectives, specifically the reduction of tCO_2e emissions through deforestation reduction in the Project Area. The principal aim of the monitoring plan is to ensure precise estimations of carbon stocks and reductions in carbon emissions achieved by the REDD+ Project throughout its crediting period.

- The climate monitoring plan comprises three core monitoring activities that have been conducted throughout the project activity's duration. As part of establishing the monitoring plan, a comprehensive risk assessment was undertaken. To facilitate a practical and efficient evaluation of the identified risks, a simplified risk assessment model was utilized.
- In evaluating risks, consideration was given to two crucial metrics or parameters:
    - Consequences/Severity: This metric assessed the potential seriousness or impact of each risk in the event of its occurrence.
    - Likelihood/Probability: This metric evaluated the probability or likelihood of each risk materializing.
- By incorporating these metrics into the risk assessment process, a comprehensive understanding was gained regarding both the potential severity and probability of each identified risk. This approach facilitated effective risk management and enabled informed decision-making based on a thorough analysis of the associated risks.
    - Validation team confirmed that the monitoring plan contains all necessary parameters, that they are clearly described and that the means of monitoring described in the plan complies with the requirements of the applied methodology VCS Module VMD0007 Version 1.0, REDD Methodological Module: Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP), And, Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry, Version 3.1, September 15, 2022. And the Planetary Carbon standard. The project involves measuring, recording, reporting, monitoring and controlling of various key parameters of the project site. These monitoring and controls would be the part of the Control Systems proposed for the project activity.
- Evidence indicated that the project proponent has successfully identified and implemented appropriate measures to execute the proposed monitoring plan. Qualified and experienced individuals have been engaged by the project to carry out monitoring activities. Standard log sheets and formats are maintained by the project for the recording of monitoring parameters. A tabular format outlines the parameters to be monitored during the crediting period and is provided to the designated individual. Adequate training has been provided to individuals to ensure their competence in maintaining relevant monitoring records, enabling them to manage monitoring tasks autonomously. As part of the monitoring mechanism, project team is committed to keeping the records In the Planetary Cabon standard, real time monitoring registry.

ii) Implementation of the plan:

- The monitoring arrangements described in the monitoring plan are feasible within the project design;
- The means of implementation of the monitoring plan, including the data management and quality assurance and quality control procedures, are sufficient to ensure that the emission reductions achieved by/resulting from the project activity can be reported and verified.

The assessment has been conducted by the validation team by means of reviewing of the documented procedures, interviewing with relevant personnel, project plans and inspections of the project activity site.

4.4 Carbon Management Assessment

Sri Lanka Climate Fund Validation Division hereby confirms that the CMA complies with the latest forms of the guidance documents for completion of CMA version 3.0 is comply with Sri Lanka Carbon Crediting Scheme.

4.5 Changes of the Project Activity

The project has already been implemented and did not change the project activity during the crediting period.

4.6 Environment Impact

Implemented through the Tokenize Amazon project, the project proponent has sought to safeguard threatened forestlands from years of deforestation risk. Originally owned by the Federal Government of Brazil, the lands designated for this project were legally released by the government authorities under an authorized mechanism for conservation purposes.

Under the granted authority, the project proponent conducted the following management activities on the project site:
• Shielding the forestland from illegal logging, encroachment, and mining.
• Establishing a forest inventory through on-site measurements.
• Engaging in periodic monitoring of the project activity to calculate changes in carbon stocks.
• Mobilizing the community to sustainably utilize forest resources while preserving the forest cover.

These activities have generated positive environmental impacts. Furthermore, the project is situated in an area characterized by significant soil erosion due to insufficient vegetation cover. The conservation project is anticipated to deliver favorable outcomes in terms of soil erosion control. The extensive root systems of trees contribute to water retention in the soil and the reduction of runoff velocity. Additionally, the project's efforts to expand forest cover are expected to enhance soil fertility and microbial activities. As a result, the project activity has demonstrated a beneficial influence on soil conservation.

4.7 Comments of Stakeholders

The project proponent conducted an organized stakeholder consultation at Mato Grosso, Brazil, aiming to gather insights, feedback, and reflections from project stakeholders and beneficiaries.

Participants:

- Honorable Almir Surui: United Nations Award Winner, Indigenous Leader of the Surui Indigenous Community.
- Mr. Jorge dos Santos: Small Farm Co-op leader.
- Mr. Sanzio Maciel: Engineer, Entrepreneur, CEO of Tokenize Amazon Project.
- Mr. Francisco Jose Coelho Maciel: Senior Biologist of the University of the Estate of Mato Grosso, Chief Biologist of Tokenize Amazon Project.
- Mr. Murilo Dias: Lawyer, Legal Adviser of Tokenize Amazon Project.
- Mr. Bruno Dantas: Adviser for technological implementation of Tokenize Amazon Project.

- General Members of the Surui Tribe.

After all meeting members had described their concerns, needs, and potential alternatives to enhance the lives of Indigenous Communities, the following terms were unanimously agreed upon:

- Honorable Chief Almir Surui worked as a Special Adviser for the Tokenize Amazon Project, assisting in implementing policies related to Indigenous Communities.
- TOKENIZE AMAZON PROJECT sought financial aid to purchase Long-Range Drones for participating Indigenous Communities.
- TOKENIZE AMAZON PROJECT trained and employed a community member to operate and provide technical support for the Long-Range Drone.
- TOKENIZE AMAZON PROJECT implemented a program of Medical Consultation by Video Conference, offering pre-natal consultations to Indigenous women, combating sub-nutrition in Indigenous children, and seeking partnerships to provide free medical prescriptions.
- TOKENIZE AMAZON PROJECT purchased and installed satellite internet in participating Indigenous Communities, enabling the Medical Consultation program and transmitting drone images of land invasions to alert authorities and expedite responses.
- All participants committed to pressuring local and national authorities to enhance means of combating illegal logging and mining within Indigenous Lands, while raising awareness about the dire situation of most Brazilian Amazon Indigenous Communities.

