



PROGRESS REPORT

Third Quarterly Report (Q4Y2) October to December 2016

Korea-Cambodia REDD+ Joint Project

Implementing Agency: Forestry Administration

Phnom Penh, Cambodia January 2017

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I. Introduction

The Forest Administration (FA) signed a MOU with Korea Forest Service (KFS) on 10th December 2014 to implement the project namely Korea-Cambodia Reducing Emissions from Deforestation and Forest Degradation (REDD+) Joint Project (KCRP). The project is implementing within 4 years (2015-2018) which covers an area of 70, 042 hectares in Kampong Thom province. The FA is a project implementation agency with financial support from the KFS, the Wildlife Works Carbon (WWC) is a project carbon developer. The project aims to contribute to the long term greenhouse gas emission reduction from forestry sector and enhances livelihood of targeted forest-depended community in the project area through the implementation REDD+ program. The project seeks to certify under VCS and CCBA standard for issuing its REDD+ verified credits.

Report Timeframe

This is a quarterly report (01 October – 31 December 2016), the report was consolidated from individual project specialist's report and field project semi-report. The project specialists' reports are available up on request.

II. <u>Progress on the Project Management, Administration, and Stakeholder</u> <u>coordination</u>

 The Tumring-REDD+ Project's webpage was designed and developed, the webpage will be used as a basic tool to disseminate project related information, the achievements of the project. The web will be used to post the Tumring-REDD+ PDD (both Khmer and English version) for the public comment. The PMU will continuously post updated events, and information on the ground and published documents related to Tumring-REDD+ Project on this site (<u>http://www.tumringredd.org/</u>).

III. <u>Results against project specific objectives</u>

Objective1: Obtain forest carbon credits from the Korea-Cambodia Joint REDD+ implementation. Through the project implementation process, the project aims to bring REDD+ credits to the volunteer carbon market and it is subjected to be certified under CCBA and VCS standard.

VCS&CCB PDD Development

- The first draft of Tumring-REDD+ PDD is being developed by the Forestry Administration and Wildlife Work Carbon (WWC). The first draft of the Tumring-REDD+ PDD will be ready prior to the 2nd Tumring-REDD+ Project Board Committee Meeting which will be held in Phnom Penh, Cambodia from 22 to 23 February 2017. The first draft of the Tumring-REDD+ PDD will be translated and summarized into Khmer Language.
- With support from WWC, the PMU received three quotations from Validation, Verification Body (VVB) for Tumring-REDD+ Project. The validation and verification fee was ranging by different VVBs including the travel cost for validator's field visit. The PMU is reviewing the VVB proposal, the VVB selection will be identified based on the approval from KFS and FA. The three VVBs are (1) SCS1, (2) TÜV SÜD South Asia Private Limited², and (3) Rainforest Alliance³.(Annex I: detail quotation of the VVBs)

¹ <u>https://www.scsglobalservices.com/carbon-offset-verification-forest-and-land</u>

² <u>http://www.tuev-sued.de/management_systems</u>

³ <u>http://www.rainforest-alliance.org/</u>

Table1: Cost for Tumring-REDD+ Validation received from the three VVBs				
VVB Name	Cost	Note to the cost		
Rainforest Alliance				
Fees	\$33,850	Including auditor fees for preparation, logistics, field auditing, and report writing. The amount indicated as "Grand Total" does not		
Audit team travel expenses		include local, national, and other taxes that may		
(airfare, hotel, meals)	\$1,850	vary by location		
Total	\$35,700			
SCS Global Services (SCS)				
Fees	\$42,000			
Audit team International travel expenses (airfare, hotel,	¢2,000	The local travel costs (within the project area) are NOT included in the given fees and need to		
meals)	\$2,000	be borne by the client		
TÜV SÜD South Asia Private	\$44,000			
Fees	\$26.000			
Audit team travel expenses	<i>+</i> , ~~	Estimation, the cost will be adjust base on client.		
(airfare, hotel, meals)	\$2.500	not include local travel		
Total	\$28,500			

