TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **14.1.2021**

Version **4.0**

A. To be completed by Gold Standard

1| Decision

1.1 | Date – 30/05/2023

1.2 | Decision

The deviation request is **Approved** considering the following:

The deviation request is about the development of an assessment to determine eligible areas to issue GS VERs. The project developer has submitted their inability to process the RS images due to cloud cover. As an alternative, the project developer proposes to apply an official report, *Nivel de Referencia de Emisiones Forestales por Deforestación del Ecuador Periodo 2001 – 2014.(* MAE, 2020*)*. The report proposed to be used is established to be from official source as the same is part of the host country's submissions to UNFCCC, and hence is in line with paragraph 1.1.7 of Annex C of LUF Activity Requirements. Two data sets from the official source seems to be applied: One coinciding with 10 years prior to the start date of the project (2009), and the second include data sets from 2014.

There are no specific bands of accuracy suggested for data from official sources. Hence, application of the data sets from official source, even if the reported accuracy is less

than 90% is allowed. Since use of more data sets brings in more confidence to the assessment, application of data from 2009 and 2014 is also allowed.
The assessment after 2014 till the project start date seems to have continued based on ground inventory to establish eligibility of the land. Available RS images for the period has been assessed by the project developer, and inability to process them owing to cloud cover has been expressed. The latest official data is from 2014, and it is claimed that there has been a continuous ground-based data collection, analyses, along with demonstrable evidences that the land area continue to be eligible as per the applicable conditions.

Under this circumstance, the approach applied to develop an assessment to determine eligible areas is allowed as a deviation.

The Project developer shall document the deviation request, its implications, and GS' decision in the appropriate section of the GS documents.

The validating VVB shall, through appropriate means at its disposal, evaluate the Project's compliance with the above condition and provide its opinion in the Validation Report. VVB shall evaluate the evidence provided pertaining to eligibility of areas.

SustainCert shall review both the PD's response and the VVB's assessment/opinion of the same and take appropriate steps.

1.3 | Is this decision applicable to other project activities under similar circumstances?

No

B. **To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation** (Submit deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	DEV_442	
Date of decision	30/05/2023	
Precedent (YES/NO)	No	
Precedent details	NA	
Date of submission	02/02/2023	
Project/PoA/VPA	Project	ID – GS11131
	☐ PoA	ID – GSXXXX
	☐ VPA	ID – GSXXXX

Project/PoA/VPA title	Conversion of intensive agricultural systems to dynamic agroforestry systems for sustainable cocoa production in Ecuador
Location of project/PoA/VPA	Ecuador
Scale of the project/PoA/VPA	☐ Microscale ☒ Small scale ☐ Large scale
Gold Standard Impact Registry link of the project/PoA/VPA	https://registry.goldstandard.org/projects/details/3086
Status of the project/PoA/VPA	☒ New ☐ Listed ☐ Certified design ☐ Certified project
Title/subject of deviation	Accuracy assessment
Specify applicable rule/requirements/methodology and version number	LUF Activity Requirements, Version 1.2.1, Published April 2020 1.1.6 The following information/data should be reported in the PDD: vi. Include a description of how the accuracy assessment was conducted (e.g. how the assessment points were selected and how the confusion matrix was prepared and interpreted). The accuracy must be calculated and reported on class-by-class and for the overall classification. The accuracy assessment of the classification must be conducted using ground-truth data (surveys) or remote sensing imagery of higher resolution of that used for the classification. The minimum overall accuracy for each class should be 90%.
Specify the monitoring period for which the request is valid (if applicable)	Start date End date
Submitted by	Contact person name: Chetan Aggarwal, William Garrett Email ID: c.aggarwal@southpole.com w.garrett@southpole.com standards@southpole.com

	Organisation: South Pole Carbon Asset Management Ltd.
	Project participant: Yes ☒ NO☐
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	Yes ☐ NO☐ If yes; VVB name:TUV Nord Auditor name: Alexandra Nuske