5. VALIDATION OPINION

Rainforest Token has granted the SLCF Validation Division to conduct the validation of Tokenize Amazon Project with regard to the relevant requirements of the SLCCS for GHG removal project activities, as well as criteria for consistent project operations, monitoring, and reporting. The validation team confirmed that the project is REDD project applied BCR0002_Methodological-document-REDD-projects-v3.0 and the project is bundled small-scale project.

The validation consisted of the following phases:

i. Desk review of the CMA and additional background documents.
ii. Follow-up interviews with project stakeholders.
iii. Issue of checklist with corrective action requests (CARs) and the draft validation report
iv. Desk review of revised CMA applying BCR0002 Methodological-document-REDD-projects-v3.0 and approved VCS Module VMD0007 Version 1.0
v. Review of proposed corrections and clarifications
vi. Issue of the final validation report and opinion
vii. Resolution of outstanding issues and the issuance of the final validation report and opinion.

In the course of the validation one (01) Corrective Action Request (CAR) was raised and it was successfully closed.

The review of the CMA and additional documents related to baseline and monitoring methodology, the subsequent background investigation, follow-up interviews and review of comments by parties, stakeholders have provided SLCF Validation Division with sufficient evidence to validate the fulfilment of the stated criteria.

In detail the conclusions can be summarized as follows:

The project aligns with all relevant SLCCS requirements for carbon credits. This is to be verified at verification. Further the project activity is in compliance with the requirements set up by the applied approved BioCarbon Registry methodology BCR0002 Methodological-document-REDDprojects-v3.0 and approved VCS Module VMD0007 Version 1.0

The monitoring plan is transparent and adequate.

The calculation of the project emission removals is carried out in a transparent and conservative manner, so that the calculated emission reductions are most likely to be achieved within the crediting period.

The conclusions of this report show that the project, as it was described in the project documentation, is in line with all criteria applicable for the validation.

The estimated net emission removals to be achieved during the project crediting period is 7,743,020 tCO_2e after making provisions for 10% buffer stock for future emergency incidents.

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Harshani Abeyrathna
Internal Technical Reviewer

Date : 13.10.2023

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Chamara Ariyathilaka
Team Leader

Date : 13.10.2023

6. REFERANCES

Documents provided by the Client that relate directly to the project

1. Carbon Management assessment (CMA) for Small-Scale project Activity
2. Copy of deed of the project site.

Documents referred by the validation team that relate directly to the project

3. CDM Validation and Verification Manual
https://cdm.unfccc.int/public_inputs/2008/VVM/vvm.pdf

4. CDM REDD+ Cookbook
https://redd.unfccc.int/uploads/4872_1_cookbook_en.pdf

5. IPCC guideline on national greenhouse gas inventories (2006)

6. VCS Module VMD0007 Version 1.0, REDD Methodological Module:
https://verra.org/wp-content/uploads/VMD0007-BL-UP-v1.0.pdf.

7. Quantification of GHG emissions Reductions REDD+ Projects BioCarbon Registry,Version 3.1, September 15, 2022
https://biocarbonregistry.com/methodologies/BCR0002_Methodological-document-REDD-projects.pdf

8. Planetary Carbon Standard.
https://planetarycarbonstandard.gitbook.io/pcs-documentation/standards/planetary-carbon-sequestration-standard-pcss

9. CDM Methodology Booklet
https://cdm.unfccc.int/methodologies/documentation/meth_booklet.pdf#AMS_I_D

7. APPENDIX

Appendix 01: Validation Team

Mr. G A M C Ariyathilaka	**Sri Lanka Climate Fund**	**Team Leader / Technical Expert** Educational Qualification: B.Sc. Engineering (Chemical and process) He has more than 8-year experience in GHG verification in the industrial sector ranging from service facilities to various industrial processing facilities. He has successfully completed management system ISO 14064 and has been working as the team leader for the verification team of Sri Lanka Climate Fund which has been accredited for organizational GHG verification against ISO 14064-3. Being a project specialist for the GEF funded Bio-Energy Technology Project, he has contributed to develop MRV system for commercial biomass energy generation systems. Further he has engaged in development of project design document for the Clean Development Mechanism (CDM)
Mr. Himarsha Rajapaksha	**Sri Lanka Climate Fund**	**Team Member** He has a B.Sc. (Hons) degree specializes with Environmental Management and Forestry and reading an MBA degree in Brittany Université; and VERN' University.

Ms. Wageesha Alankara	**Sri Lanka Climate Fund**	**Team Member** She has a B.Sc. (Hons) degree in Agriculture specializing in Postharvest Horticulture and engaged over 10 verification assessments conducted by SLCF
Ms. Harshani Abeyrathna	**Sri Lanka Climate Fund**	**Internal Technical Reviewer** She has a Bachelor's degree in Eco-Business Management, and completed Lead Auditor training programme for ISO 14001:2015. She has completed over 20 greenhouse gas verifications of annual GHG inventories as a verifier for different industries with 2 years of experience and as an independent reviewer over 20 greenhouse gas verifications.

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Business Function	Validation of Project Activity
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Revisions

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01.0	21-08-2019	Initial issuance
02.0	20-10-2019	Editorial changes
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