Forest Carbon MRV&FREL/REL

- The WWC provided the last training course on Stand Operational Procedure (SOP) on Leakage Plot Sampling with Densiometer (Crown Canopy measurement) to the Biomass Field Team and the PMU members). The plots location are in a part of Prey Long landscape). The training was held from October 27-November 2, 2016. During the training the team tested the SOP by conducted measurement of some plots and conducted QA/QC for forest biomass inventory. The lesson learnt from the training were collected to adjust the current version of the SOP-Leakage (Annex II: SOP for Leakage Plot Sampling with Densiometer).
- The WWC (Mr. Simom Bird, Forest Carbon Specialist) conducted Quality Assurant and Quality Control (QA/QC) of the 6 plots among 128 Permanence Sample Plots (PSPs) that had been established in the Project Accounting Area (PAA). The PSPs-QA/QC aims to find out whether the biomass team members conducted measurement followed the Forest Biomass-SOP, to check the status of the plots, and the last, is to make sure the PSPs were well established in accordance to the coordinates provided by WWC. The result from the QA/QC on the SPSs was satisfied by WWC-Forest Carbon Expert.
- The PMU members and field assistants conducted crown canopy measurement in the Leakage area from December 14-28, 2016, the team collected data for 18 plots among 35 plots provided by WWC. The team will finish this task by January 2017. It is noted, the challenges for field collection data of the plots are (1) one plot located (plot no.21) in the swamp forest where the team members could not reach plot location and (2) most of the plots situated in the deep forest which made the team could not access easily. The leakage area is situated in the part of the south west of the project area which is under jurisdictional management area of Ministry of Environment (MoE).

The Calculations of the Project Net Emission (NERs)

• The calculation of NERs has been completed using the latest carbon inventory, proxy and leakage data. NERs (which equate to estimates of carbon credits for the Project) will turn into VERs (Verified Emission Reductions) once the Project is verified. While the calculation of NERs is accurate and up to date, it is noted that there could be minor changes to the final value prior to submission to the auditor for the first verification event. The current calculation for the average NERs for the 30-Year Project is 327,741 tCO2e/yr. The NERs are dependent on the Risk of Reversal Buffer deduction, which in turn is dependent on our calculation of the Risk of Reversal Score. Therefore, as filling in the (minor) gaps for the risk of reversal analysis, the NERs could change slightly. However, if any other factors that feeds into the calculation of NERs (i.e. Project Area, emission factors for various carbon pools) changes before submitting to the VVB for validation, the total NER values could change slightly. The procedure and methodology to calculate NRSs/Model will be written more detail in the VCS-CCB PDD. (Annex III: summary of Tumring-REDD NER Estimates v2).

Development of draft VCS Risk Buffer and Additionality PD Sections

- VCS Risk of Reversal Analysis and Buffer Contribution, The WWC conducted an analysis with FA that yielded a Risk of Reversal Score for the Tumring-REDD+ Project and calculated a total risk score of 18. This score represents the percentage of Gross Emission Reductions (GERs) that must be deducted and placed into the Risk Buffer (according to the VCS guidance). Please refer to attached final draft of the Risk of Reversal tool and guidance for more information on our assumptions for the various risk categories. The following should be noted. There are several items that need to be finalized, and this could affect the risk score, but PMU and WWC don't anticipate any major alterations to the score. For example, the calculation would need to include the Net Present Value (NPV) analysis along with the report, for analysis, the Tumring REDD+ project also need to have proof (literature, interview, etc.) of the natural risk assumptions, according to WWC there are already had a very good base of information and that the current Risk Tool is highly representative of the actual risk of the Tumring REDD+ Project. We simply will need a few final gaps filled before submitting to the VVB (Annex IV: Tumring REDD Project Non-Permanence Risk Report)
- Additionality PD Sections, Evidence of additionality consists of a subjective description within section 4.6 of the PD that follows guidance from the methodology VM0009. Therefore, because WWC wrote the "rules", WWC confirm they are very strongly about the quality of development of additionality argument for Tumring REDD+ Project. As it stands now, WWC have opted to use "financial analysis" to prove that the Project is additional (i.e. the Project requires carbon finance to be effective in stopping the drivers of deforestation). The PMU develop a propose 30 Years Financial Plan for Tumring REDD+, this figure was used by WWC to develop the Project Financial Analysis. The WWC and the PMU will need show the auditor the sources of financial conclusions, especially break-even financial analysis and budget. WWC and PMU will need to provide sufficient evidence such that the auditor can reach the same conclusion: that the Project requires funding in order to be effective. This is how the Tumring REDD+ Project will be shown as "additional", so it's important that the entire team (FA, WWC, etc.) understands this additionality approach (Annex V: Additionality(G2)).

