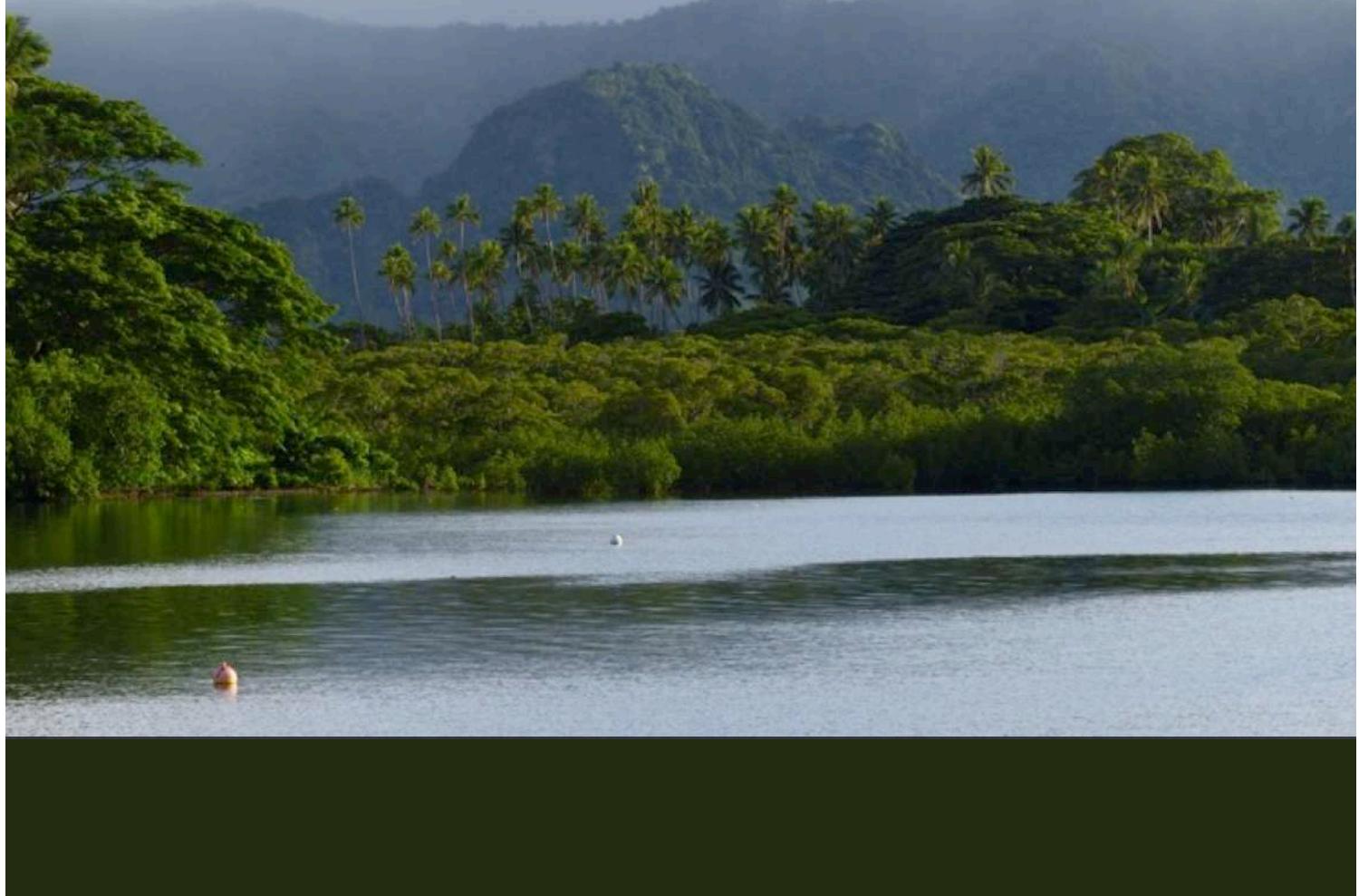


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A project of Live & Learn Environmental Education in collaboration with Carbon Partnership Ltd.

Funded by the European Union and the Asian Development Bank.

Report prepared by Live & Learn Vanuatu, Live & Learn International, and Carbon Partnership.

Cover Photo: Weaver - view towards Drawa from the south coast of Vanua Levu, Fiji.

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# 1. General Requirements

## 1.1 SUMMARY INFORMATION

According to the most recent Plan Vivo PIN Template (p3) projects are required to supply key information as follows:

Project Title; Project Location (country/region/district); Project coordinator and contact details; Summary of proposed activities; Summary of proposed target groups.

The Plan Vivo 2012 PDD Template (p3) requires an Executive Summary (one page max) including the project location, objectives, activities, target communities, expected impacts, organisations involved and projected timeframe.

### 1.1.1 Project Title and PD Title Format

Drawa Forest Project - Project Description Part A: General Description. An improved forest management project at Drawa, Vanua Levu, Fiji. D3.2a v1.0, 20151009.

### 1.1.2 Project Summary Information

Table 1.1.2 Vital Statistics for the Drawa Forest Project

Project Name	Drawa Forest Project
Project Location	Drawa, Vanua Levu
Project Objectives	Conservation of mature indigenous rainforest through avoiding forest degradation, by means of legal protection of forest.
Project Activities	Termination of baseline logging activities and placement of Project Area into a reserve.
Target Communities	Drawa, Navunicau, Nadugumoimoi, Bakibaki, Nakalounivuaka, Vatucua, Tonikula, Nakase <i>mataqali</i> (landowning clan groups), of the Drawa, Vatuvonu Keka, Lutukina, Batiri and Nayarailagi villages
Project Owner	Drawa Block Forest Communities Cooperative Ltd
Project Coordinator	Live and Learn Environmental Education – Fiji
Programme Operator	Nakau Programme Pty Ltd
Methodology	Nakau Methodology Framework D2.1 v1.0; Technical Specifications Module (C) 1.1 (IFM-LtPF): Improved Forest Management– Logged to Protected Forest V1.0
Scope	Forest-remaining-as-forest activities. Accounting for AFOLU GHG emissions and removals.
Activity Class	Carbon
Activity Type	Improved Forest Management – Logged to Protected Forest
Standard	Plan Vivo Standard
Registry	Plan Vivo Registry (currently Markit Environmental Registry, London)
Product	Plan Vivo Certificates/VERs
Benefits	Avoided AFOLU GHG emissions from avoided timber harvesting; enhanced AFOLU GHG

	removals from forest protection.
Co-Benefits	Biodiversity protection, improved community governance, community development, maintenance of healthy hydrological system, climate change resilience through reduced impact of extreme weather events
Validator/verifier	Plan Vivo
Project Period	30 years from project start date
Monitoring	3 yearly from project start date
Project Start Date	6 <sup>th</sup> September 2012
Project Area	5,686.65 ha
Forest Area	4,120 ha within the Protected Area
Protected Area	4,120 ha made up of 2 main ‘zones;’ 1,548.45 ha as the Eligible Forest Area, and 2,397 ha of protected forest that would not be logged under the baseline
Eligible Forest Area	1,548.45 ha made up of 7 forest patches
Original condition	Mixture of logged and primary forest, taro and kava plantations, subsistence gardens and secondary forest in fallow areas where subsistence gardens existed in the past.
Baseline Activity	Legally sanctioned timber harvesting
Project Activity	Legally binding forest protection
Legal Protection	Conservation Lease
Validation	Carbon, biodiversity and community elements of Project Description validated under the Plan Vivo Standard.
Verification	GHG assertions verified to the Plan Vivo Standard through verification audit of Project Monitoring Reports.
Buffer	Annual Carbon Credit Buffer Rotation 1 (years 1-15) = 4,700 tCO <sup>2</sup> e Annual Carbon Credit Buffer Rotation 2 (years 16-30) = 2,574 tCO <sup>2</sup> e Annual Habitat Hectare Buffer Rotation 1 (years 1-15) = 310 ha Annual Habitat Hectare Buffer Rotation 2 (years 16-30) = 310 ha
Net Carbon Credits (Plan Vivo certificates) p.a.	Net Carbon Credits Rotation 1 (years 1-15) = 18,800 tCO <sup>2</sup> e Net Carbon Credits Rotation 2 (years 16-30) = 10,294 tCO <sup>2</sup> e
Net Habitat Hectares p.a.	Net Habitat Hectares Rotation 1 (years 1-15) = 1,238 ha Net Carbon Credits Per HH Rotation 1 = 15.1 Net Habitat Hectares Rotation 2 (years 16-30) = 1,238 ha Net Carbon Credits Per HH Rotation 2 = 8.31

## 1.2 PROJECT AIM AND OBJECTIVES

The Plan Vivo 2012 PDD Template (p3) requires a brief (under 250 words) description of the nature of the project and its key aims and objectives.

### 1.2.1 Project Aim

The Nakau Methodology Framework (NMF) states: *All projects shall state the social purpose of the project with specific reference to the affected community/ies. All projects shall state the ecological purpose of the project with specific reference to the targeted ecosystem service/s being delivered, and list (but not describe in this section) any co-benefits delivered.*

The Drawa Forest Carbon Project aims to deliver enduring benefits to participating communities through the provision of payments (compensation) for the loss of income from timber harvesting that has been avoided. As part of the project community governance has been strengthened through the formation of the Drawa Block Forest Communities Cooperative and undertaking associated capacity building activities. This project aims to enable the Cooperative to manage funds received in a manner that brings sustainable benefits for the community in the form of community development initiatives, such as infrastructure improvements; supporting further income generating activities for cooperative members; and administering a process of distributing member dividends.

The core project aim is to reduce carbon emissions to the atmosphere by changing forest management in the eligible area from timber extraction to forest protection. The project will also protect watersheds resulting in the maintenance of healthy river systems as a high quality source of drinking water and as habitat for aquatic species. Forest protection will reduce the vulnerability of local communities to climate related risk through reducing the impact of extreme rainfall events on soil erosion and flooding, and the impacts of drought on water security.

### 1.2.2 Project Objectives

The NMF states: *All projects shall state the specific objectives relating to the delivery of the project aim stated in 1.2.1 above. These objectives are the means by which the project purpose/s will be delivered. Project objectives shall include the general strategy applied for delivering on the project purpose, including the general activity types and the general difference between baseline and project scenario activities anticipated.*

The project aims to create a change in land use from timber extraction to forest protection by establishing a Protected Area through the legal instrument of a Conservation Lease. The lease will cover lands that would otherwise have been subjected to timber extraction (the Eligible Area), and a forested area that is less likely to have been logged. The landowners will receive compensatory payments for giving up the right to harvest timber for the duration of the 30-year project period with perpetual right of renewal. The Protected Area will be managed according to the Drawa Conservation Management Plan which sets out permitted, restricted and prohibited activities within different zones of the Protected Area; and includes management actions and penalties to ensure compliance (See section 3.14 of this PD for further details). The Protected Area will be monitored by means of regular forest inspections to ensure that it remains protected in practice.

## 1.3 ELIGIBILITY

### 1.3.1 General Eligibility

The NMF states: *All projects shall describe the way the project meets the eligibility criteria of the standard/s applied (including those specified in each Technical Specifications Module used) and the specific eligibility requirements of this methodology.*

To be eligible to participate in the Nakau Programme, projects must meet each of the criteria elaborated in Table 1.3.1 together with evidence.

This project meets all of the eligibility criteria specified in Table 1.3.1 as required in the same section of the Nakau Methodology Framework. We confirm compliance with each of these criteria with a 'Y' in the Y/N column of that table below:

Table 1.3.1: General Eligibility			
#	Eligibility criteria	Location	Y/N
1.3.1a	Projects must involve a sustained ecosystem management intervention that would not occur without PES financing.	Project aim and objectives in Part A Section 1.3 of PD.	Y
1.3.1b	The intervention outcome is quantitatively measured in relation to a baseline (BAU) scenario.	Application of technical specifications module presented in Part B of PD.	Y
1.3.1c	The quantity of ecosystem service delivered is based on the measurable net difference between ecosystem service delivery in the baseline and project scenarios.	Application of technical specifications module presented in Part B of PD.	Y
1.3.1d	Measured ecosystem service outcomes claimed for PES payments shall be independently verified by a third party.	Validation and verification specifications presented in Part A, Section 6 of PD; verification reporting.	Y
1.3.1e	The intervention outcome is quantitatively measured in relation to a baseline (BAU) scenario.	Application of Technical Specifications Module in Part B of the PD.	Y
1.3.1f	The quantity of verified ecosystem service outcomes delivered is rendered into tradable units (PES units, credits or certificates) consistent with a set of Technical Specifications (methodology) relevant to the Activity Type.	Application of Technical Specifications Module listed in Part A (Section 5.1), and Part B (Section 5.5.1) of the PD; verification reporting.	Y
1.3.1g	A proportion of PES units representing delivered ecosystem service outcomes shall be held in reserve as a buffer for a time period sufficient to cover non-permanence risk and be executed in a way that is consistent with the buffer requirements in the relevant technical specifications (methodology) and standard.	Application of buffer rules component of technical specifications in Part B (Section 5.4.1) of the PD; verification reporting.	Y
1.3.1h	Measures shall be applied to transparently avoid double counting and/or double (or multiple) selling of PES units.	Registry used for project units listed in Table 1.1.2 in Part A (Section 1.1.2) of PD.	Y

1.3.1i	There shall be sufficient demonstrated demand for and pricing of the particular PES units to enable trade to occur and payments to project owners sufficient to overcome the opportunity costs to the project owners.	Evidence of demand and actual or likely pricing for units presented in Part A, Section 1.3.1i of PD (below).	Y
1.3.1j	Projects shall meet all of the eligibility criteria specific to the Activity Type/s undertaken, and contained in each of the Technical Specification modules applied.	Part B, Section 1 of PD.	Y

The PES Units (VERs) from this project have been priced to cover the costs of project implementation and to compensate for the opportunity cost to landowners. The wholesale price is within the range of price for Plan Vivo units currently being transacted through resellers on the voluntary market. The demand for units from this project will be provided through a combination of wholesale sales (through Plan Vivo resellers), retail sales (Fiji and Pacific based companies) and potentially through market linked fund instrument/s.

### 1.3.2 Eligible Project Intervention Areas And Participants

According to Section 1 of the Plan Vivo Standard (2013, p8):

*1.1 Project interventions must take place on land where smallholders and/or community groups (collectively known as 'participants') have clear, stable land tenure, either via ownership, or user rights that enable them to commit to project interventions for the duration of the PES Agreement.*

*1.2 Land that is not owned by or subject to user rights of smallholders or communities may be included in the project area if it meets all of the requirements below:*

- 1.2.1. It represents less than a third of the project area at all times*
- 1.2.2. No part of the area was acquired by a third party from smallholders or community groups for the purpose of inclusion in the project*
- 1.2.3. Its inclusion will have clear benefits to the project by creating landscape level ecosystem benefits such as biodiversity corridors, by making the project more economically viable, or by enabling surrounding communities to benefit*
- 1.2.4. There is an executed agreement between the owners/managers of such land and participants regarding the management of the area consistent with these requirements.*

The NMF states: *All projects must demonstrate that project interventions take place under conditions consistent with Section 1.1 and/or 1.2 of the Plan Vivo Standard (2013).*

### **1.3.2.1 Stable Land Tenure And/Or User Rights**

In Fiji customary land is ‘owned’ at the mataqali (clan) level. Nine indigenous (iTaukei) landowning groups own the Drawa Project Area. These groups are organized through clan groups called mataqali, which then form part of a tribal group called a yavusa. The nine mataqali are: Drawa, Navunicau, Nadugumoimoi, Bakibaki, Nakalounivuaka, Vatucuca, Koroni, Tonikula and Nakase.

The mataqali boundaries have been surveyed and registered in the Register of iTaukei Lands as a native land tenement.

Clarification and registration of the individuals who have a claim to each land parcel register themselves in the register of births of indigenous peoples called Vola ni Kawa Bula (VKB). Only the individual landowners themselves may register their name and they must be over 18 years of age. Live & Learn was granted access to the VKB by the mataqali leaders to ensure that the project owners are the legal owners of the land and the carbon rights (which are held with land ownership unless determined otherwise through a lease to a third party).

The landowners can lease those parts not held under Native Reserve should they see fit via consensus agreement of the mataqali (clans). iTaukei Land can be leased but not permanently.

Eight of the mataqali owners of the Project Area land have formed the Drawa Block Forest Communities Cooperative (DBFCC) to be the Project Owner entity. The DBFCC will lease the Eligible Area portion of the land from the participating mataqali. The iTaukei Land Trust Board (TLTB) are the custodians of iTaukei Land and act on behalf of the mataqali in establishing a lease. The Conservation Lease for this project is between lessors TLTB (on behalf of the mataqali landowners) and the DBFCC (established by the same mataqali landowners).

### **1.3.2.2 No Stable Land Tenure And/Or User Rights**

This section is not applicable as stable land tenure and user rights have been demonstrated.

## **1.3.3 Eligible Project Activities**

According to Section 2 of the Plan Vivo Standard (2013, p9-10):

*2.1 Projects must generate ecosystem service benefits through one or more of the following project intervention types:*

- Ecosystem restoration
- Ecosystem rehabilitation
- Prevention of ecosystem conversion or ecosystem degradation

- Improved land use management

[Definitions for these intervention types are provided in Section 2.1 of the Plan Vivo Standard.]

The NMF states: Eligible project activities must demonstrate compliance with Section 2.1 of the Plan Vivo Standard, and must apply at least one of the Activity Classes specified in table 1.3.3a below.

The activity class applied in this project is highlighted in green in Table 1.3.3a. Co-benefits delivered in this project are highlighted in pink/orange:

Table 1.3.3a Nakau Programme Activity Classes			
Code	Activity Class	Description	Project Activity Examples
B	Biodiversity	Protection and enhancement of biological diversity	Protection or enhancement of forest habitat for biological diversity; Protected species recovery.
C	Carbon	Carbon benefits to the atmosphere	Prevention or reduction of deforestation or forest degradation; afforestation, reforestation.
CCR	Climate change resilience	Protection and enhancement of ecological infrastructures relevant to climate change resilience	Reforestation of water catchment areas; protection of forest; mangrove protection or restoration.
DRR	Disaster Risk Reduction	Protection and enhancement of ecological infrastructures that provide DRR services	Mangrove protection or restoration; forest protection; flood protection through forest protection or enhancement in riparian or catchment areas.
EI	Ecological Infrastructure	General activity class covering general ecological infrastructure activities not covered in any other activity class	Hydro power scheme water catchment management to reduce or prevent dam siltation through afforestation/ reforestation or forest protection
WQ	Water quality	Protection and enhancement of water quality in streams or coastal areas	Forest catchment protection sufficient to cause an increase in water quality or a prevention of water quality decline.
WS	Water security	Protection and enhancement of fresh water supply ecological infrastructures	Forest catchment management that causes the protection or enhancement of water supplies by aiding the hydrological cycle.

The NMF states: Projects may be developed as 'carbon projects': activity class – Carbon (C); biodiversity (B), water quality (WQ), water security (WS), climate change resilience (CCR), disaster risk reduction (DRR), or other (approved) ecosystem service or ecological infrastructure (EI) outcomes.

