



Suruí Forest Carbon Project Loss Event

The [Suruí Forest Carbon Project](#) is a REDD+ project of the Suruí Paiteir indigenous people aimed at preventing deforestation of over 12,000 hectares of Brazilian tropical forest. The project completed validation under the VCS Program in 2012 and subsequently completed verification of 299,895 tCO_{2e} emission reductions and removals achieved from June 2009 to July 2012. 48,366 of those emission reductions were deposited as buffer credits into the [VCS AFOLU Pooled Buffer Account](#), leaving the project with 251,529 tCO_{2e} to be issued as Verified Carbon Units (VCUs). The project issued the full amount of 251,529 VCUs, which have all been retired since. In 2015, the project began suffering from the impact of intense illegal mining activities in the project area that were not originally anticipated by the project. The purpose of this document is to explain the steps that will be followed by the project proponent and Verra to ensure the permanence of the VCUs originally issued to the project.

Section 6.3.1 of the VCS [Registration and Issuance Process](#) requires that projects submit a loss event report in case an event occurs that is likely to qualify as a loss event (see VCS document [Program Definitions](#) for definition of “loss event”). The illegal mining activities occurring from 2015 within the project area likely led to a loss event, and the project submitted a loss event report accordingly. The loss event report estimated that the volume of the loss event was 452,554 tCO_{2e}.

Section 6.3.1(4) states that Verra will put buffer credits on hold in an amount equivalent to the estimated loss stated in the loss event report. However, in this situation, since the loss event was estimated as an amount larger than the total amount of VCUs issued to the project to-date, the amount of the buffer credits Verra has put on hold is equivalent to the total amount of VCUs issued to the project to-date (251,529). The rationale for this is that the purpose of putting buffer credits on hold is to “set aside” buffer credits in the event they need to be cancelled as a means to ensure the permanence of VCUs issued to the project. It would therefore be illogical and unnecessary to put buffer credits on hold in an amount greater than the amount of VCUs issued to the project to-date.

In terms of next steps, Section 6.3.2 of the VCS [Registration and Issuance Process](#) sets out subsequent action that will be taken in respect of the buffer account if and when the Suruí Forest Carbon Project undertakes another verification. At a high level, where the next verification confirms that a reversal has occurred, buffer credits will be cancelled from the buffer account in an amount equivalent to the reversal (not to exceed the amount of VCUs issued to the project to-date). Where the verification shows that the project has made up for carbon stock losses via gains in other parts of the project, buffer credits will be released from their on-hold status, and the project will be eligible to issue VCUs. Note that, per Section 6.3.4 of the VCS [Registration and Issuance Process](#), if the project fails to submit a new verification report within 15 years, Verra will automatically cancel buffer credits to ensure the permanence of VCUs issued to the project.

It is important to note that while the loss event described in this document may lead to the cancellation of buffer credits, the buffer account currently holds approximately 28 million buffer credits. Finally, while the Suruí Forest Carbon Project has deposited 48,366 into the buffer account to-date, the entire volume of buffer credits currently deposited in the buffer account is available to cover losses from all VCS AFOLU projects.