Community and Biodiversity Monitoring Indicators Designing

The community section of the PD has been completed for project validation. The PMU is staring to collect, store, and conduct social information analysis from January 2017 in accordance to the community monitoring indicators developed for Tumring REDD+. These results will be reported specifically in the Tumring Project Implementation Report to be submitted to the VVB before the verification to proof the social cobenefits in combination of the issuing Tumring REDD+ credits. The PMU developed social information database and defined the methodology in collecting, storing, and modeling information for social co-benefits. The system in collecting information will

be improved after getting advice from the validator, and the results from piloting the system on the grounds. In 2017, the PMU will conducted households survey.

 The Biodiversity Monitoring Indicator (BMI) has been in the step of the final draft, the PMU with support from the WWC, based on the results from the biodiversity assessment in the Tumring Project Area, and the advices from the wildlife conservation NGOs the PMU developed Biodiversity Monitoring Indicators, however, there is a need to get consultation more with Seima REDD+ Biodiversity Team over the methodology to collect biodiversity for Tumring REDD+ Project. It is acknowledged that this assignment to be completed prior to the validation.

Objective2: Increase livelihood of forest dwellers within target Korea-Cambodia Joint REDD+ implementation site. The project will improve livelihood of forest depended communities who are living inside and adjacent the REDD+ project site.

Forest protection, support CF development, and local stakeholder coordination

 In this quarter, the Tumring-REDD+ project supports 14 community forestry groups, and FIU to conduct regular forest patrol and forest law enforcement. Each community forestry group, and FIU submitted their monthly report against payments to the PMU. All forest patrol reports from community groups and FIU were properly stored in the project filing system. As results, the community forest patrol teams, and FIU achieved a great results in combating deforestation and forest degradation in the project area as below:

Month		Physical result of the forest law enforcement
Oct 2016	•	Confiscated 04 chainsaws, 01handed-tractor, 01 motorbike, 02 machetes, 02 axes,
		01 tractor.
	•	Confiscated 18m ³ of logged (equaled 9.392m ³⁾ , and removed 01 illegal squatting.
Nov 2016	٠	Confiscated 10 chainsaws, removed 33 charcoal kilns, removed 05 illegal squatting
	٠	Confiscated 89 plywood (equal 5.152m ³)
Dec 2016	٠	Confiscated 8 chainsaws (02 Chainsaws were confiscated by Khum Sochet
		Community Forestry Members, and 01 chainsaw was confiscated by Cham Smach
		Community Forestry Members)
	٠	Confiscated 10 handed-tractors, and 15 motorbikes from the illegal timber loggers
	٠	Removed 41 charcoal kilns
	٠	Confiscated 12 machetes from illegal timber loggers
	•	Confiscated 01 buffalo-cart which carried 08 logged
	٠	Confiscated 13 logged woods (equaled 7.839m ³) and plywood (equaled15.211m ³)
	٠	Mixed-fire wood (equaled 7.82 steer)
	٠	Confiscated 02 tractors
	•	Cached 19 illegal forest land clearers
* • • •		

Table 1: Results on forest law enforcement made by community forestry group and FIUMonthPhysical result of the forest law enforcement

* Note: all detail illegal confiscated tools were recorded in project database system for the purpose of reporting the results of the project implementation to donor, governments and project validator.