Integrated projects are also permitted involving multiple activity classes (e.g. carbon, biodiversity, climate change resilience), or begin by applying one activity class, and then add

subsequent activity classes through time.

The Nakau Programme will not allow double counting with respect to selling multiple units from the same area of land during the project period.

Each activity class shall be implemented through specific project interventions defined as Activity Types and implemented through the application of a Technical Specifications Module specific to that Activity Type.

The most developed Activity Class for the Nakau Programme for this version of the Nakau Methodology Framework is Carbon (C). Eligible projects within the Carbon Activity Class are restricted to those supporting at least one of the Activity Types specified in Table 1.3.3b.

The activity type/s applied in this project is highlighted in green shading in Table 1.3.3b below:

Table 1.3.3b Activity Class: Carbon (C)			
Forest Carbon Management Activity Types			
Activity Code	Activity Name	Baseline Activity	Project Activity
<b>AD: Avoiding Deforestation</b>			
AD-DtSFM	Avoiding Deforestation – Deforestation to Sustainable Forest Management	Deforestation	Low Impact Selective Logging/Sustainable Forest Management
AD-DtPF	Avoiding Deforestation – Deforestation to Protected Forest	Deforestation	Forest Protection
<b>IFM: Improved Forest Management</b>			
IFM-LtPF	Improved Forest Management – Logged to Protected Forest	High or Low Impact Selective Logging	Forest Protection
IFM-RIL	Improved Forest Management – Reduced Impact Logging	High Impact Selective Logging	Low Impact Selective Logging/Sustainable Forest Management
IFM-DtTF	Improved Forest Management – Degraded to Tall Forest	Degraded Forest	Tall Forest
<b>AR: Afforestation, reforestation</b>			
AR-Af	Afforestation, Reforestation - Agroforestry	Non-Forest Land Use	Agroforestry Forest Land Use
AR-NR	Afforestation, Reforestation – Natural Revegetation	Non-Forest Land Use	Regenerated Natural Forest Land Use
AR-CP	Afforestation, Reforestation – Commercial Plantation*	Non-Forest Land Use	Commercial Timber Plantation Forest Land Use

\* AR activities using non-native species in the activity type AR-CP are permitted provided that this is clearly a component of a strategy to protect and/or enhance indigenous forest (e.g. a leakage-avoidance activity associated with indigenous forest protection elsewhere).

The Drawa Forest Carbon Project will apply Activity Class (C) Carbon benefits to the atmosphere, through Activity Type Improved Forest Management - Logged to Protected Forest (IFM-LtPF).

According to Section 5 of the Plan Vivo Standard (2013, p16):

*5.8. Project intervention areas must not be negatively altered, e.g. deforested or cleared of other vegetation, prior to the start of project activities for the purpose of increasing the payments for ecosystem services that participants can claim.*

The NMF states: *Eligible project activities shall comply with Section 5.8 of the Plan Vivo Standard (2013). This section of the PD shall provide information supporting compliance with this requirement.*

The Drawa Protected Area and Eligible Area has not been negatively altered with the intention of increasing a claim to payments for ecosystem services by the nine Drawa mataqali or any other party. A previous project was undertaken at the site by SPC/GTZ, whom documented historic land use activities with the Drawa Model Area Forest Management Plan (FMP) (2003 – 2012)<sup>1</sup>. The FMP documents that Timber harvesting activities were carried out in the Drawa Block around 40-50 years ago using 'pit sawing' techniques. This non-mechanised system of felling was practiced on a small scale with a low ecological impact and is almost impossible to detect today. In the past decade the landowners have created gardens on some of the forested land that was previously allocated for logging coupes. However these gardens have been mapped and excluded from the Eligible Area. The logging and land clearing activities mentioned here occurred well before awareness about PES reached the communities.

---

<sup>1</sup> Drawa Model Area Forest Management Plan 2003 – 2012 (2003), SPC/GTZ Pacific German Regional Forestry Project

## 2. Describing The Project

Section B of the 2012 Plan Vivo PDD Template requires the presentation of the following project information:

- Project Location, land type and boundaries
- Description of the project area
- Description of the Plan Vivo Technical Specifications
- Duration of project activities and crediting period
- Carbon benefits of project activities
- Process and requirements for registering Plan Vivos.

### 2.1 TYPE OF PROJECT

#### 2.1.1 Activity Type

The NMF states: *Each activity type applied in the project shall be described in detail.*

The Drawa Forest Carbon Project will apply the activity of Improved Forest Management-Logged to Protected Forest. This will be achieved through the establishment of a legally sanctioned Protected Area (a Conservation Lease) covering land that would otherwise be logged through conventional logging practices (the Eligible Area). The Protected Area will be managed according to the Drawa Conservation Management Plan which sets out permitted, restricted and prohibited activities within different zones of the Protected Area; and includes management actions and penalties to ensure compliance (See section 3.14 of this PD for further details). The Protected Area will be monitored by means of regular forest inspections to ensure that it remains protected in practice.

### 2.2 PROJECT LOCATION AND LAND TYPE

Section B(1) of the 2012 Plan Vivo PDD Template requires Project Proponents to describe the location and initial size (in hectares) of the project area(s), including country, state and district (or national equivalent).



## 2.2.1 Description of Location and Project Size

The NMF states: *All projects shall provide a description of the project location and project size in hectares.*

The Project Area is located on Vanua Levu, the second largest island in Fiji. It sits on the centre of the island at 4033000mE and 2029000mN. The total Project Area comprises the land belonging to the nine participating mataqali and covers 5,686.65 hectares, this includes 4,143.7 hectares that will be protected as a result of the project, with 1,548.45 hectares eligible for crediting under the project.

## 2.2.2 Project Location Maps

The NMF states: *All projects shall provide the following location maps:*

- a. *Location of the host country.*
- b. *Location of the project on a sub-national map image.*
- c. *Location of project site at a resolution sufficient to identify local relevant communities, and the initial size (in hectares) of the Project Area/s.*

The maps in figure 2.2.2a show the location of the host country, the location of the project area within the country and the Project Area including clan boundaries and villages within the Project Area.

Figure 2.2.2a. Fiji Location Map (Source: WCS, 2015)

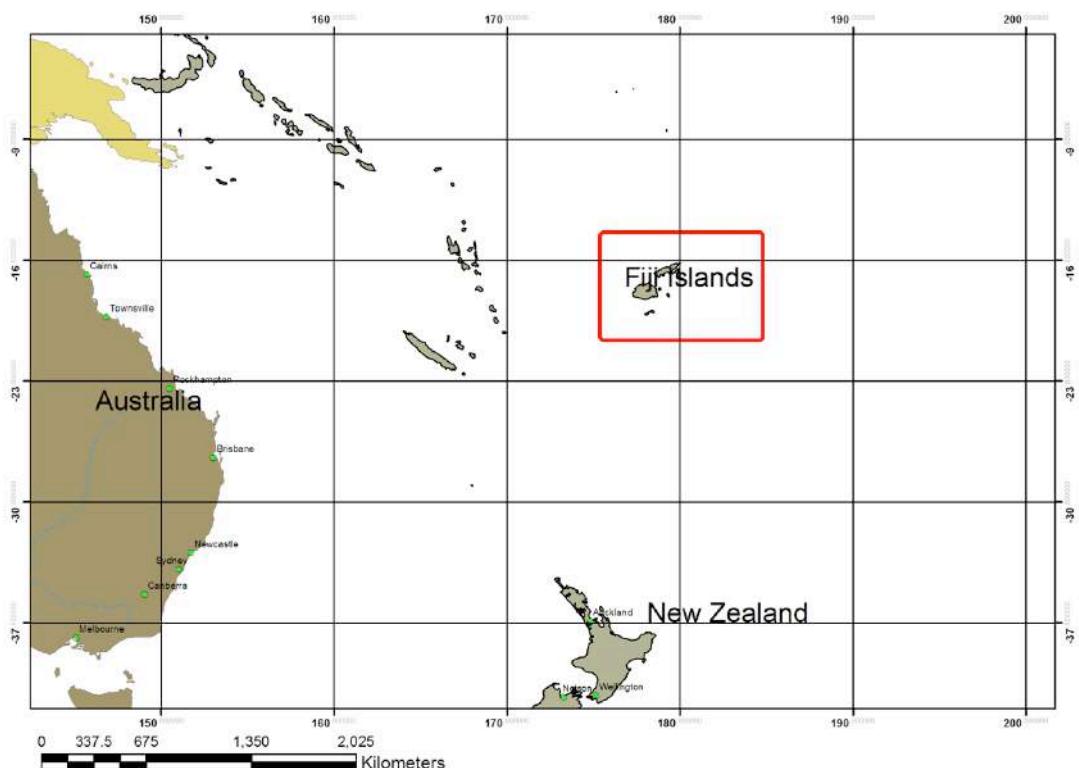
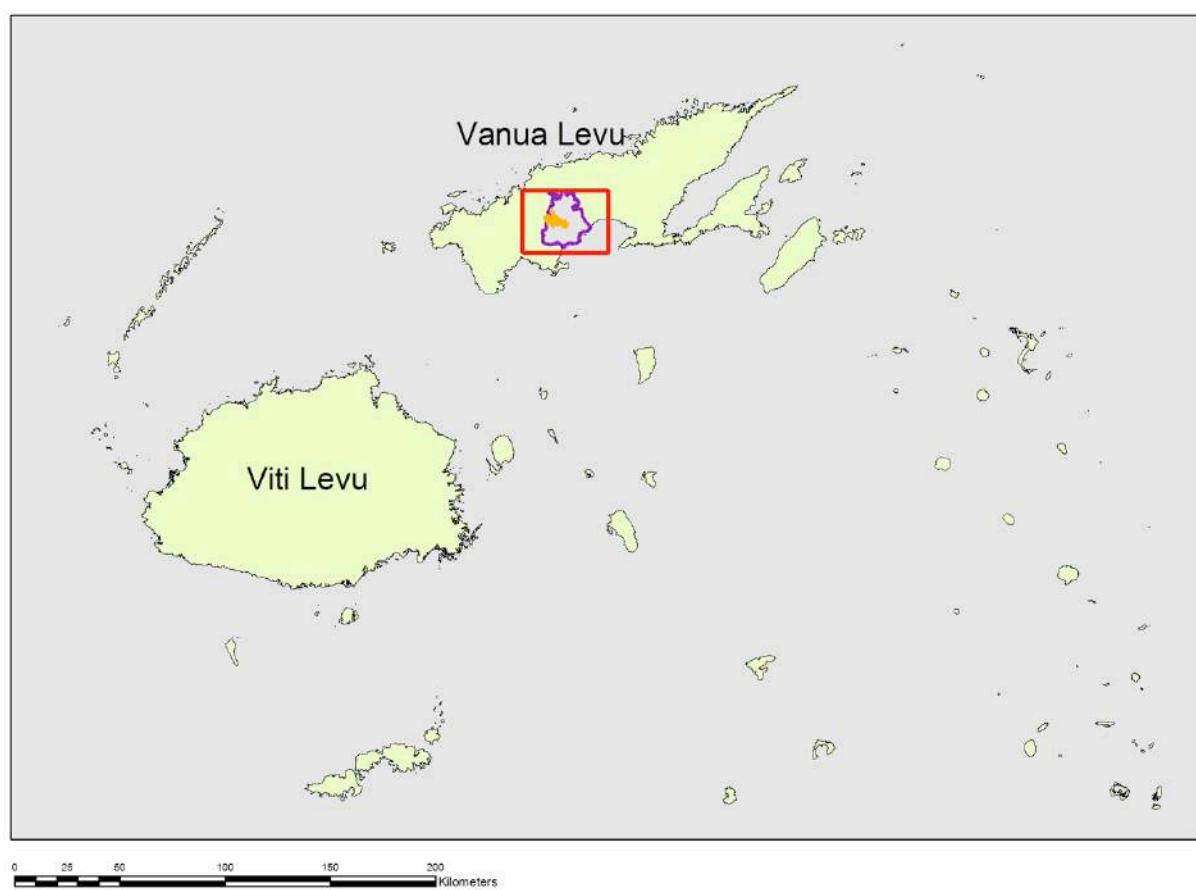


Figure 2.2.2b Project Location in Fiji (orange area = Project Area) and Wailevu catchment (purple line) (Source WCS, 2015)



## 2.2.3 Land Type

The NMF states: *All projects shall provide a description of the land types involved in the project, including land tenure, and status of the land and resource management of the project location.*

The Drawa Block is registered as a Native Land Tenement, according to the iTaukei Lands Trust Act. The land includes a legally recognised Native Reserve, which is to be held by the landowners for the benefit of future generations. The landowners can lease parts of the remaining land based on consensus agreement of the clans, but not permanently. Landowners undertook land-use planning as part of the GIZ/SPC Sustainable Forest Management project, which designated areas for logging, agricultural purposes and further land designated specifically for purposes that support church activities. These plans were revised as part of this project as outlined in section 3.1.4 of this PD, which resulted in the designation of agricultural areas as seen in Figure 2.2.3. The Eligible Areas are based on coupe boundaries as derived from the forest inventory undertaken for the GIZ/SPC SFM project. A further area was previously allocated as Protection Forest under the GTZ/SPC Project because it constituted forest that was unsuitable for logging (e.g. because of slope  $>25^\circ$  and/or due to highly erodible soils). The land designated as Protected Forest will be conserved under this project. However the Protected Forest area is not included with the Eligible Area as it would have been deemed unavailable to conventional logging, according to the Fiji Forest Decree.

## 2.3 DESCRIPTION OF PROJECT AREA

### 2.3.1 Topography

The NMF states: *All projects shall describe (with reputable references) the topography of the Project Area and surrounding environs.*

The project area covers the elevations between 300 to 700 meters above sea level. A steep volcanic mountain ridge runs east-west through the project area. Two main water catchments are contained within the project area, the Dreketi catchment draining north, and the coastal Wailevu catchment, draining south (Fung, 2005).<sup>2</sup>

<sup>2</sup> Fung, C. (2005) Profile of the Drawa Model Area; Appraisal for a community managed forest area in Fiji - SPC/GTZ - Pacific German Regional Forestry Project.

### 2.3.2 Geology and Soils

The NMF states: *All projects shall describe (with reputable references) the geology and soils of the Project Area and surrounding environs.*

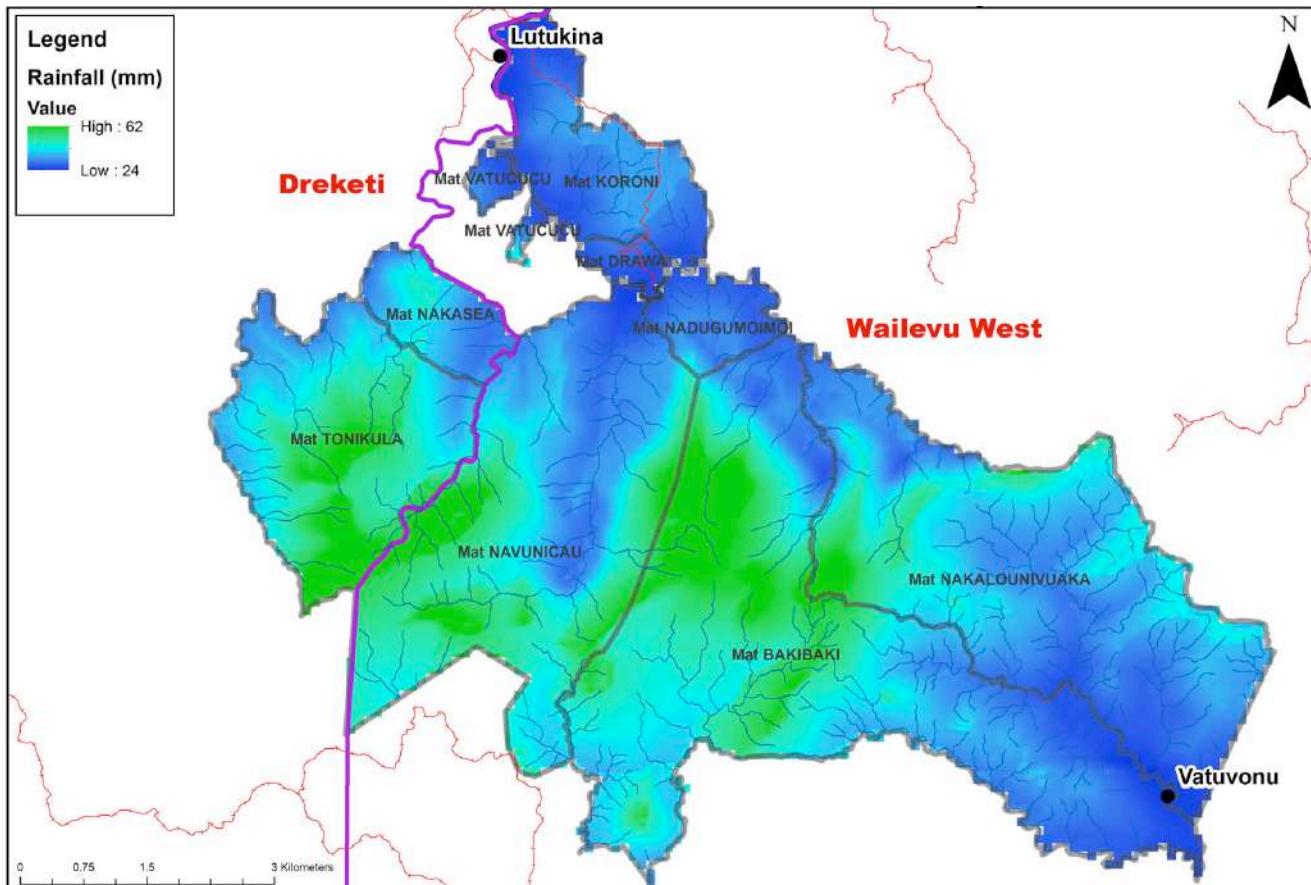
The project area is largely of the Natewa volcanic group, which is chiefly of submarine flows, breccias and volcaniclastic sediments of basic andesite composition. Soils developed mostly from the Natewa volcanic group, of basic and intermediate andesites and other volcanics (GTZ/SPC 2003).<sup>3</sup>

### 2.3.3 Climate

The NMF states: *All projects shall describe (with reputable references) the climate of the Project Area and surrounding environs.*

The project area has a mainly orographic rainfall pattern influenced by island topography and the prevailing southeast trades. A very weak dry season with average rainfall of 3,500 – 4,500mm p.a. High rainfall is normally experienced from November to April whilst the drier and cooler period is from May to October (<http://www.met.gov.fj>). Figure 2.3.3 shows rainfall patterns modelled at the local scale (WCS, 2015).