3| Deviation detail

3.1 | Description of the deviation:

**Guidance* Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for requesting deviations, given in the Deviation Approval Procedure/ Design Change Requirements.*

3.1.1 | Deviation detail (to be completed by Project developer):

South Pole Carbon Asset Management is requesting deviation for the project ID GS11131"Conversion of intensive agricultural systems to dynamic agroforestry systems for sustainable cocoa production in Ecuador". The project aims to transform conventional cocoa systems to free exposure and other crops, which is carried out using Dynamic Agroforestry Systems (DAF) in small cocoa plots in different regions of Ecuador, thereby, ensuring increase in the productivity of cocoa cultivation and generates increased income for producers.

The project includes the establishment of small agroforestry plots, typically with an area ranging between 0.2 and 1.5 ha each, across a large area. This aligns with the definition of forest in Ecuador which is a natural or cultivated plant community of at least 1 ha, with trees at least 5 m high and with a minimum of 30% canopy cover or vegetative aerial layer. According to the methodology, to carry out the eligibility, only plots larger than 0.2 ha are selected. This decision was made based on a discussion between all the project partners. Although there are some eligible project areas that are smaller than 0.2 ha. these areas have NOT been included in the project due to the extra cost that would be required to map and monitor such small plots.

Although each plot has a small area, the plots are dispersed throughout the entire western side of Ecuador. This means that 7 satellite images are required in order to cover the entire project area.
For assessing the Forest/Non-forest analysis, as part of the eligibility process for the project, the Project Developer evaluated several sources of information:

- LandSat
- Sentinel
- Google Earth

The details of the satellite images consulted are in the document named "20230414_Satellite_Image_Report".

From these sources, it was concluded that 50% of the area was covered by clouds, meaning that it was not possible to conduct properly the required analysis in these areas.

As an alternative, the project developer identified the Reference Level of Forest Deforestation Emissions from Deforestation (MAE, 2020. *Nivel de Referencia de Emisiones Forestales por Deforestación del Ecuador Periodo 2001 – 2014.* https://redd.unfccc.int/files/06.01.2020_nivel_de_referencia_de_emisiones_forestales_de_ecuador_2001-2014.pdf), i.e. the project developer is seeking the application of data from an official source as per paragraph 1.1.7 of Annex C of LUF-AR v1.2.1. This study contains the relevant information, such as forest and non-forest change over the period 2008-2014 and the accuracy levels of the study., to conduct the eligibility assessment.

The proposed process in using the report "Nivel de Referencia de Emisiones Forestales por Deforestación del Ecuador Periodo 2001 – 2014"; and the remote sensing products coming from official sources to the proposed project area, is based on MDA (2020), which refers to consulting the MDA (2017), the following is available: The reference level of the country is built from Landsat images (4, 5, 7, and 8), with a resolution of 30m and a temporal resolution of 16 days. Satellite images are collected from January to December of the year of analysis and to fill information gaps due to the presence of clouds, satellite images are collected from the period between July and December of

the year prior to the analysis. Satellite images have a pre-processing that consists of geometric and radiometric correction.

To obtain the land cover, a supervised classification is carried out through a Random Forest algorithm that is trained with training areas. Field data is collected to improve the accuracy of the supervised classification and visual editing is done seeking to solve problems in the supervised classification.

Ecuador reference level accuracy is based on Olofsson et al., (2013), with stratified random sampling, to result in overall supervised classification accuracy, user accuracy, and producer accuracy.
The purpose is to describe the methodology used to obtain the land covers of the reference level of the country.
The country's spatial information (Reference Level of Forest Deforestation Emissions from Deforestation) does not include cloud areas or cloud shadows, since as mentioned in the MDA methodology (2020), these were completed in the process with satellite images from previous years.

However, when reviewing the Accuracy report for this study, the source states that the accuracy is 87% which is below the 90% minimum mandatory stated in the LUF Activity Requirements.