Objective 3: enhance capacity of key different stakeholders to effective REDD+ implementation. The project will improve capacity of targeted communities and government stakeholders.

The finalization of the project activities on the consultation and dissemination on FPIC, the activities led by the PMU-Community Engagement Specialist was completed in this quarter. The activities were last conducted in the two community forestry (Rong Knay and Trapeng Tralarg Village), and in one village (Khos Village). The consultation and dissemination event participated by 102 community members (76 women), most of them were community forestry members and non-CF members. The FPIC agreements will be signed by the representative of the community forestry (the Chief of Community Forestry Administration Cantonment in the next Quarter of Year 3 of

the Project, these FPIC agreements will submitted to the validator and be placed in the PD and the project's webpage.

Table 2: Villages and CF member received consultation	and dissemination on
Tumring -REDD+ FPIC	

	Tunning -REDD+ FFIC				
N.o	Village Name	CF Name	Date	CF members	Women
1	Khos		24 Nov 2016	33	27
2	Rong Knay	Lbos Srol	20 Dec 2016	30	18
3	Trapeng Tralarg	Prey Hong Cham Text	21 Dec 2016	39	31
	Total			102	76

 Conducted meetings with Community Forestry Management Committee (CFMC) and consulted Tumring-REDD+ FPIC agreement with 08 CF which participated by 85 CFMCs (19 women), the meeting was focus on each article of the proposed Tumring -FPIC prior to singing the FPIC agreement between FA and Representative of CF. The meeting was also discussed on the challenging on forest law enforcement inside community forestry managed area, and find out strategy to improve forest law enforcement, and stakeholders coordination.

<u>Table 3: Community Forestry Management Committee conducted on Tumring FPIC</u> and CF Forest Law Enforcement.

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No.	CF Name	Date	CFMCs	Women	
1	Nak Tala	22 Nov 2016	5	0	
2	O' Thmor	22 Nov 2016	6	0	
3	Cham Smach	22 Nov 2016	18	2	
4	Rom Cheak	23 Nov 2016	7	0	
5	Khum Sochet	23 Nov 2016	18	2	
6	Sre Pring	24 Nov 2016	4	1	
7	Lbos Srol	20 Dec 2016	9	2	
8	Hong Cham Text	21 Dec 2016	18	12	
	Total		85	19	

- In total 187 participants (96 women) attended the FPIC dissemination, the meetings on results of law enforcement and challenges faced when conducting patrolling and consultation on agreement on participation of community forestry in the implementation of Tumring REDD + Project within eight community forestry and the night villages.
- The PMU conducted a meeting with the Kampong Thom FA cantonment on the proposing new community forestry in the Hydrological Forest Conservation Area (HFCA). The HFCA was effected dramatically deforestation in the past, although the PMU and local FA put a lot of resources and efforts to address drivers of deforestation and forest degradation in this area, however, deforestation still increase within the HFCA, this is according to the data of the forest cover assessment in 2016. As evident shown in the past five years, in the community forestry managed area, the forest resources and forest cover remaining well preserved, less deforestation, and with low-cost of investment from the project. The PMU and Kampong Thom FA cantonment decided to propose four potential areas inside the HFCA to establish community forestry. In the Q1 of Year 3 (2017), the PMU and FA will conduct meeting with community members, local authorities, and other provincial stakeholders conduct forest demarcation, develop propose CF mapping, and will seek for approval from the Ministry of Agriculture Forestry and Fisheries (MAFF) to establish four community forestry.

IV. Project Planning and Budgeting

• PMU conducted a meeting among members, the PMU quarterly meeting to review the progress made over quarter, identify challenges, and review the quarterly work plan and budget. The PMU developed Budget and Work-plan for Year3 (2017) and Q1Y3 (Jan-March 2017) which align with the four year work program of the project. The Year 3 work plan and Q1/Y3 work plan will be attached with annual report.