Figure 2.3.3. Rainfall distribution patterns within the Project Area. (Source, WCS, 2015)



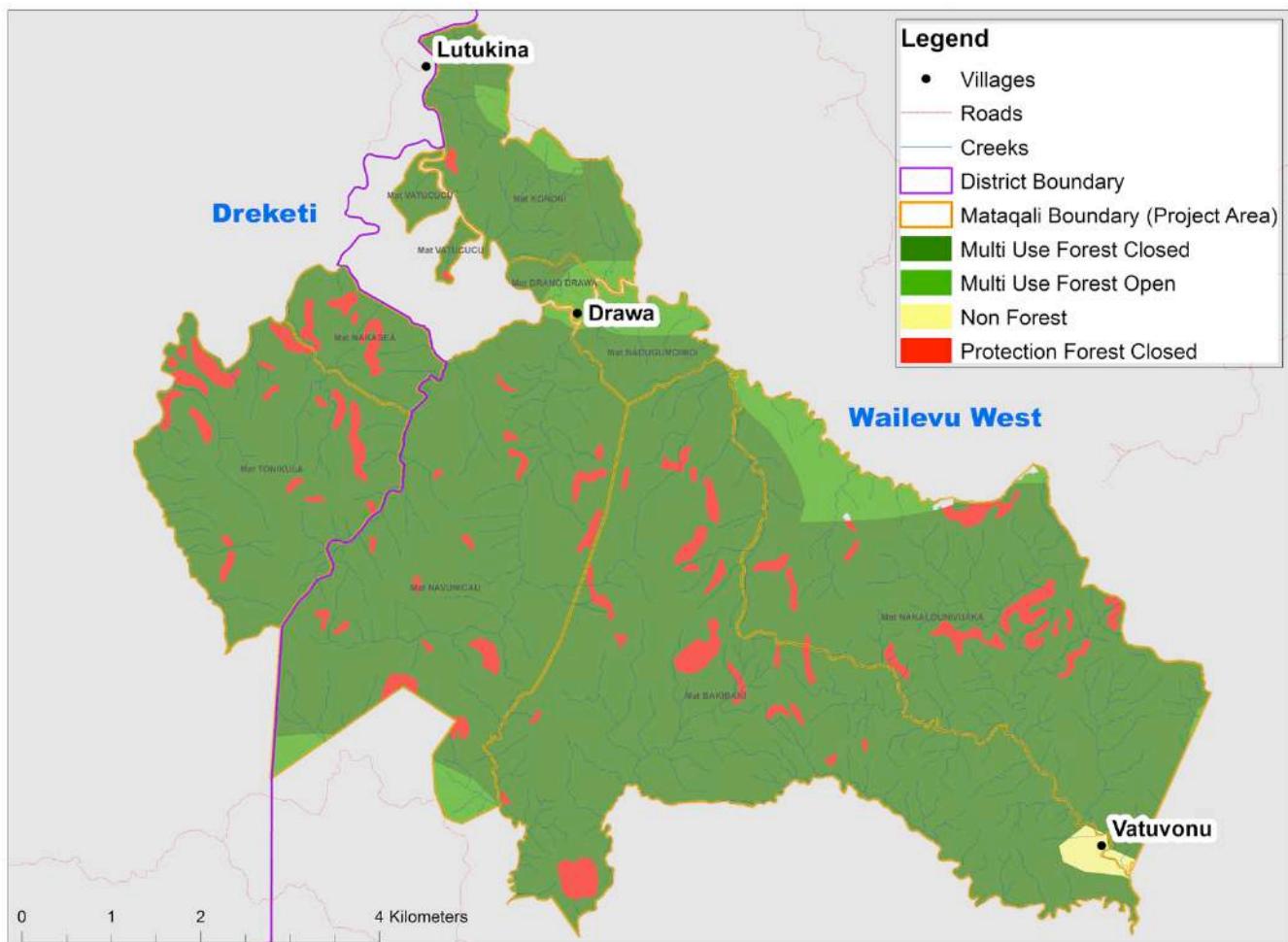
### 2.3.4 Ecosystems

The NMF states: *All projects shall describe (with reputable references) the ecosystems and habitat types of the Project Area and surrounding environs.*

The Project Area is constituted of wet rainforest, with the southern side receiving higher levels of rainfall.

The forested areas (Protected Area and Eligible Area) is predominantly under dense to medium dense forest cover. The original primary forest types are mainly multi-storied with the top canopy at about 30 m height in average. Secondary forests, developed from abandoned cultivation sites of more than 100 years ago, are widely scattered in the Project Area. Most bush fallow has reverted close to its primary composition (SPC/GTZ 2003).<sup>4</sup>

Figure 2.3.4 Forest Classes of the Project Area



<sup>4</sup> Drawa Model Area Forest Management Plan 2003 – 2012 (2003), SPC/GTZ Pacific German Regional Forestry Project

### 2.3.5 Environmental Values

The NMF states: *All projects shall provide a low-resolution description of the environmental and conservation values of the Project Area and surrounding environs, including:*

- *Rare or endangered species*
- *High conservation value habitats*
- *Protected Areas*

*Include a description of how the implementation of the project will affect these environmental values. This will be a summary of information presented in Section 5.3.4 of Part A of the PD.*

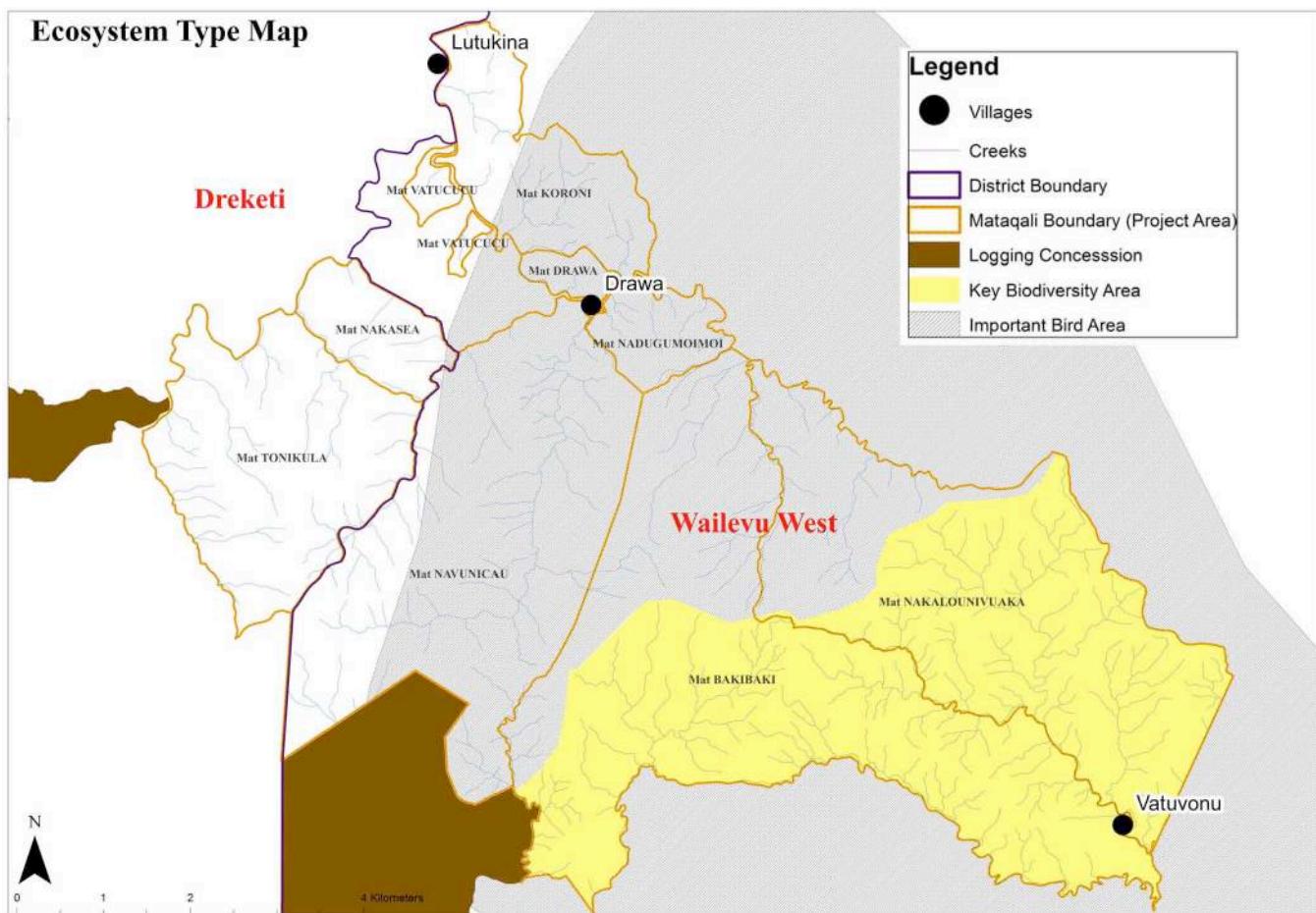
A botanical survey carried out in the Drawa catchment (Tuiwawa, 2000)<sup>5</sup>, identified that 51.2% of the native flora species found at the site were indigenous and 47.3% are endemic. This high percentage of endemic species is consistent with the overall Fiji count (40%) of endemic taxa in native flora. The survey also identified 10 taxa considered to be threatened in Fiji.

No comprehensive fauna survey has been conducted at the site however, the Waisali Nature Reserve which contains similarly undisturbed rainforest is nearby Drawa (approximately 20 km to the east) has been subject to relatively extensive terrestrial surveys. It is likely that the Drawa Forest Conservation Area have similar species composition to Waisali. This survey identified 21 bird species (13 endemic) and 7 herpetofauna species, including the endangered Fiji ground frog, *Platymantis vitiensis*. Further description of the fauna survey can be located in Appendix 1: Drawa Conservation Management Plan. Further information is also provided in Section 5.3.4.

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<sup>5</sup> Tuiwawa, M. and Korovulavula I. 2000. Ethnobotanical study report, Drawa model area, Vanua Levu. Suva: Pacific German Regional Forestry Project report: Bot.03.00

Figure 2.3.5 Ecosystem Type Map showing areas of ecological importance and logging concessions outside the project area. Source WCS 2015.



### 2.3.6 Current And Historical Land Use

The NMF states: *All projects shall describe current and historical land use in the Project Area and surrounding environs, and how this will be affected by the project.*

The predominant land use in the project area is subsistence agriculture, cash cropping and extraction of timber and non-timber forest products (NTFPs) for domestic use.

Local communities rely predominantly on produce grown; fish, eels and prawns caught in rivers; and pigs hunted for their daily sustenance, supplemented with store bought goods. Agricultural produce also is provided by community members to support church and other community events.

Cash crops sold locally are *dalo* (taro), and *yaqona* (kava). The scale of cultivation has expanded over the years with farmers focusing on cash crops dictated by market demands. The production of cash crops is seen to be as important as subsistence production. Each household manages its own plantation or plot to produce crops for subsistence and to sell.

Garden areas are used for a period of time and then left as fallow, with areas regenerating to secondary forest. Cagolaya (tumeric) grows in the forest and is harvested and sold at local markets.

As a result of the project agricultural activities will be not permitted within the areas designated as Eligible Area. The Project Area includes large areas designated for continued agricultural production- the agricultural reserves, native reserves and church reserves- much of which is not currently used.

A small area was selectively logged under the GIZ/SPC Sustainable Forest Management project that ran from 2003-2008. This involved removal of timber at a 25% logging rate (sustainable forest management) on lands owned by the mataqali Koroni. This logging took place in coups 3 and 4 of this land (see Appendix 2 of the Drawa PD Part B Drawa Carbon Budget & Pricing Spread sheet, Sheet Drawa PHI, Cells 16, 18 & 19). However mataqali Koroni withdrew from the project prior to commencement, hence this logging is not relevant to baseline calculations. Some illegal logging was undertaken in 2002 on land owned by mataqali Nakalounivuaka where a total volume of 144m<sup>3</sup> was removed.

Commercial logging is one of the few reliable income-generating activities for inland village communities who do not have access to commercial agriculture (due to lack of suitable land, or suitable transport to markets) or commercial inshore fisheries (due to lack of fisheries tenure, distance and access). Neighbouring mataqalis (outside of the Project Area) are engaging in commercial logging.

## 2.4 GEOGRAPHIC BOUNDARIES

The NMF states: *Geographic Boundaries' refers to the areas covered by the project including land tenure, area covered by the project, area subject to PES unit crediting, and strata relevant to baseline and project ecosystem accounting.*

*Project areas shall include the follow project area types:*

- *Project Area*
- *Eligible Area*
- *Reference Area (where relevant)*

*Forest projects will also include the following project area types:*

- *Forest Area*
- *Non-Forest Area*
- *Logged Forest Area (where relevant)*
- *Unlogged Forest Area (where relevant)*

*Each of these areas must be clearly defined and mapped for each project in the Nakau Programme, using aerial imagery that depicts the contemporary boundaries of these areas. The boundary of each land parcel must be clearly defined with a unique identifier for each land parcel, and geographic coordinates for each polygon vertex. Maps for project areas producing PES units must be mapped using aerial imagery to sub-10 meter accuracy.*

## 2.4.1 Project Area (PA)

The NMF states: *All projects shall define the Project Area (PA). The Project Area may be composed of more than one land parcel that are aggregated to form a single project. Each Project Area land parcel shall be depicted in a map image with land tenure boundaries.*

The Project Area contains the total area affected by the project. It includes:

- Total area (5,686.65 hectares) contained within land tenure boundaries of all participating landowners (nine). This is depicted as the orange shading in Figure 2.4.1a.
- Areas not included in the PES Project (e.g. villages, agricultural areas and roads) but within the total area contained within the Project Area. This includes Native reserves covering 492.93 ha of the Project Area are legally recognised under the Native Land Trust Act [Cap 133] set aside for future community development plans GTZ/SPC (2003). There are two informal reserves identified within the Project Area, which are the church (118.9 ha) and agriculture reserve (484.63 ha). Traditional church reserves are set aside for use that is restricted for church needs and some are located within or overlap with native reserves (Fung, 2015). See Figure 2.4.1b for a depiction of zones within the Project Area not included in the Eligible Forest Area.
- Protected Area: 4,120 ha subject the Drawa Conservation Management Plan as a result of the project. This is larger than the Eligible (crediting) Area because it contains forest lands that were unlikely to be logged in the baseline but deserve to be included in the Protected Area for their biodiversity and cultural values. See Figure 2.4.1c.
- Eligible Area (or Crediting Area): 1,548.45 ha within 7 forest patches that is included within the area legally protected under the Conservation Lease instrument and within which the Technical Specification module (PD part B) is to be applied. It is a subset of the Protected Area and defined by where the baseline activity (commercial logging) would take place without the project intervention. See Figure 2.4.1c.

There are two villages located within the Project Area, namely, Vatuvonu and Drawa (still being recognized as a settlement). Road accessibility into the Project Area is limited to the location of these two villages, whereby Vatuvonu is closer to the southern periphery of the boundary and accessibility to Drawa village crosses within the mataqali Koroni boundary to

the Drano Drawa mataqali boundary. Figure 2.2.3 (above) provides the Project Area map including the main land use types within the Project Area boundary.

*Figure 2.4.1a Project Area (orange shading) showing village locations (Lutukina, Drawa and Vatuvonu) and mataqali (clan land ocations). Source (WCS 2015)*