Considering that this study corresponds to a National Document, developed by the Ministry of the environment, water and Ecological transition (http://ide.ambiente.gob.ec/mapainteractivo/) and the national forest monitoring system SNMB, and then evaluated by independent assessment of data accuracy of activity for payments for program results REDD Early Movers (REM) Ecuador, conducted by AGP Geospatial Company in 2020, it is considered the best source available.
Because of the reasons described above, the Project Developer is requesting a Deviation to GS, in order to accept an accuracy of 87% instead of the stated accuracy required which is 90%.

The project guarantees that the calculations are done in a conservative manner, complying with Ecuadorian regulations. The nature and scope of the methodological change is in response to the impossibility of finding cloud-free images over the project

areas. The only alternative is to use this information at the country level, although it doesn´t meet the 90% accuracy level. This deviation is not intended to overestimate the results and is only due to reasons beyond our control.

For the monitoring processes, forest plots and a possible stratification of the plots are proposed due to the wide variability of the project area and the distribution of the plots throughout the country. In case of finding cloud-free satellite images for the monitoring periods, these will be considered.

The deviation request also to the supervised classification at the time of the Project Start date due to the high cloud cover in the project area. This process is described in detail in the attached document which has been extracted from the PDD. (See: Eligibility section from PDD for GS deviation request).

3.1.2 | VVB opinion (to be completed by VVB, if applicable):

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3.2 | Assessment of the deviation:

**Guidance* Use the space below to describe how the deviation complies with the requirements, and, where applicable, the accuracy, completeness and conservativeness is ensured. Please include all relevant information in support of the request.*

3.2.1 | Deviation assessment (to be completed by Project developer):

The conservativeness of the eligibility assessment is not affected as a result of this deviation because all of the project areas are located in highly transformed areas and each participating farmer has also filled out a form that describes the land cover at the time of planting and provided pictures of the project area prior to establishing the project activity.

In summary, the independent assessment of data accuracy of activity for payments for program results REDD Early Movers (REM) Ecuador, combined with the pictures and the forms provided by the farmers have been used for the eligibility analysis, to ensure that all the project areas are located in areas with a non-forest land cover over the past ten years i.e. they are eligible.

3.2.2 | VVB opinion (to be completed by VVB, if applicable):

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3.3 | Impact of the deviation:

**Guidance* Use the space below to describe the impact of the deviation on project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk or any other relevant aspect of the project. Please substantiate the impact assessment with relevant and verifiable data/information.*

3.3.1 | Impact assessment (to be completed by Project developer):

The requested deviation will have no impact in the following elements of the project:

- ✓ Project Design: The project areas are located following the eligibility criteria given by the GIS analysis and the onsite analysis of each specific area to ensure they are all located on eligible land.
- ✓ Safeguarding Principles Assessment: The safeguards are not affected, and their compliance continues as stated in the Activity Requirements, with no impact because of this deviation.

- ✓ SDG Assessment: The SDGs assessment is not affected, and its reporting continues in as stated in the Activity Requirements, with no impact because of this deviation

- ✓ Emissions Reductions: Emissions reductions are not affected, and its calculation continues in the regular way, as stated in the Activity Requirements and all the regulatory documents.

- ✓ Monitoring Frequency: This element does not change because of the Deviation Request and will be scheduled in accordance with the existing the monitoring plan.

- ✓ Data Quality: The data collection and record will not be affected by this Deviation Request.

- ✓ Potential Risks: This deviation request does not increase any potential risks of the project.

- ✓ Other aspects: No other aspects were identified to be affected by this deviation request.

3.3.2 | VVB opinion (to be completed by VVB, if applicable):

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3.4 | Documents:

**Guidance* List of documents provided (note that once a decision has been made by Gold Standard, this deviation form along with supporting documents will be made public on the Gold Standard website. If any of the supporting documents are confidential, please indicate here to ensure they are omitted.)*

- Informe independiente de exactitud del mapa de cambios de cobertura y uso de la tierra para el período 2008-2014 (Metodología del segundo nivel de referencia de emisiones por deforestación)