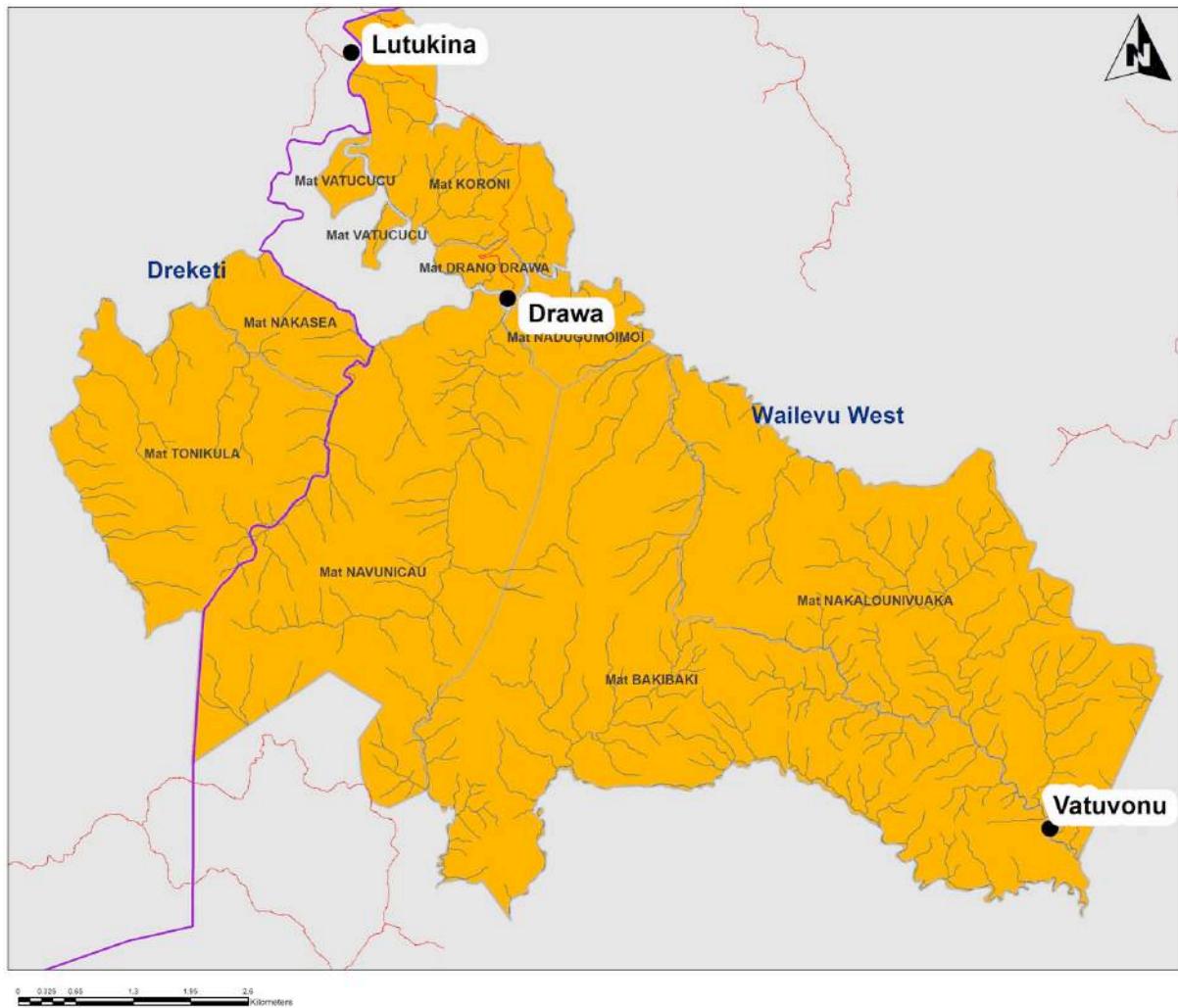
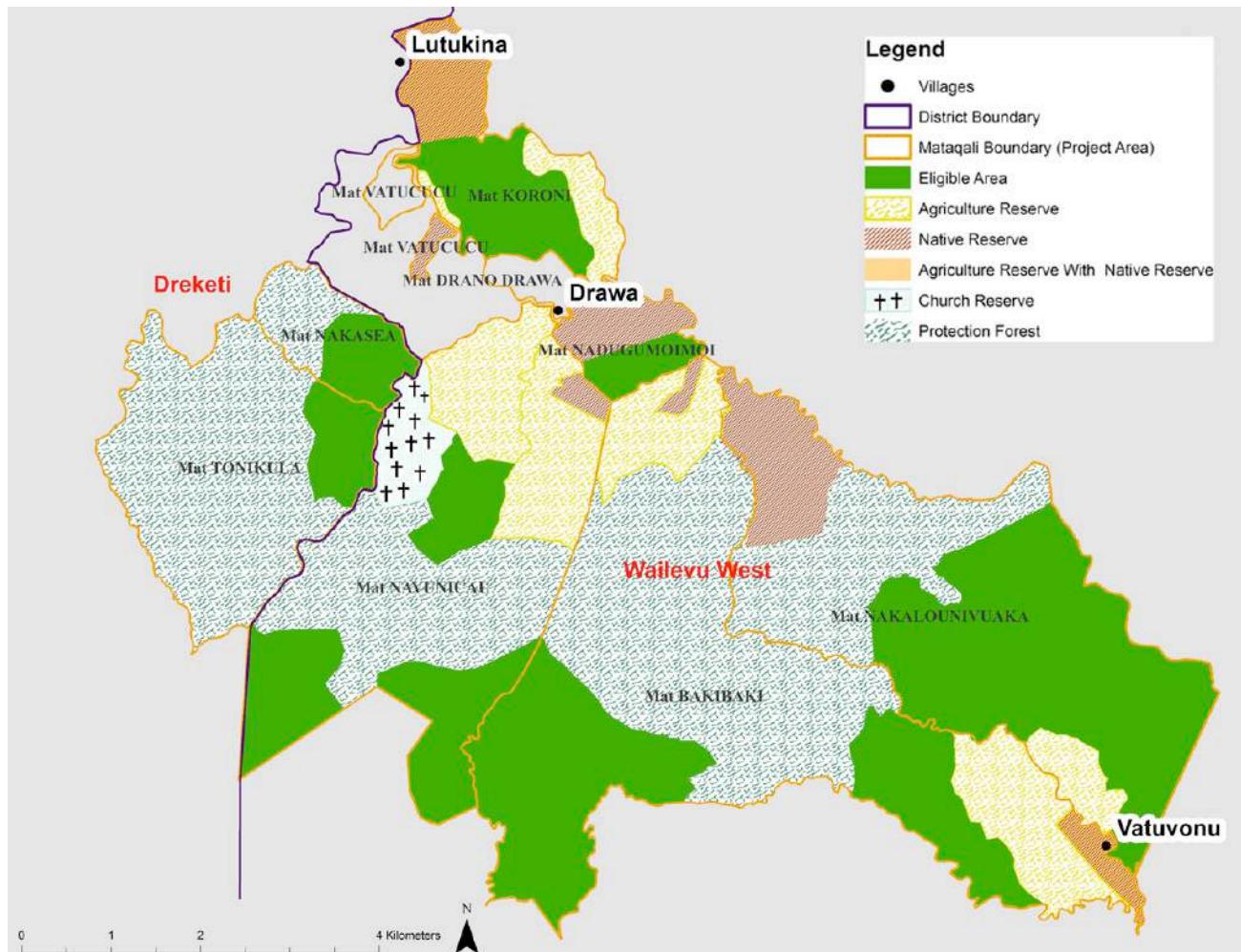
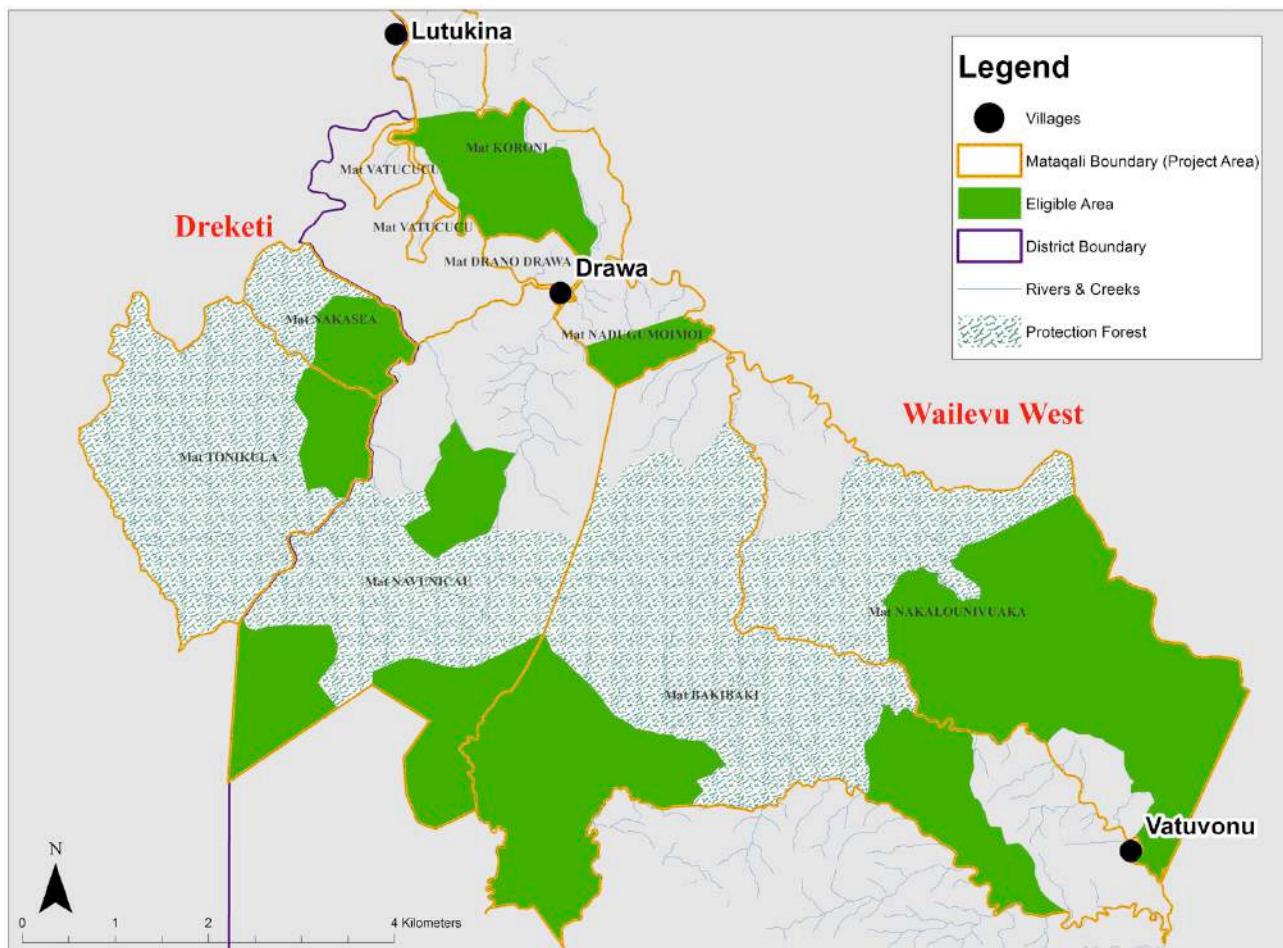


Figure 2.4.1b. Management or land use zones within the Project Area. (Source, WCS, 2015)



**Note:** Mataqali Koroni land was included in the draft PD (version v1.0) and is indicated on the map above (northern most portion) as being part of the eligible area. Mataqali Koroni land has been omitted from the eligible area and the map will be updated in subsequent versions of this PD.

Figure 2.4.1c Map showing the Protected Area, which is comprised of the Protection Forest (green speckled shading) and the Eligible Forest Area (depicted in dark green shading).



Note: Mataqali Koroni land was included in the draft PD (version v1.0) and is indicated on the map above (northern most portion) as being part of the eligible area. Mataqali Koroni land has been omitted from the eligible area and the map will be updated in subsequent versions of this PD.

Figure 2.4.1c (above) shows the Protected Area (4,120 ha), which is a combination of the Eligible Forest Area plus the Protection Forest lying outside the Eligible Forest Area. Protection Forest is a category of forest in the Fiji Forestry regulations referring to forest that is not permitted to be logged due to its location on steep slopes. While it is not unusual for illegal logging (i.e. extending beyond concession boundaries) to take place within Protection Forest, this project assumes no logging in Protection Forest in the baseline. The Conservation Lease instrument that protects the Eligible Forest Area applies to the whole of the Protected Area. The entire Protected Area is the area subject to management under the Drawa Conservation Management Plan. It includes areas that were designated as Protection Forest (not suitable for logging) by SPC/GTZ (2003), and Eligible Area (see Section 2.4.2).

## 2.4.2 Eligible Area (EA)

The NMF states: *The Eligible Area (EA) is the subset of the Project Area to be subject to PES crediting. It is also called the Crediting Area. The Eligible Area excludes any areas within the Project Area that do not meet baseline or additionality conditions.*

*For example, in a project applying the Improved Forest Management (IFM-LtPF) activity type, the EA will not include any areas within the Project Area that are not commercially viable for timber extraction or are inaccessible to logging or fuel wood collection in the baseline scenario.*

The Eligible Area is depicted in green in the map (see Figure 2.4.1c above). The Eligible Area covers 1,548.45 ha, and is made up of 7 forest patches.

The Eligible Area was determined by using the logging coupe boundaries demarcated during the Sustainable Forest Management (SFM) project implemented by the Department of Forests and GTZ (now GIZ). These areas were previously allocated for logging based on a detailed timber inventory that showed legal and commercial viability for logging (De Vletter and Mussong 2001).<sup>6</sup>

The Eligible Areas identified exclude the formal and informal reserves, Protection Forest and areas within the coupes that have been converted to agricultural purposes since the end of the DOF/GIZ SFM project.

## 2.4.3 Reference Area

The NMF states: *It is optional for Project Coordinators to use one or more Reference Area (RA) in the project. A Reference Area is an area outside the Project Area but is used for project ecosystem accounting purposes in some way. For example, a project may involve avoiding timber harvesting. A Reference Area may include areas outside but relatively near to the Project Area whereby timber harvesting of the same character of the baseline activity is taking place. Such a reference area can be used for baseline ecosystem accounting purposes.*

No Reference Area formal reference area is applied in this project.

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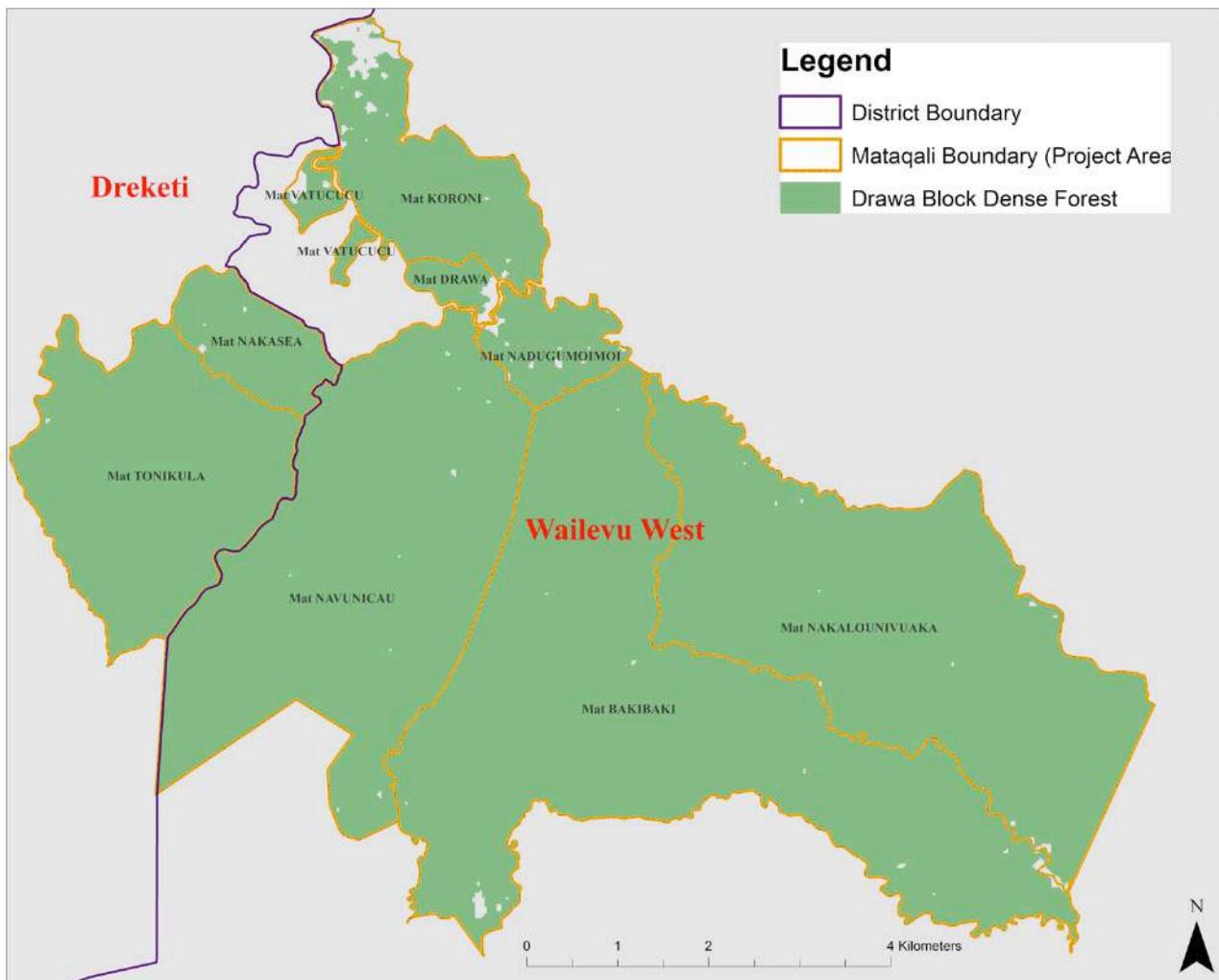
<sup>6</sup> De Vletter, J. and Mussong, M. 2001. Evaluation of inventory data collected in the Drawa model area, Fiji: Final report. Suva: Pacific German Regional Forestry Project report: PHI.02.01

## 2.4.4 Forest Area (FA)

The NMF states: *For forest projects, the Forest Area (FA) is defined as the area of 'forest land' within the Project Area. 'Forest land' as defined using the FAO FRA 2010 definition<sup>7</sup> as presented in Appendix 1: Definitions (in this document). Each Forest Area land parcel must be depicted in a map image with land tenure boundaries. This definition applies unless the host country applies a different definition in its forestry regulations.*

The Forest Area has not been accurately calculated, but covers >90% of the Project Area. Figure 2.4.4 shows a map of the Forest Area. According to Fung (2005) the non-forest areas in the Protection Forests are mainly grasslands, scrubs, reed and freshwater marshes occurring in patches throughout the area, covering approximately 10% of the area. These are depicted in Figure 2.4.4 as grey areas within the Project Area boundary.

Figure 2.4.4 Map showing forest area and non-forest area (source WCS, 2015).



<sup>7</sup> See definitions in Appendix 1 of this document. See also FAO FRA 2010 p6.

## 2.4.5 Non-Forest Area (NFA)

The NMF states: *The Non-Forest Area (NFA) is relevant to forest projects and defines the area of ‘non-forest land’ within the Project Area (where applicable). The Non-Forest Area may or may not be part of the Eligible Area (depending on the activity type). The Non-Forest Area is able to be included within the Eligible Area for afforestation/reforestation activity types where it is defined as the Afforestation Area (for afforestation projects) or the Reforestation Area (for reforestation projects).*

*The Non-Forest Area is defined as land that may include ‘other wooded land’ or ‘other land’ as defined in the FAO FRA (2010) definition (see Appendix 1: Definitions in this document). Each Non-Forest Area land parcel must be depicted in a map image with land tenure boundaries.*

*NB: Afforestation and reforestation, deforestation and forest degradation are defined in this methodology according to the current FAO FRA (2010) definition for these terms (see Appendix 1: Definitions in this document).*

Refer to Forest Area and figure 2.4.4 (above).

## 2.4.6 Logged Forest and Unlogged Forest

The NMF states: *Logged Forest comprises regenerating forest that was logged during the time frame defined in the Technical Specifications applied.*

*Unlogged Forest comprises primary forest that has not been logged or has been logged prior to the base year for the Logged Forest definition in the Technical Specifications applied.*

The Eligible Area is comprised of both logged and unlogged forest. Areas of previous logging in the Drawa Block include timber harvesting activities undertaken during the 1970s using “pit sawing” techniques, and conventional logging in the Vulavuladamu Coupe 1 h, Bakibaki Coupe 4, Nakalounivuaka Coupes 3 & 10, Navunicau Coupes 5 & 6, Nakalounivuaka Coupe 2. Some low impact logging was undertaken as part of the DOF/GIZ Sustainable Forest Management project in the Koroni clan area, within the years of 2003-2009. In August 2002, illegal logging took place on land owned by mataqali Nakalounivuaka where a total volume of 144m<sup>3</sup> was removed.

Interviews of landowner groups during project development revealed areas that had been logged in the past. The areas of logged forest are summarized in Table 2.4.6 below:

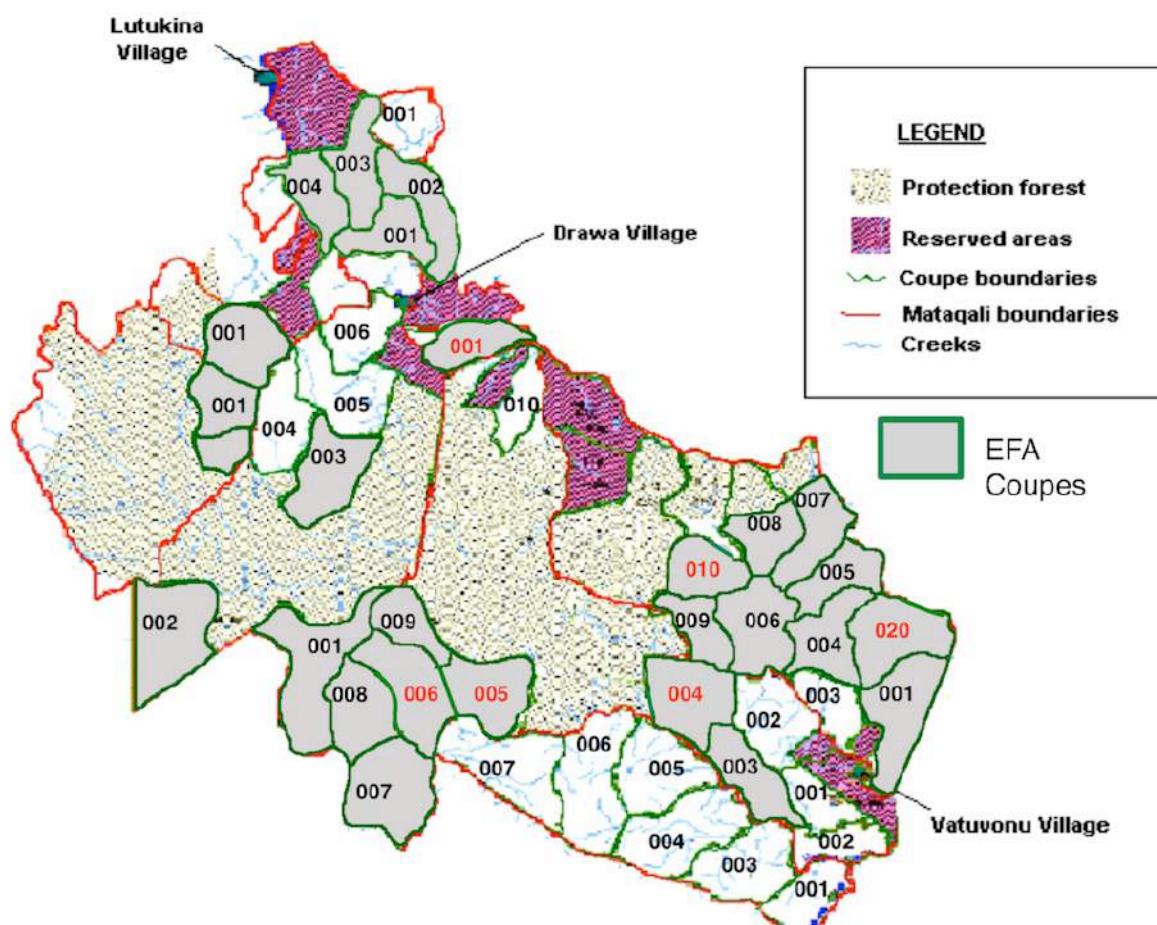
Table 2.4.6 Logged Forest Areas

Mataqali	Logged Area (ha)
Nadugumoimoi	137
Vulavuladamu	0
Nakalounivuaka	637
Koroni*	360
Nakase	161
Tonikula	101
<b>Total logged area</b>	<b>1,396</b>

\* Mataqali Koroni are no longer participating in the project and their land is not included in carbon calculations

The areas of logged forest are depicted in Figure 2.4.6.

Figure 2.4.6. Eligible Forest Area (EFA) coupes, also showing coupes that have previously been logged (red numbers).



There has been no logging since December 2009, the base year for the Technical Specifications used for the project.

#### 2.4.7 Ecosystem Type Map

The NMF states: *All projects are required to provide an ecosystem type map covering the Project Area. This map will use existing published information where available. If existing published information is not available then the project shall provide a sketch map that describes the ecosystem types of the project area.*

The Project Area is constituted of wet rainforest, with the southern side receiving higher levels of rainfall. Refer to the map in Figure 2.3.4. ‘Forest Types of the Drawa Block’ (above).

### 2.5 PROJECT ECOSYSTEM SERVICE STRATEGY

The NMF states: *Each project in the Nakau Programme must define the detailed ecosystem service strategy/ies capable of delivering ecosystem service outcomes asserted in the project purpose. The detailed ecosystem service strategy/ies shall include:*

- a. *Interventions that terminate and/or avoid activities that cause the loss or degradation of ecosystem services relevant to the project purpose.*
- b. *An ecosystem service management intervention (including any legal contracts) that addresses the cause of degradation or loss of ecosystem services relevant to the project purpose.*

*In alignment with Section 2.4 of the Plan Vivo Standard (2013) any trees planted to generate ecosystem services must be native or naturalised species, and must not be invasive. Naturalised species must only be planted if:*

*There are livelihood benefits that make the use of the species preferable to any alternative native species; AND*

*2.4.2. Use of the species will not have a negative impact on biodiversity or the provision of key ecosystem services in the project and surrounding areas.*

Plan Vivo Standard (2013, p10).

### 2.6 CORE ECOSYSTEM SERVICE BENEFITS

The NMF states: *All projects in the Nakau Programme shall present in this section a low-resolution summary of expected core ecosystem service benefits to be rendered into PES units. This will briefly summarise the equivalent information presented in Part B of the PD.*

Part B of this PD will explain how carbon benefits have been quantified through the project. The core expected project benefit realised through this project is avoided carbon emissions from deforestation and enhanced removals from improved management of the forest by removing cattle from existing forest areas.

The volume of Net Carbon Credits issued to the project annually for the Project Period are as follows:

Table 2.6 Net Carbon Benefits		
	Rotation 1 (years 1-15)	Rotation 2 (years 16-30)
Annual Net Carbon Credits	20,689	11,873
Annual Buffer	5,172	2,968
Total Annual Carbon Benefits	25,861	14,841

## 2.7 COMMUNITY BENEFITS

The NMF states: *All projects in the Nakau Programme shall present in this section a low-resolution summary of expected community benefits arising from the project. This will encompass a summary of more detailed (medium-resolution) information presented in Section 5.2 of Part A of the PD (i.e. responding to Section 5.2 of this document).*

The project will result in a range of benefits for participating mataqalis due to employment directly related to implementation of the project; payments received from the sale of PES Units; the strengthening of community governance arrangements; and an intact forest providing timber (within allowable harvesting parameters), non-timber forest products and ecosystem services.

As part of the project community governance has been strengthened through the formation of the Drawa Block Forest Communities Cooperative (DBFCC), and delivery of associated capacity building activities. This will enable the Cooperative to manage funds received as a result of the project in manner that brings sustainable benefits for the community in the form of community development initiatives, such as infrastructure improvements; supporting further income generating activities for cooperative members; and administering a process of distributing member dividends. Funds will be managed according to the section 7 and 8 of the DBFCC Business Plan (Appendix 2), of which further details can be found in section 4.3 of this PD.

The short, medium and long terms benefits of the project are summarized in Table 2.7 below.

Table 2.7 Direct Benefits to Landowners	
Short Term Benefit (1-5 years)	How Drawa Rainforest Conservation Project will positively impact
Employment	Jobs directly related to the implementation of the Drawa Rainforest Conservation Project Jobs related to spin-off businesses built on the back of increased social and financial capital
Capital for community economic development	Financial capital from sales of PES units. Social capital in the form of increased capacity for community business governance, administration, financial discipline, and management Social capital in the form of a disciplined dispute resolution procedures
Economic Multipliers	Economic multipliers arising from increased community economic turnover from local employment
Intact indigenous forest as a supply of wood and non-wood forest products and ecosystem services	Intact indigenous forest as a source of high quality native timber for local house building and harvestable non-timber forest products Intact river catchments with high water quality to support freshwater crayfish (oura) habitat for local consumption and/or sale High water quality as a source of local drinking water Large area of intact forest available for latent heat production (i.e. land cooling) of benefit during dry season.
Resilience to climate related natural hazards	Intact indigenous forest cover to reduce impact of extreme rainfall events on soil erosion and flooding Intact indigenous forest cover to reduce impact of drought on water security
Medium Term Benefit (5-15 years)	How Drawa Rainforest Conservation Project Will Positively Impact
Thriving rural community economy	Reduced youth and young working family migration to cities because of increased employment opportunities on the iTaukei lands. Retention of local labor force available for community projects, house-building & maintenance, customary and church events. Reduced risk of community health problems due to increased access to clean water and financial resources associated with health services. Reduced population growth rates due to increased levels of social well-being and socio-economic status among local iTaukei
Climate Change Resilience	Enhanced resilience to extreme weather events associated with climate change (warming and drying, plus increased intensity of cyclones, heavy rainfall events, and drought)
Long Term Benefit (15-50 years)	How Drawa Rainforest Conservation Project Will Positively Impact
Enhanced resilience to global challenges	Social capital retained due to thriving rural community economy and access to abundant local rainforest resources reduces vulnerability to global shocks including escalating global oil prices, associated global financial market fluctuations, resource-related conflict, and climate change.

## 2.8 BIODIVERSITY BENEFITS

Section 2.2 of the Plan Vivo Standard (2013, p10) states that:

*Project interventions must be designed to maintain or enhance biodiversity and any threats to biodiversity caused by the project intervention must be identified and mitigated.*

The NMF states: *All projects must demonstrate compliance with Section 2.2 of the Plan Vivo Standard (2013) by describing the biodiversity benefits intended by the project. This requires a low-resolution statement in this section of Part A of the PD and a more detailed (medium-resolution) description in Section 5.3 of Part A of the PD (i.e. responding to Section 5.3 of this document).*

The project will result in the protection and management of 4,143.7 hectares of wet rainforest habitat, which includes the Eligible (Crediting) Area as part of the Protected Area. This area will be actively managed to maintain or enhance the biodiversity of the area, according to the measures set out in the Drawa Block Conservation Management Plan (Appendix 1). This will include conservation of habitat and measures to protect significant species (including endemic and threatened species), which are described in further detail in Section 5.3 of this PD.

## 2.9 CO-BENEFITS

The NMF states: *All projects shall describe the co-benefits associated with the project. These co-benefits are not subjected to formal measurement, reporting and verification, but are caused by the project activity. Examples of co-benefits include (but are not restricted to) any of the activity classes mentioned in Section 1.3.3 of this document.*

The protection of forests as part of the project will result in the maintenance of healthy river systems, which are a key source of high quality drinking water for local communities. It will also protect the habitat for aquatic species, including freshwater prawns and eels important for local consumption.

Forest protection will reduce the vulnerability of local communities to climate related risk through reducing the impact of extreme rainfall events on soil erosion and flooding, and the impacts of drought on water security.

The project will also generate significant community benefits, described in Section 2.7 (above).

## 2.10 ENVIRONMENTAL IMPACT ASSESSMENT

According to section 2.3 of the Plan Vivo Standard (2013):

*Project interventions must not lead to any negative environmental impacts, e.g. soil erosion or reduction in water quality.*

The NMF states: *All projects shall identify any potential negative environmental impacts arising from project activities, and incorporate measures to mitigate those negative impacts. If the project activity requires an Environmental Impact Assessment according to the laws and/or regulations of the host country, then projects must comply with such laws and/or regulations in this regard.*

The project does not involve interventions resulting in negative environmental impacts, and an Environmental Impact Assessment is not required for this Project under the Fiji Environment Act. It was therefore determined that an Environmental Impact Assessment was not relevant for this project.

## 2.11 PROJECT TIMESCALES

According to Section 4 of the 2012 Plan Vivo PD Template:

Projects are required to provide a description of the timescales for project establishment, pilot activities, anticipated scaling-up; crediting period used to calculate saleable PES units from ecosystem services delivered.

The NMF states: *All projects shall describe the following project temporal boundaries:*

- *Project Period (including Project Start Date and Project End Date)*
- *Project Crediting Period (if different from the Project Period)*
- *Project Monitoring Period*
- *Project Management Period*

**Project Period:** *The Project Period is the period in which the project is being undertaken as a PES project, whereby Baseline Activities are replaced by Project Activities. The duration of the Project Period will be determined by the Technical Specifications applied.*

**Project Crediting Period (if different from the Project Period):** *The Project Crediting Period is the period during which PES units will be claimed for the implementation of project activity. This may be the same as the Project Period, but there are times when the Crediting Period is*

a subset of the Project Period.

**Project Monitoring Period:** The Project Monitoring Period shall be determined by the Technical Specifications applied, but will normally comprise monitoring periods of no more than 5 years starting with the start of the Project Crediting Period and will continue until the End of the Project Period.

**Project Management Period:** The Project Management Period comprises each annual project management cycle, starting on the Project Start Date.

**Project Termination:** Project Termination is the date at which the project ends, and is not rolled over for subsequent Project Periods. Project Termination must be at the end of a Project Period.

Table 2.11 Project Temporal Boundaries

	Start	End	Notes
Project Period	2012	2042	
Crediting Period	6 September 2012	6 September 2043	
Monitoring Periods	6 September 2012	6 September 2043	3 yearly starting 1/01/2012
Project Termination		6 September 2043	Project can renew at this time.

## 2.12 PROJECT RISKS

According to Section 6 of the Plan Vivo Standard (2013, p19):

*Projects must manage risks effectively throughout their design and implementation.*

This includes core requirements for all project interventions:

- 6.1 *Risks to the delivery of ecosystem services and sustainability of project interventions must be identified and appropriate mitigation measures described.*
- 6.2. *Projects must review their risk assessment at least every 5 years and resubmit to the Plan Vivo Foundation.*

This also includes additional requirements for projects generating Plan Vivo Certificates:

- 6.3. *A proportion of expected climate services must be held in a risk buffer to protect the project from unexpected reductions in carbon stocks or increases in emissions, unless there is no risk of reversal associated with the project intervention.*
- 6.4. *The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected.*

The NMF states: *The Nakau Programme requires all projects to undertake a risk assessment and identify risk mitigation measures as specified in the Technical Specifications applied in Part B of the PD.*

*All risk assessments shall be reviewed in sync with the project monitoring cycle, and included in project monitoring reports.*

The risk assessment for this project is supplied in Section 5.4 of Part B of this PD.

## 2.13 PROJECT COORDINATION AND MANAGEMENT

### 2.13.1 Project Legal Entities

According to Section 3.1 of the Plan Vivo Standard (2013, p11):

*There must be an established legal entity acting as project coordinator that takes overall responsibility for the project, and meeting the requirements of the Plan Vivo Standard for its duration.*

The NMF states: *All projects in the Nakau Programme are required to demonstrate compliance with Section 3.1 of the Plan Vivo Standard.*

*Projects are required to describe (in the corresponding Section of the PD) the established legal entities acting in the project as:*

- *Project Coordinator*
- *Project Owner*
- *Programme Operator*

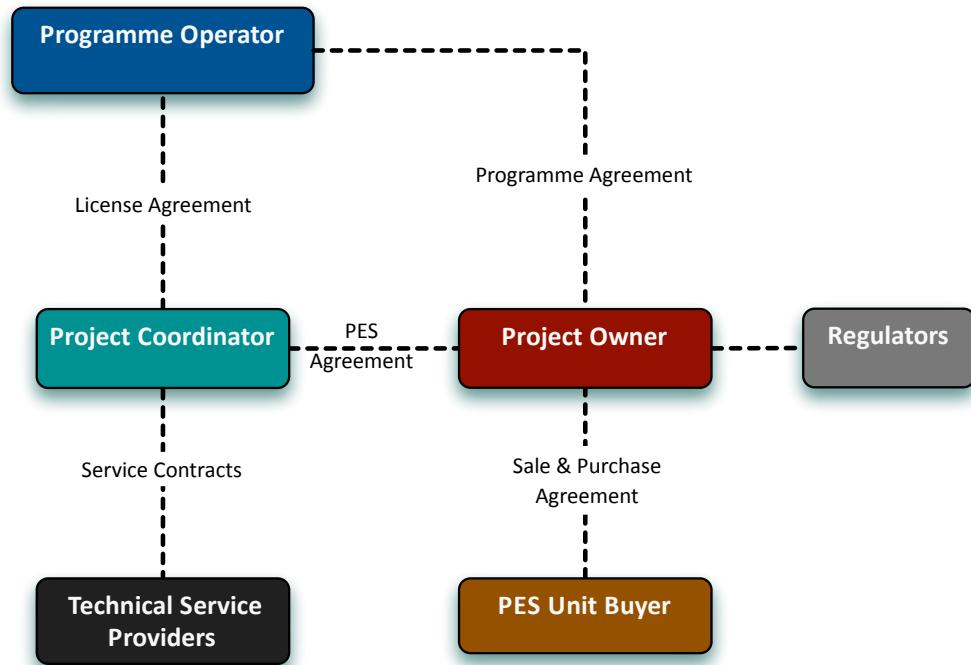
**Table 2.1.3.1 Project Legal Entities**

Project Coordinator	Live and Learn Environmental Education Fiji (Incorporated Association)
Project Owner	Drawa Block Forest Communities Cooperative Limited
Programme Operator	The Nakau Programme Pty Ltd: a Company Limited by Shares under the <i>Corporations Act 2001</i> (Commonwealth legislation administered by the Australian Securities and Investments Commission), wholly owned by two charities - Live and Learn International (Australia) and Ekos (New Zealand).

## 2.13.2 Project Structure

Projects in the Nakau Programme have the following Structure:

*Figure 2.13.2 Nakau Programme Legal Structure*



### 2.13.3 Roles and Responsibilities

According to Section 3.2 of the Plan Vivo Standard (2013, p11):

*If coordinating functions are delegated or shared between the project coordinator and another body or bodies, the responsibilities of each body must be clearly defined and formalised in a written agreement, e.g. Memorandum of Understanding, which must be kept up-to-date as the project progresses.*

**Table 2.13.3: Project Roles And Responsibilities**

Primary Participants		
Role	Responsibility	Agreement
Project Owner	Owner of PES rights	<ul style="list-style-type: none"> <li>• Programme Agreement with Programme Operator; PES Agreement with Project Coordinator.</li> </ul>
	Owner of PES Unit sale profits	<ul style="list-style-type: none"> <li>• PES Agreement with Project Coordinator</li> </ul>
	Counter-party (seller) to PES unit buyers in PES unit transactions	<ul style="list-style-type: none"> <li>• PES Unit Purchase Agreements with PES unit buyers and/or Brokerage Agreements with brokers</li> </ul>
	Project governance	<ul style="list-style-type: none"> <li>• PES Agreement with Project Coordinator</li> </ul>
	Project co-management	
	Project co-monitoring	
Project Coordinator	Project designer and developer	<ul style="list-style-type: none"> <li>• Licence Agreement with Programme Operator</li> <li>• PES Agreement with Project Owner</li> </ul>
	Service provider	<ul style="list-style-type: none"> <li>• PES Agreement with Project Owner</li> </ul>
		<ul style="list-style-type: none"> <li>• PES Agreement with Project Owner</li> </ul>
	Facilitator project governance	<ul style="list-style-type: none"> <li>• PES Agreement with Project Owner</li> </ul>
	Project registry agent for PES units	<ul style="list-style-type: none"> <li>• Registry Communications Agreement with Registry &amp; subject to PES Agreement with Project Owner</li> </ul>
	PES unit sales & marketing agent	<ul style="list-style-type: none"> <li>• PES Agreement with Project Owner</li> </ul>
	Project insurance facilitator	<ul style="list-style-type: none"> <li>• PES Agreement with Project Owner</li> </ul>
Programme Operator	Guardian of environmental and co-benefit integrity of Nakau Programme	<ul style="list-style-type: none"> <li>• Licence Agreement with Project Coordinator</li> <li>• Programme Agreement with Project Owner</li> </ul>
	PES unit sales & marketing agent	<ul style="list-style-type: none"> <li>• Programme Agreement with Project Owner</li> <li>• Licence Agreement with Project Coordinator</li> </ul>
	Project registry agent for pooled buffer account	
	Owner of PES buffer units	<ul style="list-style-type: none"> <li>• Programme Agreement with Project Owner</li> <li>• Licence Agreement with Project Coordinator</li> </ul>
	Owner of IP associated with Nakau Programme (including methodologies developed by the Nakau Programme)	<ul style="list-style-type: none"> <li>• Licence Agreement with Project Coordinator</li> </ul>
Project Standards	Dependent on the Technical Specifications applied	<ul style="list-style-type: none"> <li>• Validation/Verification Service Agreement with Project Coordinator</li> </ul>

Project Validator / Verifier	Validator and verifier	<ul style="list-style-type: none"> <li>Validation/Verification Service Agreement with Project Coordinator</li> </ul>
Project Registry	PES Unit registry Issuance of PES Units	<ul style="list-style-type: none"> <li>Registry Terms and Conditions</li> <li>Registry Communications Agreement with Project Coordinator</li> <li>Registry Agent clause in Project Agreement between Project Coordinator and Project Owner</li> <li>Registry Agent clause in Programme Agreement with Project Owner</li> </ul>
PES Unit Buyer	Purchase PES Units	<ul style="list-style-type: none"> <li>PES Sale and Purchase Agreements with Project Owner</li> </ul>
<b>Secondary Participants</b>		
Project Coordinator's subcontractors (as required)	Legal consultants	<ul style="list-style-type: none"> <li>Service Contracts with Project Coordinator</li> </ul>
	Ecosystem inventory contractors	
	Mapping and remote sensing contractors	
	Economist	
	Sales and marketing agent	<ul style="list-style-type: none"> <li>Service Contracts with Project Coordinator and Project Owner</li> </ul>
PES Unit Broker	PES unit sales intermediary	<ul style="list-style-type: none"> <li>Brokerage Agreement with Project Coordinator and Project Owner</li> </ul>
Insurers	Commercial insurance	<ul style="list-style-type: none"> <li>Insurance Policies with Project Owner and Programme Operator</li> </ul>

The NMF states: *All projects in the Nakau Programme shall provide (in the equivalent Section of the PD) a short bio for each of their key personnel corresponding to the roles and responsibilities assigned to individuals within the Project Coordinator and Project Owner, as well as any other key stakeholders.*

### **Project Owner: Drawa Block Forest Communities Cooperative**

Chairman, Secretary, Project Coordinators staff.

### **Project Coordinator: Live & Learn Fiji**

#### Josefa Lalabalavu

Josefa is the manager of payment for ecosystem services (PES) and forest livelihoods projects for Live & Learn Fiji. Since 2011 Josefa has been responsible for the implementation of the Drawa Block REDD+ Project in Vanua Levu. His role includes engagement with landowners to facilitate their participation in a community-based approach to REDD+, including a strong focus on community governance, planning and business support. Josefa previously worked on a consultancy for The Foundation of the Peoples of the South Pacific International as part of its 'Views from the Frontline' Global Progress Review under the Regional Disaster Programme, and as a Research Assistant for the USP School of Geography.

He holds a Bachelor of Arts Degree - Double Major in Geography and Real Estate from the University of the South Pacific.

Other staff in the Project Coordinator team are:

Doris Susau – Country Manager, Live & Learn Fiji

Roserine lagi – REDD+ Project Officer

Salanieta Vunimoli – REDD+ Project Officer

**Programme Operator: Nakau Programme Pty Ltd**

Robbie Henderson, Co-Director. Robbie is based in Australia, but has lived and worked in Fiji, Vanuatu and PNG. Robbie also has previous experience in the Solomon Islands and has been with Live & Learn for 8 years.

Anjali Nelson, Co-Director. Anjali is based in Vanuatu where she works as Advisor to REDD+ project staff in Vanuatu, Fiji and the Solomon Islands. Anjali has been engaged in REDD+ since 2009 and has worked in climate change for the public, private and non-government sectors.

Carbon Partnership Ltd

Carbon Partnership Ltd is a REDD+ technical specialist consulting firm led by Dr Sean Weaver. Sean has played a prominent role in REDD+ policy and project development in the Pacific Islands and New Zealand. He was the lead Policy Consultant to the Vanuatu REDD+ Program; Lead Consultant to the Pacific Regional Policy Framework for REDD+; Lead Policy Consultant to the Fiji REDD+ Program; Designer/Developer of the 'Rarakau Program' - a forest carbon-crediting scheme for Maori-owned pre-1990 indigenous forests in New Zealand; and is Lead Technical Consultant to Live & Learn's forest carbon projects in the Pacific Islands. Sean has worked in Pacific Island forest conservation finance and community development since 1987. He formerly ran the undergraduate Environmental Studies Program at Victoria University of Wellington, and has been an environmental consultant with the IUCN, WWF, Greenpeace and other NGOs. He currently specializes in payment for ecosystem services and environmental performance measurement.

Little Fish Ltd

Hugh Lovesy comes from Alice Springs, Central Australia. He has a background in psychology. He has had extensive managerial, entrepreneurial and cross-cultural experience. He is a passionate about the environment and ensuring justice and fairness in the global economy. In 1994 he co-founded Little Fish. The company was formed to put the techniques developed at Mimili into practice on a large scale. Little Fish was the first Northern Territory company ever to win a national award in the prestigious Telstra Business Awards. Little Fish currently works in Australia and in several countries overseas.

## 2.13.4 Project Coordinator Capacity

According to Section 3.4 of the Plan Vivo Standard (2013, p12):

*The project coordinator must have the capacity to support participants in the design of project interventions, select appropriate participants for inclusion in the project, and develop effective participatory relationships including providing ongoing support as required to sustain the project.*

Section 3.5 of the Plan Vivo Standard (2013, p12) requires:

*The project coordinator [to] have the legal and administrative capacity to enter into PES agreements with participants and to manage the disbursement of payments for ecosystem services.*

The NMF states: *Project Coordinators must provide information demonstrating their capacity to meet the requirements of Sections 3.4 and 3.5 of the Plan Vivo Standard (2013).*

### Legal Status

Live & Learn Fiji is incorporated under the Charitable Trusts Act (CAP 67) on the 29 September 1999 as a local non-government organization.

In Australia Live & Learn is registered under the Associations Incorporation Act 1981, as a non-government organization since 14 November 1992 and was entered into the Register of Environmental Organizations on 14 June 2002 and through this registration under the Income Tax Assessment Act 1997 item 6.1.1 of subsection 30-55(1) to receive deductible donations. Live & Learn Australia provides support to Live & Learn Fiji, the later which is part of the regional Live & Learn network. See: [www.livelearn.org](http://www.livelearn.org)

### Long-Term Objectives Of The Organization

Live & Learn works to reduce poverty and advance sustainable development in the Asia-Pacific region through education and learning-by-doing in sustainable development and environmental protection.

Live & Learn aims to:

- Develop and implement projects and programs for teachers, schools, communities and other target groups in the field of environmental and development education.
- Encourage individual and community attitudes, values and actions that are ethical and environmentally sustainable.
- Share knowledge, skills, learning experiences and resources with others for the benefit of the physical and human environment.

## Brief History And Achievements

### Live & Learn:

- Began in 1992 as volunteers provided environmental education programs on rainforest and reef conservation in Australia.
- Redesigned its efforts in 1997 to promote environmental, action-focused education in the South Pacific.
- Is locally operated in Fiji, but part of a regional network
- Works through strategic relationships with government departments allowing input into national policies.
- Has offices in 9 countries and has grown significantly to manage over 100 staff and over 70 projects internationally.

### Summary Of Current Activities Including Details Of Scale And Range

Live & Learn manages small to medium-sized projects (ranging from USD\$20,000 – USD\$5,000,000). Our projects may be country specific or regional in scope. Live & Learn works across multiple program areas including:

- Water, Sanitation and Hygiene (WASH)
- Human Rights
- Peace building
- Climate Change mitigation and adaptation
- Waste minimization
- Biodiversity conservation
- Sustainable energy
- REDD+ and PES

### 2.13.5 Services Provided By The Project Coordinator

The NMF states: *The PES Agreement will define the services to be provided to the Project by the Project Coordinator. The scope of services will vary from project to project according to the capacity and preferences of the Project Owner, as negotiated with the Project Coordinator. The term 'preferences' indicates that the Project Owner may prefer to outsource certain activities for reasons other than capacity constraints. These could include avoiding local conflict, or commercial decisions to maximise efficiency or effectiveness.*

*The Project Coordinator may sub-contract provision of services (e.g. technical carbon measurement capabilities, remote sensing and mapping), to other service providers in accordance with the PES Agreement.*

*Table 2.13.5 provides an indicative example of how the services to be provided by the Project Coordinator may vary in response to the capacity of the Project Owner.*

*Projects in the Nakau Programme are encouraged to use or develop capacity assessment*

*tools to transparently establish capacity baselines, and as a measure against which to seek improvements.*

*In providing services for the project, the Project Coordinator must maintain a commitment to the participatory processes outlined in Section 3 of this Methodology. In this respect, outsourcing of technical and administrative capabilities must not reduce the level of Project Owner power with respect to participation in decision-making.*

Table 2.13.5: Project Owner capacity & service provision by Project Coordinator

Capacity / capability of Project Owner	Likely characteristics of Project Owner group	Examples of services outsourced to the Project Coordinator
Low	<ul style="list-style-type: none"> <li>• Group is new / set up from scratch</li> <li>• Little or no experience in managing a group project</li> <li>• Many participants with low levels of formal education</li> <li>• Difficult operating environment. E.g. remoteness, poverty, post conflict or poor infrastructure access (e.g. power, communication, transport)</li> </ul>	<ul style="list-style-type: none"> <li>• Project development</li> <li>• Assist to establish, facilitate &amp; support good governance &amp; decision making processes</li> <li>• Directly employ local staff (Project Owner to co-manage)</li> <li>• Project implementation (through local staff administered by the Project Coordinator and co-managed with the Project Owner)</li> <li>• Sub-contract management</li> <li>• Monitoring &amp; Reporting</li> <li>• Facilitate sale &amp; purchase agreements</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>• New group established by participants who are / have been involved in other similar groups (e.g. cooperatives)</li> <li>• Significant prior experience in managing a group project</li> <li>• Significant number of participants with medium to high levels of formal education</li> <li>• Reasonable operating environment and infrastructure access (e.g. power, communication, transport)</li> </ul>	<ul style="list-style-type: none"> <li>• Project development</li> <li>• Assist to establish, facilitate &amp; support good governance &amp; decision making processes</li> <li>• Directly employ some local staff positions (e.g. administrative) while Project Owner directly employs others (e.g. Rangers)</li> <li>• Support local project implementation</li> <li>• Sub-contract management</li> <li>• Support for Monitoring</li> <li>• Reporting</li> <li>• Facilitate sale &amp; purchase agreements</li> </ul>
High	<ul style="list-style-type: none"> <li>• Built upon an existing group with established governance administrative and management systems</li> <li>• Significant prior experience in managing group projects</li> <li>• High proportion of participants with high levels of formal education</li> <li>• Favourable operating environment and good infrastructure access (e.g. power, communication, transport)</li> </ul>	<ul style="list-style-type: none"> <li>• Support project development</li> <li>• Support good governance &amp; decision making processes (as required)</li> <li>• Support for Monitoring (as required)</li> <li>• Support for Reporting (as required)</li> <li>• Facilitate sale &amp; purchase agreements (if required)</li> </ul>

The Project Coordinator (Live & Learn) has determined that the Project Owner, being the Drawa Block Forest Communities Cooperative, has *moderate* capacity for project implementation (as per table 2.13.5 above). This is based on the recognition that many of its members having been involved in the Cooperative that was formed under the previous GIZ/SPC Sustainable Forest Management, through which they have developed some understanding of what is involved in managing a group project. A significant number of members have completed high school, and have prior experience in project management. All board members are literate, however not all speak and write in English. However the DBFCC is still a relatively new organisation and will require some time to develop strong administrative and management systems (e.g. for employment of staff), while its governance structure is quite strong. The operating environment of the cooperative also presents some challenges with limited access to electricity, communications and transport infrastructure. Refer to section 3.1.2 for further information.

The capacity of the Project Owner is a key consideration when determining the roles and responsibilities that must be fulfilled by the Project Coordinator to ensure the project is properly implemented. The roles and responsibilities for the Project Coordinator are clearly articulated within the PES Agreement, and included here in summary:

- (a) Co-manage and co-monitor the Project in accordance with the PD;
- (b) Secure and maintain a legal Instrument of Protection over the land to be obtained prior to first verification for the period of the project.
- (c) Establish, maintain and manage the Drawa Block Forest Communities Cooperative Ltd to ensure continued compliance with the Nakau Methodology Framework and the Nakau Programme Technical Specifications Module/s applied, and the Nakau Management Plan see Annexure A;
- (d) Co-manage data quality, storage and security in accordance with the Standard Operating Procedures for data quality, storage and security developed in compliance with the Nakau Methodology Framework and the Technical Specifications Module/s applied;
- (e) Participate in project development, management and monitoring workshops as described in the PD;
- (f) Maintain the legal registration of Drawa Block Forest Communities Cooperative Ltd including compliance with all Government registration requirements, and ensure good governance, financial discipline and financial transparency standards are met as per the Nakau Methodology Framework and the PD;
- (g) Enter into a Programme Agreement with the Nakau Programme Operator for PES units to be sold by the Nakau Programme Operator on your behalf in accordance with the Sale & Purchase Agreement Template co-developed by you.

- (h) Work in line with the Project Owner Business Plan in accordance with the Project Owner Business Model as specified in the Nakau Methodology Framework and the PD.
- (i) Cover the costs of project activities implemented at your own cost, as according to the DBFCC annual implementation budget.
- (j) Distribute all money received under this project in accordance with the DBFCC Business Plan (Appendix 2).
- (k) Notify the Project Coordinator immediately in the event of a Reversal that has occurred, or as soon as practicable should you become aware that a Reversal will likely occur in the foreseeable future.

## 2.13.6 Transfer Of Skills And Responsibilities

The NMF states: *The Project Coordinator must demonstrate a commitment to growing the capacity of the Project Owner group through time. This will include a commitment to participatory processes (Section 3) that enable the Project Owner group to learn through participation, and should also include specific training (e.g. in administration for financial management) where possible.*

*The roles and responsibilities of the Project Coordinator and Project Owner must be examined annually at each Project Management Workshop (see 3.1.6) and at the conclusion of each monitoring period at the Project Monitoring Workshop (see 3.1.7). Agreed changes to any services provided by the Project Coordinator that can be transferred to the Project Owner should be adopted through a variation to the PES Agreement.*

### 2.13.6.1 Project Roles and Responsibilities

The Project has been co-developed with the Project Owners and implementation will continue to be undertaken through a participatory approach, this serves to transfer skills to the Project Owner. For example, Live & Learn (Project Coordinator) will administer employment of local rangers and administrative staff. However the DBFCC will be involved in supervising staff and establishing work plans. The roles and responsibilities of the Project Coordinator and Project Owner will be examined annually at each Project Management Workshop (see 3.1.7) and at the conclusion of each monitoring period at the Project Monitoring Workshop (see 3.1.8). These points in the project provide the opportunity to change the roles and responsibilities of each Actor, with the intention to transfer greater responsibility to the Project Owner through time. Changes will be reflected through agreed amendments to the PES Agreement.

## 2.13.7 Project Agreements and Contracts

The NMF states: *Participation in the Nakau Programme by the key stakeholder entities is governed by agreements and contracts. All projects in the Nakau Programme shall provide signed copies of the following project-related contracts and agreements (completed by the time of validation) as an appendix to the PD:*

- *License Agreement*
- *Programme Agreement*
- *Project Development Agreement*
- *PES Agreement*

*However inception (pilot) projects approved by the Programme Operator may be exempted from the above requirement, and may instead complete the aforementioned agreements at first verification.*

*Subsequent agreements and contracts (detailed below) shall be added to the Project Document Database when completed.*

### 2.13.7.1 License Agreement

The NMF states: *The License Agreement is a contract between the Programme Operator and the Project Coordinator. The Programme Operator grants a Project Coordinator License to a Project Coordinator entity that meets the eligibility criteria for gaining such a license. The License Agreement safeguards the integrity of Project Coordinator entities operating in the Nakau Programme.*

The License Agreement between the Project Coordinator and the Programme Operator is provided in Appendix 3a.

### 2.13.7.2 Programme Agreement

The NMF states: *The Programme Agreement is a contract between the Programme Operator and the Project Owner. The purpose of the Programme Agreement is to bind the Project Owner to the rules for participating in the Nakau Programme.*

The Programme Agreement between the Project Owner and the Programme Operator is provided in Appendix 3b.

### 2.13.7.3 Project Development Agreement

The NMF states: *The Project Development Agreement is a service contract between the Project Owner and the Project Coordinator, where the Project Owner engages the Project Coordinator in project scoping and project development activities (PIN and PD development: activities up to but not beyond PD validation).*

Identification of the need for and value of a Project Development Agreement was an outcome of this project (an inception / pilot project for the Nakau Programme). The Agreement would be established at an early stage of project development. However in this inception project the agreements to develop a project were sought through an informal and formal mandate (including a signed letter) from community leaders, but without the instrument of a Project Development Agreement (as this had not been developed when the project commenced).

#### **2.13.7.4 PES Agreement**

The NMF states: *The PES Agreement (or 'Payment for Ecosystem Services Agreement') is a service contract between the Project Owner and the Project Coordinator, where the Project Owner engages the Project Coordinator in project coordination activities and responsibilities associated with PES unit production and sale (activities following PD validation and through the course of project management, monitoring and verification). The PES Agreement is also the legal foundation on which the Project Owner and Project Coordinator implement the project and distribute costs and benefits associated with the project.*

The PES Agreement between the Project Owner and the Project Coordinator is provided in Appendix 3c: PES Agreement.

#### **2.13.7.5 Instrument of Protection**

The NMF states: *Each project is required to include an Instrument of Protection to safeguard the integrity of the project activity and prevent baseline activities. The Instrument of Protection will vary depending on the project type and the legal or customary circumstances in the host country. The Instrument of Protection must be finalised prior to first verification, however it is sufficient to provide a draft or description of the instrument that will be applied at PD validation stage.*

The Instrument of Protection to prevent baseline activities under this project is a Conservation Lease as legislated in the iTaukei Land Trust (Leases and Licenses) Regulations 1984. The lessee is the iTaukei Land Trust Board (TLTB) acting on behalf of the landowning mataqali (clans) of the Drawa Block. The lessor is the Drawa Block Forest Communities Cooperative, which is an entity formed by the same nine mataqali. The Conservation Lease prohibits commercial logging or land clearing activities within the Eligible Area for the term of the lease (30 years), it also excludes other development activities that would lead to

deforestation or forest degradation. The lease has provision for penalties that can be applied in the instance of non-compliance with lease conditions. The Conservation Lease also references the Drawa Conservation Management Plan and requires its implementation. The Conservation Lease is provided in Appendix 4: Conservation Lease.

#### **2.13.7.6 Sale and Purchase Agreement**

The NMF states: *The sale of PES units is based on a Sale and Purchase Agreement between the Project Owner and the PES Unit buyer. The Project Coordinator will often facilitate this agreement.*

Clause 3.1 (f) of the Programme Agreement grants permission for the Programme Operator to enter into a Sale and Purchase Agreement with purchasers for PES Units acting as Sales Agent on behalf of the Project Owners (DBFCC). This is necessary to enable the Programme Operator to undertake sales and marketing effort outside of Fiji. For sales within Fiji, the Project Coordinator will work with the Programme Operator and Project Owners to facilitate development of the Sales and Purchase Agreement, however the Project Owners will sign the Agreement directly. A separate Sales and Purchase Agreement will be tailored to each client. The first Sales and Purchase Agreement signed at the Programme Level with ZeroMission provides an example. (Refer to ER 2.13.7.6)

#### **2.13.7.7 Subcontracts**

The NMF states: *The Project Coordinator may need to undertake engage technical or other service providers with sub-contracts in order to deliver project coordination outcomes.*

The Project Coordinator has engaged the following service providers in order to deliver the project coordination outcomes:

- Sean Weaver, Carbon Partnership Limited - Technical Consultant. TOR included design the Technical Specifications TS IFM-LtPF and to build the technical capacity of the Project Coordinator.
- Hugh Lovesy, Little Fish Inc. - Provision of financial management training based on Money Story methodology
- Wildlife Conservation Society- GIS Mapping Services
- Siwatibau and Sloan (legal firm) - Legal review of PES Agreement

## 2.13.8 Long-Term Monitoring Commitment

The NMF states: *All projects in the Nakau Programme must demonstrate a commitment to long-term monitoring of project implementation outcomes.*

The Project Coordinator's commitment to long term provision of support and monitoring services to the project is set out in Clauses 3 e, l, r, s, t, u and v of the PES Agreement (Appendix 3c).

The capacity of the Project Coordinator to deliver these services is evidenced in Section 2.13.4 of this PD. The Project Coordinator will receive technical inputs from the Nakau Programme Operator in the delivery of these services as set out in the License Agreement that is in Appendix 3a.

## 2.13.9 Stakeholder Analysis

According to Section 3.6 of the Plan Vivo Standard (2013, p12):

*The project coordinator must undertake a stakeholder analysis to identify key communities, organisations, and local and national authorities that are likely to be affected by or have a stake in the project. This project coordinator must take appropriate steps to inform them about the project and seek their views, and secure approval where necessary.*

The NMF states: *Project Coordinators must provide evidence of a stakeholder analysis undertaken of the Project Area to meet the requirement of Section 3.6 of the Plan Vivo Standard (2013).*

A stakeholder analysis has been developed for the project. The analysis goes beyond carbon and PES to examine links to other income earning opportunities relevant for the project, in particular for bee keeping. See ER 2.13.9.

## 2.13.10 Laws And Regulations

According to Section 3.7 of the Plan Vivo Standard (2013, p12):

*Relevant local, national or international laws and regulations that impact on the project design and management must be identified by the project coordinator and documented including, how the project design has taken them into account to ensure compliance with the law.*

The NMF states: *All projects must demonstrate compliance with Section 3.7 of the Plan Vivo Standard (2013).*

The Drawa Forest Carbon project has been designed to be compliant with the following relevant Fijian laws and regulations:

- iTaukei Land Trust (Leases and Licenses) Regulations 1984 governs the leasing of iTaukei Lands. The signing of Conservation Lease (Appendix 4) is evidence that the project is compliant with this Regulation.
- Fiji Cooperatives Act 1996 governs the formation cooperatives. The registering of the Drawa Block Forest Community Cooperative is evidence of project being compliance with this Act. See ER 2.13.10a
- The Forest Decree 1992 is the main law regulating forest use in Fiji. There is no provision specifically referring to sustainable forest management or the participation of landowners in the management of forest resources. The Decree does recognise the rights of customary landowners and provides that subsistence forest use that is recognised by customary law is permitted and should not be restricted by the Decree. A legal review of the PES Agreement was undertaken by private lawyers (Siwatibau and Sloan) to assess compliance with the Forest Decree. The assessment found that the Forest Decree does not mention carbon projects and noted that regulation for carbon projects is still being developed in Fiji. However the review also found that the PES Agreement does not contradict anything in the Forest Decree, and is therefore allowable. See ER 2.13.10b.

### 2.13.11 Regulatory Permissions

According to Section 3.8 of the Plan Vivo Standard (2013, p12):

*The project coordinator must assist participants to identify and secure any legal or regulatory permissions required to carry out project interventions, e.g. authorisation or a license for a community forest management plan from the local authority).*

The NMF states: *All projects must demonstrate compliance with Section 3.8 of the Plan Vivo Standard (2013).*

The Drawa Block Forest Communities Cooperative Limited was registered under the Cooperatives Act 1996, on the 15th April 2015 with the registration number 1700. The registration document is provided in ER 2.13.10b.

The DBFCC has been negotiating a Conservation Lease as based on the iTaukei Land Trust (Leases and Licenses) Regulations 1984.

The Fiji Government is participating in the Forest Carbon Partnership Facility (FCPF) REDD+ readiness activities, which includes designing and establishing the institutions, policies and regulations to manage implementation of REDD+ in Fiji. However the regulations and institutions that will administer REDD+ are still in the design phase. The Fiji Government's implementation of FCPF readiness activities is undertaken in close collaboration and input of a multi-stakeholder National REDD+ Steering Committee, which is officially endorsed by the Minister for Forests. Live & Learn Fiji is an official member of the National REDD+ Steering Committee and is provided with the opportunity to update the Committee at each meeting (usually every second month) about the status of the project. Membership in the steering committee is a key mechanism by which Live & Learn Fiji has kept the Government informed of the project. It has also provided the opportunity for receiving information about policy directions that have been channelled into project design to ensure alignment.

#### 2.13.12 Revenue Disbursement Procedures

According to Section 3.9 of the Plan Vivo Standard (2013, p12):

*A transparent mechanism and procedures for the receipt, holding and disbursement of PES funds must be defined and applied, with funds intended for PES earmarked and managed through an account established for this sole purpose, separate to the project coordinator's general operational finances.*

The NMF states: *All projects must demonstrate compliance with Section 3.9 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the Benefit Sharing arrangements presented in Section 4.2 of this document (i.e. detailed information to be provided in Section 4.2 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

The procedures to ensure transparent financial management and revenue distribution are set out in Section 5 and Schedule 2 of the PES Agreement (Appendix 3c) and section 7 and 8 of the DBFCC Business Plan (Appendix 2). A full description can be found in section 4.2 of this PD.

#### 2.13.13 Project Budgeting

According to Section 3.10 of the Plan Vivo Standard (2013, p12):

*A project budget and financial plan must be developed by the project coordinator and updated at least every three months, including documentation of operational costs and PES disbursed, and funding received, demonstrating how adequate funds to sustain the project*

*have been or will be secured.*

The NMF states: *All projects must demonstrate compliance with Section 3.10 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the Benefit Sharing arrangements presented in Section 4.2 of this document (i.e. detailed information to be provided in Section 4.2 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

Section 4.2.2 of this PD describes the project budgeting and financial plan. A Project Budget has been developed by the Project Coordinator and forms part of the Project Owner Business Plan. This budget was also used to determine break-even pricing for the project PES units. This budget is provided in Schedule 4 of the PES Agreement in Appendix 3c.

#### 2.13.14 Project Records

According to Section 3.11 of the Plan Vivo Standard (2013, p12):

*The project coordinator must keep records of all plan vivos submitted by participants, PES agreements, monitoring results and all PES disbursed to participants.*

The NMF states: *All projects must demonstrate compliance with Section 3.11 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the Project Documentation arrangements presented in Section 6.1 of this document (i.e. detailed information to be provided in Section 6.1 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

Section 6.1 of this PD provides a list of all the key documents that provide the basis of this project. Section 7.2 describes the Standard Operating Procedure- Data Storage and Security, which outlines that the Project Owner, Coordinator and Operator are all to store copies of these key project documents, both as a hard copies and electronic copies. The Project Coordinator is to store all data that contributes to project design, management and monitoring. All documents and data are also to be stored on the online Project Information Platform.

### 2.13.15 Data Security

According to Section 3.12 of the Plan Vivo Standard (2013, p12):

*Project records kept under requirements 3.10 and 3.11 must be backed up regularly (at least every 3 months unless there has been no activity) and held in an independent location from the primary source, to protect against data loss.*

The NMF states: *All projects must demonstrate compliance with Section 3.12 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the data security arrangements presented in Section 7.2 of this document (i.e. detailed information to be provided in Section 7.2 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

As is described in section 7.2 of this PD, all documents and data will be stored according to the Standard Operating Procedure - Data Management (Section 7.2 of this document). Security measures including storing all key documents in electronic and hard copy format with the Project Owner, Coordinator and Operator, and being backed up on office hard disks and servers. All documents and supporting data also to be stored on the online Project Information Platform to protect against data loss.

### 2.13.16 Inclusiveness

According to Section 3.13 of the Plan Vivo Standard (2013, p12):

*Community members, including women and members of marginalised groups, must be given an equal opportunity to fill employment positions in the project where job requirements are met or for roles where they can be cost-effectively trained.*

The NMF states: *All projects must demonstrate compliance with Section 3.13 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the inclusiveness arrangements presented in Section 3.4.2, 3.4.3, and 3.4.4 of this document (i.e. detailed information to be provided in Sections 3.4.2, 3.4.3, and 3.4.4 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

Section 3.4.2, 3.4.3, and 3.4.4 of this PD that demonstrate compliance with Section 3.13 of the Plan Vivo Standard.

### 2.13.17 Employment Relations

According to Section 3.14 of the Plan Vivo Standard (2013, p13):

*Where participants or other community members are given employment opportunities through the project, the project coordinator must identify relevant laws and regulations covering workers' rights in the host country and ensure the employment arrangements meet or exceed those requirements.*

The NMF states: *All projects must demonstrate compliance with Section 3.14 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the community benefit sharing arrangements presented in Section 4.3 of this document (i.e. detailed information to be provided in Sections 4.3 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

All employment administered through this project will be in compliance with the laws as regulated by the Fiji Ministry of Labour, Industrial relations and Employment, available here: <http://www.labour.gov.fj/laws.htm>. Employment under the Project Coordinator will all follow the Live & Learn Good Practice Manual policies, which meet or exceed the minimum requirements established under Fiji labour laws. See ER 2.13.17

### 2.13.18 Minimum Employment Age

According to Section 3.15 of the Plan Vivo Standard (2013, p13):

*Persons employed as part of the project must not be below the age of 15.*

The NMF states: *All projects must demonstrate compliance with Section 3.15 of the Plan Vivo Standard (2013). This requirement is cross-referenced to the employment arrangements presented in Section 4.3 of this document (i.e. detailed information to be provided in Sections 4.3 of the PD to cover this requirement, but noted as a cross-reference in this section for transparency and ease of auditing).*

The parties to this project have committed not to employ persons whom are under the age of 15. The PES Agreement clause 2.2(d) states that parties must "Ensure that persons employed as part of the project are not below the age of fifteen and that all applicable laws and regulations relating to employment conditions are met as a minimum standard." See Appendix 3b Project Agreements.

### 2.13.19 Transferring Coordinating Functions

According to Section 3.16 of the Plan Vivo Standard (2013, p13):

*If coordinating functions are to be transferred at any time, it requires the approval of the Plan Vivo Foundation. For this, in addition to the new project coordinator meeting all requirements set out in this document, a plan for execution of transfer needs to be submitted, which sets out how the transfer will be managed, including by providing necessary capacity building for new organization(s) and by gaining support of stakeholders including participating communities.*

The NMF states: *All projects must demonstrate compliance with Section 3.16 of the Plan Vivo Standard (2013).*

Clause 3(v) of the PES agreement (Appendix 3c) describes that the Project Coordinator shall:

‘Not assign or transfer project coordination functions, other than to sub-contract services outlined in this agreement, without first obtaining your consent and the consent of the Nakau Programme Operator.’

It is foreseen that this would only occur due to insolvency of the Project Coordinator. There is a very low risk that the Project Coordinator would become insolvent, hence it is not planned for coordination functions to be transferred at any time.

### 2.13.20 Permanence

The NMF states: *The Nakau Programme methodology requires all projects to undertake a form of legal protection of the ecosystem supporting the ecosystem services used to generate PES units within the Project Area. The duration of the legal protection is to be no less than the duration of the Project Period.*

A Conservation Lease that complies with the iTaukei Land Trust (Leases and Licenses) Regulations 1984 will provide the legal protection for the forests with the project area. The lease will protect the eligible forest area and protection forest from other uses for the period from lease commencement until at least 6th September 2043. The Conservation Lease is provided as Appendix 4.

The permanence of the claimed ecosystem services is further supported by the management actions outlined in the Conservation Management Plan (Appendix 1) that includes permitted, restricted and prohibited uses of the project area according to different zones and penalties for non-compliance.

Section 10 of the PES Agreement (Appendix 3c) outlines the procedure if reversals of the ecosystem service eventuate. If reversals are deemed by the Project Coordinator to have been unavoidable, then a request can be made to the Programme Operator to ‘retire a quantity of Buffer Credits from the Pooled Buffer Account equivalent to the negative net change in the GHG Reduction Balance, capped at the number of PES units issued in respect of the Project, including Buffer Credits.’

If the Project Coordinator determines the reversal was avoidable the Project Owner will be required to

- a. Deliver to the Nakau Programme Operator for retirement, a quantity of Eligible Units equivalent to the negative net change in the GHG Reduction Balance, capped at the number of PES Units issued in respect of the Project, including Buffer Credits; and
- b. Reimburse the Project Coordinator and the Nakau Programme Operator on demand for all reasonable costs incurred in enforcing these commitments.

# 3. Participatory Process

The Plan Vivo Standard (2013) is guided by eight principles, including the following:

*Principle 1: Project interventions directly engage and benefit smallholders and community groups.*

*Principle 4: Projects demonstrate community ownership - communities participate meaningfully through the design and implementation of Plan Vivos (land management plans) that address local needs and priorities.*

The NMF states: *The Nakau Programme operates on a governance and management model based on the 'Citizen Power' level in Arnstein's Ladder of Participation. This involves a combination of citizen control, delegated power and partnership/co-management between Project Owner and Project Coordinator. Citizen Power is provided through a bottom-up project governance and management model designed to safeguard community empowerment, free, prior informed consent (FPIC), indigenous people's rights, gender balance, and inclusiveness of marginal groups.*

## 3.1 PROJECT PARTICIPATION PROTOCOL

### 3.1.1 Summary Of Process

The NMF states: *The Nakau Methodology Framework defines a voluntary and participatory planning process (Section 4.1 Plan Vivo Standard 2013) by means of the Project Participation Protocol (PPP). The PPP is required to provide a transparent process for addressing social and cultural safeguards associated with project development and implementation including those listed in Sections 4.1.1-4.1.6 of the Plan Vivo Standard (2013). The PPP is also required as a means of reducing internal risk and enabling Project Owner decisions concerning project development, implementation and management to be consistent with the principles of free, prior and informed consent (FPIC).*

*At the broadest level, projects will demonstrate support for Decision 1 from UNFCCC Cancun COP16 with respect to ensuring "the full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities."*

*All projects in the Nakau Programme shall apply the PPP to:*

- *Enable participants (project owners) to grant or withhold their free, prior informed consent for key aspects of project design, development and implementation, in particular for decisions that create continuing commitments, responsibilities or have potential for future impacts on local livelihoods and land use.*
- *Enable participants to develop ownership of and meaningful input into project design, implementation, and management.*
- *Ensure that representatives of Project Owner groups have a mandate from group members, including people who may be disadvantaged based upon gender, age, income or social status.*
- *Ensure that the process of undertaking a PES project is transparent, empowering, and community-building for the Project Owner.*
- *Ensure that costs associated with project development and on-going management are transparently understood and agreed by the Project Owner.*
- *Ensure that the benefits of any PES project are equitably and transparently distributed between the Project Owner, the PES unit buyer, the Programme Operator, and the Project Coordinator.*
- *Ensure that the benefits of any PES project are equitably and transparently distributed within the community of the Project Owner.*
- *Ensure that project design, development, implementation and monitoring are undertaken with due adherence to necessary safeguards associated with PES project development as required by the standard/s applied and as stated in international good practice relevant to the activity type.*

*The PPP prescribes a participatory process of project development and management and is considered a minimum requirement for project engagement. Significant further education, consultation and engagement with the Project Owners may be necessary to ensure equitable and sustainable outcomes. The Programme Operator will assess each project independently to ensure that the PPP has been followed...*

*The PPP requires a process of community engagement, typically involving meetings/workshops between the Project Owner and the Project Coordinator (facilitated by the latter) throughout the project cycle. Other key/relevant stakeholders should be engaged where appropriate.*

### 3.1.2 Locally Informed Design

According to Section 4 of the Plan Vivo Standard (2013, p14):

4.1. A voluntary and participatory planning process must take place to identify project interventions that address local needs and priorities and inform the development of technical specifications, taking into consideration:

- 4.1.1. Local livelihood needs and opportunities to improve existing or diversify livelihoods and incomes
- 4.1.2. Local customs
- 4.1.3. Land availability
- 4.1.4. Food security
- 4.1.5. Land tenure
- 4.1.6. Practical and resource implications for participation of different groups including marginalised groups
- 4.1.7. Opportunities to enhance biodiversity including through use of native species

The NMF states: Required Process

Participation fostering locally-informed design is a crosscutting requirement spanning the project. The Project Coordinator will facilitate a process of local participation using highly engaging techniques (such as Participatory Rural Appraisal, PRA) and consultative techniques as required.

In determining the level of participation that will be implemented, the Nakau Methodology Framework refers to the 'Public Participation Spectrum' developed by the International Association for Public Participation (iap2)<sup>8</sup>.

Table 3.1.2a Public Participation Spectrum					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PARTICIPATION GOAL	To provide participants with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain participant feedback on analysis, alternatives and/or decision.	To work directly with participants throughout the process to ensure that issues and concerns are consistently understood and considered.	To partner with participants in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
PROMISE TO PARTICIPANTS	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on how participant input influenced the decision.	We will work with you to ensure that your concerns are directly reflected in the alternatives developed and provide feedback on how your input influenced the decision.	We will look to you for direct advice in formulating solutions and incorporate your recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

<sup>8</sup> Adapted from the iap2 table: <http://www.iap2.org.au/documents/item/84> Accessed on 16<sup>th</sup> September 2013.

EXAMPLE TOOLS	Fact sheets Websites Open houses	Participant comment Focus groups Surveys Meetings	Workshops Deliberate polling	Advisory committees Consensus-building Participatory decision-making	Citizen juries Ballots Delegated decisions
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The NMF states: *The Project Coordinator will apply the following levels of participatory engagement when delivering the key project activities or outcomes listed in Table 3.1.2b (below):*

This project has followed the requirements of Table 3.1.2b of the Nakau Methodology Framework. A description how each element of Table 3.1.2b has been fulfilled is provided in Table 3.1.2c.

KEY ACTIVITY / OUTCOME	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
1. Education about PES activities					
2. Formation of a Project Owner group (Project Steering Committee) to participate in project design					
3. Establish legal Project Owner group (to act on participants behalf)					
4. Determine respective roles and responsibilities of Project Owners and Project Coordinator					
5. Development of benefit sharing arrangements (within PES Agreements)					
6. Development of Conservation/Land Management Plan (or equivalent)					
7. Development/application of technical specifications to measure PES benefits					

Table 3.1.2c Level of Participation Facilitated by the Project Coordinator	
KEY ACTIVITY	INVOLVE
1. Education about PES activities	<p>Education for and about PES activities was an ongoing process implemented throughout the project development period. This commenced with the Research of Aspirations and Perceptions (RAP) activities. The RAP is a participatory research and education process that examines community perceptions of environmental, cultural, social and economic issues and their interaction on multiple levels. The RAP is an empowering 2-way process, whereby both parties have opportunities to learn, and participants are encouraged to be involved as co-designers of the project from the outset. The participatory approach of the RAP encouraged participants to explore and share experiences, ideas and opinions, and to question threats to forests, their root causes and their links to people's wellbeing. The RAP report is available on the Project Information Platform ER 3.1.2a.</p> <p>The outcomes from the RAP were used to design the 'Climate Change and REDD+ Education Manual' (CCRE). The CCRE was implemented through a series of workshops with participants representing nine mataqali (including some that later opted out of</p>

	<p>the project), in each of the five villages surrounding the Drawa Block. It was run as a series of workshops, but various individual activities were repeated multiple times through the course of project development in response to participants needs. The activities were organised into 3 main topics and were designed to achieve specific learning outcomes (see below). The education program also included the development of two animated films “Climate Change: Everyone’s Business” and “Ready for REDD?” – each produced in English and Fijian.</p> <p>Learning outcomes from the CCRE education program:</p> <p>Climate change</p> <p><i>‘Participants can ...’</i></p> <ul style="list-style-type: none"> <li>a) <i>Illustrate (or draw) the greenhouse effect and explain how it causes global warming</i></li> <li>b) <i>Explain the phenomenon of human-induced climate change</i></li> <li>c) <i>Recognise the possible impacts of climate change at local and global levels</i></li> <li>d) <i>Identify the main global sources of greenhouse emissions</i></li> <li>e) <i>Describe the carbon cycle, including the role of forests in storing carbon</i></li> <li>f) <i>Identify actions that can reduce greenhouse gas emissions – in particular, land management and the role of forest as carbon sinks</i></li> </ul> <p>Introduction to REDD+</p> <p><i>‘Participants can ...’</i></p> <ul style="list-style-type: none"> <li>a) <i>Explain why someone would want to pay landowners to look after a forest</i></li> <li>b) <i>Describe what is being sold and what is being bought in carbon trading and REDD+</i></li> <li>c) <i>Identify what factors affect the price of commodities sold in the marketplace</i></li> <li>d) <i>Explain what a carbon credit is and how they are produced</i></li> <li>e) <i>Explain why an existing forest must have been under threat of deforestation or degradation before the project to make it eligible for REDD+</i></li> <li>f) <i>Identify forests that cannot be used to generate carbon credits (for example, forests that are already protected, inaccessible or uneconomic for other uses)</i></li> <li>g) <i>Describe the opportunity costs (lost opportunities) from managing a forest for carbon credits</i></li> <li>h) <i>Explain how long a forest needs to be protected (for example, 50 years) to allow carbon credits to be produced and sold</i></li> <li>i) <i>Explain what would happen if forest used for REDD+ continued to be deforested or degraded</i></li> <li>j) <i>Explain what activities may still occur in a forest managed for REDD+ (for example, tourism, gathering non-timber forest products and local building materials, forest management)</i></li> <li>k) <i>Describe the roles and responsibilities of various ‘actors’ and the process for development of a REDD+ project</i></li> <li>l) <i>Explain their right to give or withhold their free, prior and informed consent (FPIC) for developments on their land, including REDD+</i></li> <li>m) <i>Identify where to find more information, independent advice and support</i></li> </ul> <p>Our land, our future, our decision</p> <p><i>‘Participants can ...’</i></p> <ul style="list-style-type: none"> <li>a) <i>Identify existing values and attitudes and future aspirations for themselves,</i></li> </ul>
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	<p>their families and their community</p> <p>b) <i>Recognise</i> the possible positive and negative affects of having increased access to money</p> <p>c) <i>Identify</i> financial and non-financial benefits men and women want to receive from forests and broader community development</p> <p>d) <i>Identify</i> the ‘ecosystem services’ provided by forests and <i>understand</i> the financial and non-financial benefits provided by these services</p> <p>e) <i>Recognise</i> the effects of forest loss or degradation (personally, locally and globally) and differences in effect on men and women (gender gaps)</p> <p>f) <i>Identify</i> land use change in their community over a period of time</p> <p>g) Recognise the drivers (root causes) for deforestation or degradation of forests in their community</p> <p>h) <i>Identify</i> key land use management options and <i>recognise</i> pros and cons, including opportunity costs, of each option</p> <p>Follow the following links to access the following:</p> <p>CCRE manual: <a href="http://www.livelearn.org/resources/climate-change-and-community-based-redd-education-manual">http://www.livelearn.org/resources/climate-change-and-community-based-redd-education-manual</a></p> <p>Climate Change Everyone’s business (film):  <a href="https://www.youtube.com/watch?v=roKlfqvJPQ0">https://www.youtube.com/watch?v=roKlfqvJPQ0</a></p> <p>Ready for REDD? (Film): <a href="https://www.youtube.com/watch?v=kUGyZnAhdmw">https://www.youtube.com/watch?v=kUGyZnAhdmw</a></p> <p>Workshop reports are available: ER 3.1.2b</p>
	<p><b>COLLABORATE</b></p> <p>2. Formation of a Project Owner group (Project Steering Committee) to participate in project design</p> <p>Education activities regarding the importance and value of the mataqalis (clans) forming a legal entity began in March 2013. The first step was to develop a Project Steering Committee. Consultations were held with representatives from each mataqali in order to select steering committee members. The result was a steering committee with two representatives selected by each mataqali.</p> <p>Steering committee members received education and training about good governance and business management. This was facilitated using Live &amp; Learns “Building our Community REDD+ Business” Toolkit, designed to facilitate community REDD+ business education, planning and learning. The toolkit includes introduction to the “Road and the Path” approach to considering governance principles from a village perspective (the path) and from a contemporary business and governance perspective “the road.” The toolkit is unpublished but is available on the Project Information Platform: ER 3.1.2c</p> <p>Live &amp; Learn Fiji investigated several business structure options and presented the assessment to the participants, with the recommendation that a Cooperative was the most appropriate structure for the Project Owner group. In August 2013 a 3 day meeting was convened in Batiri village where the steering committee members received further training and education regarding project governance from the project coordinators and officers from the Fiji Department of Cooperatives. This workshop looked into the functions of steering committees and their role as a ‘formation group’ to design the Cooperative. As part of the meeting the Steering Committee office bearers were elected, with each mataqali only able to take up one of these positions to avoid bias. The Steering committee met 7 times during 2013 / 2014 to undertake business governance training, planning for the cooperative business and conducting land-use planning. For further details of these activities see ER 3.1.2b.</p>
3. Establish legal Project Owner group (to act on participants behalf)	The Steering Committee undertook a participatory process to develop the By-laws and Business Plan that were required for the formation of the Drawa Block Forest Communities Cooperatives Ltd. The Founder’s meeting of the Cooperative (as

	<p>required under the Cooperatives Act 1996) was held on Friday 6<sup>th</sup> March, 2015 in Batiri village, Vanua Levu. The meeting formally established the membership of the Cooperative members, which includes the 9 mataqali (clans) participating in the project and a women's group and a youth group. Note that in Fiji the mataqali is considered a legal land owning entity, hence membership in the cooperative is at the clan level. The Foundation meeting also formally mandated the (i). By-laws, (ii) Business Plan, (iii) Meeting minutes and (iv) Application for Registration. These items were then submitted to the Department of Cooperatives in Labasa a day after the meeting. On the 15<sup>th</sup> of April 2015, the Drawa Block Forest Communities Cooperative Ltd (DBFCC) was registered under the Cooperatives Act 1996 – registration number 1700. Following the business registration, the DBFCC Board also applied for the business taxpayer registration under the Fiji Revenue &amp; Customs Authority (FIRCA) and they received their Business Taxpayer Registration Number: 60-57724-05. On the 31<sup>st</sup> of July, 2015 the DBFCC held its First General Meeting in Nayarailagi village where the Department of Cooperative Manager Northern – Mr. Mesake Tamani presided over the meeting as witness. Following the First General Meeting, the business also managed to open their first business bank account under ANZ Bank – account number: 12419280. See the DBFCC Formation Consolidated Reports on the project Information Platform for further details (ER 3.1.2b).</p>
4. Determine respective roles and responsibilities of Project Owners and Project Coordinator	<p>Describe the process for establishing the roles and responsibilities of the Project Owner and the Project Coordinator. Describe how this process was collaborative</p> <p>The discussion of the roles and responsibilities of the Project Owner and Project Coordinator were initiated while discussing the benefit sharing arrangements of the Nakau Methodology Framework, as part of The Money Story Training held in Nayarailagi village on 14<sup>th</sup> Aug, 2014. The team then collaborated with the communities through workshops and making visual pictorial presentations about expenses required for running the Cooperative effectively and efficiently. It was explained that the sustainability of the project depends on funding the Project Coordinator to continue supporting the Cooperative once the external project funding ceases. The roles and responsibilities of the Project Coordinator and Project Owner were consolidated during the DBFCC board meeting on November 17th 2014, in Batiri village. Please see further documentation in the DBFCC Formation Consolidated Reports on the Project Information Platform (ER 3.1.2b)</p>
5. Development of benefit sharing arrangements (within PES Agreements)	<p>The benefit sharing arrangements was first discussed in detail while conducting the Money Story Training held in Nayarailagi village on 13<sup>th</sup> August 2014. A transparent cost based pricing model has been adopted for the project summarised as follows:</p> <p>Carbon price per unit = implementation costs (to each party) + opportunity cost (to the landowners) divided by the number of units produced by the project. This was 'unpacked' so the landowners could see how the amount they receive is calculated (their costs + opportunity cost) and how the amounts paid to the Project Coordinator for project support are calculated.</p> <p>The process enabled the Project Owner group to understand the potential cash flows (income) and compare this to the estimated budgeted expenses of the Project Owner Cooperative business. A key learning outcome was the difference between income and profit, as the recognition that funds are only available for group benefit or as disbursements when they become profit. The training included demonstrating the purpose of the 40% and 60% split of revenue between Project Coordinator and Project (as a social safe guard), but also allowed the Project Owners to understand</p>

	<p>that funds are required by the Project Coordinator to enable them to provide ongoing support. The project benefit sharing model follows the Nakau Methodology Framework and is also consistent with the Fiji's Cooperatives Act 1996 which states that a reserve fund (safety money) be kept aside for the business. The project coordination team continued to discuss the benefit-sharing plan with the Cooperative board group over subsequent meetings (held monthly). On 19<sup>th</sup> of November 2014, the project team discussed the concept of 'Group benefit' and 'Individual benefits', that establishing a community development plan would further add value to the benefit sharing arrangements in place, and the recommendation of Cooperative profits being shared at a 70:30 ratio between group benefit account and the member dividend account. The Cooperative decided to give strong consideration to the guideline and were generally supportive, however the ultimate decision will reside with the Cooperative board subject to community needs along with a clear rationale for the decision on how funds are disbursed. Evidence of consultation on benefit sharing is available in the workshop reports on the Information Sharing Platform (ER 3.1.2b)</p>
<p>6. Development of Nakau Management Plan</p>	<p>The process for developing the Conservation Management Plan (CMP) in collaboration with the community members, the steering committee and DBFCC board is detailed in section 3.14 of this PD.</p> <p>The development of the Conservation/Land management plan began while the project team discussed the land uses/types with the Project Owner group during their Steering Committee meeting in Vatuvonu village on May 29<sup>th</sup> 2014. This meeting enabled community members and the steering committee group then, (now the DBFCC Board) to confirm on certain areas with the project areas that have been demarcated into different management zones during the Sustainable Forest Management Project led by the Department of Forests in collaboration with SPC/GIZ from 1999 – 2008. Members confirmed that the management zones are still intact and that they recognize its individual importance. Upon their confirmation, the team then produced a draft project and eligible area. Over the months, the team undertook more consultations with the communities and also worked with the data from the previous SFM project. After completing a desktop study and compiling the relevant information, the Project Coordinator team compiled its first draft on the 31<sup>st</sup> March 2015. On the 14<sup>th</sup> to 18<sup>th</sup> April 2015, the project team took out the first CMP draft to the community members to gather feedback and advice. This was the first of many visits to come holding consultations with the local communities on the CMP. The project team also worked with key partner Wildlife Conservation Society to produce the required mapping expertise required.</p>
	<p>INVOLVE</p>
<p>7. Development /application of technical specifications to measure PES benefits</p>	<p>The Technical Specifications for the project include highly detailed calculations and specialised forest carbon accounting capabilities. Therefore, rather than discussing the formulas, the team opted to discuss the concepts of (i) General Eligibility and (ii) definition of baseline activities, (iii) additionality (simplified) and, (iv) permanence. This was undertaken using activities from the CCRE manual (see 'education about PES activities in the table above). These concepts were discussed over numerous consultations with the Project Owner group. Evidence of the education workshops is available in the Project Information Platform.</p> <p>The technical specialist responsible for designing the TS IFM-LtPF module (Dr Sean Weaver) visited the site and shared information about 'how the project works' with participants in the villages in September 2013.</p> <p>The process of increasing the Project owners understanding of the technical specifications will be an ongoing process and part of the process to transfer capabilities over time. However it is noted that for efficiency and to ensure the quality</p>

	<p>of carbon calculations, there will be an ongoing need to out source technical assistance. This has been accommodated in project budgets.</p> <p>Members of the Project Owner group were also involved in conducting a ground-truthing exercise to clarify eligible area boundaries that have been encroached with agricultural activities by local communities. This reinforced concepts within the technical specifications and participants demonstrated a high level of understanding. This ground-truthing exercise was conducted from the 16<sup>th</sup> to the 21<sup>st</sup> August, 2015 using GPS.</p>
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### 3.1.2.1 Tools and Activities

The NMF states: *The Project Coordinator shall use tools (such as those referred to in Table 3.1.2a), to implement the process of participation with respect to the activities and outcomes identified above (Table 3.1.2b). However, in recognition that a broad range of such tools exists, and to allow innovation, the Project Coordinator may select other tools that can deliver equivalent participation outcomes.*

The participatory approaches or ‘tools’ used to foster the participation of the landowner group in each stage of project development process are summarised in Table 3.1.2.2 (below):

Table 3.1.2.2 Participatory Tools Used

Key activity / outcome	Participatory approach or tools used.
1. Education about PES activities	<ul style="list-style-type: none"> <li>• Research of Aspirations and Perceptions (RAP) tool. Process (similar to PRA) developed by Live &amp; Learn. See ER 3.1.2a.</li> <li>• Climate Change &amp; REDD+ Education manual (CCRE). Developed specifically for the Nakau Programme and published by Live &amp; Learn <a href="http://www.livelearn.org/resources/climate-change-and-community-based-redd-education-manual">http://www.livelearn.org/resources/climate-change-and-community-based-redd-education-manual</a></li> <li>• Animated film: “Climate Change: Everyone’s Business” In English and Fijian. Developed specifically for the Nakau Programme and published by Live &amp; Learn: <a href="https://www.youtube.com/watch?v=roKlfqvJPQO">https://www.youtube.com/watch?v=roKlfqvJPQO</a></li> <li>• Animated film: “Ready for REDD+?” In English and Fijian. Developed specifically for the Nakau Programme and published by Live &amp; Learn: <a href="https://www.youtube.com/watch?v=kUGyZnAhdmw">https://www.youtube.com/watch?v=kUGyZnAhdmw</a></li> </ul>
2. Formation of a Project Owner group (Project Steering Committee) to participate in project design	<ul style="list-style-type: none"> <li>• “Building our Community REDD+ Business: A toolkit to facilitate community REDD+ business education, planning and learning” (Unpublished). Developed specifically for the Nakau Programme, see Project Information Platform.</li> <li>• “The Road and the Path” process developed by Little Fish</li> </ul>
3. Establish legal Project Owner group (to act on participants behalf)	<ul style="list-style-type: none"> <li>• Participatory planning meetings and information meetings conducted by the Fiji Department of Cooperatives</li> </ul>
4. Determine respective roles and responsibilities of Project Owners and Project Coordinator	<ul style="list-style-type: none"> <li>• See activities #2 &amp; #3 above.</li> </ul>
5. Development of benefit sharing arrangements (within PES Agreements)	<ul style="list-style-type: none"> <li>• Money Story training: <a href="http://www.littlefish.com.au/web/money_story.html">http://www.littlefish.com.au/web/money_story.html</a></li> </ul>

	<ul style="list-style-type: none"> <li>Participatory planning meetings</li> </ul>
6. Development of Conservation/Land Management Plan (or equivalent)	<ul style="list-style-type: none"> <li>Participatory planning meetings</li> </ul>
7. Development/application of technical specifications to measure PES benefits	<ul style="list-style-type: none"> <li>CCRE toolkit and films (see activity #1 above)</li> <li>Technical specialist visit to project site / participant villages.</li> </ul>

### 3.1.2.2 Scope And Reach

Section 4 of the Plan Vivo Standard (2013, p14) states that:

- 4.2. *Smallholders or community groups must not be excluded from participation in the project on the basis of gender, age, income or social status, ethnicity or religion, or any other discriminatory basis.*
- 4.3. *Barriers to participation in the project must be identified and reasonable measures taken to encourage participation of those who experience barriers.*

The NMF states: *The Project Coordinator shall ensure that participation includes an appropriate cross-section of project participants and reflects Project Owner community diversity.*

*The Project Coordinator shall ensure adequate participation from groups identified in documentation describing the participating community, including participation of the following groups at a minimum:*

- *Representatives from each group with resource user rights relevant to the project.*
- *Customary leaders (clan and/or tribal level as appropriate).*
- *Women.*
- *Youth.*
- *People living or reliant on the project site who do not have secure resource user rights relevant to the project.*

*Project Coordinators are required to identify potential barriers to participation among the Project Owner community and identify reasonable measures to overcome these barriers.*

#### **Representatives from each group with resource user rights relevant to the project**

Significant effort has been made at each stage of the project development to facilitate the participation of representatives from each clan (mataqali) group. It was recognised that a significant number of clan members reside in urban centres rather than in the villages at the project site and processes were put in place to account for this.

An initial step involved requesting landowners obtain the records from the Native Lands Commission of all clan members. Efforts were made to identify where clan members were currently living and to meet with them to discuss their participation in the project, which was essential to build trust and understanding of the project, which in turn encouraged full participation of clan members.

An initial activity “the 24 Hour Clock” was run during early community engagement workshops which determined the best time of day to hold project meetings that would enable the widest cross section of community members to attend given their other commitments. As part of this process it was identified that the best week of the month to hold meetings would be final week of the month, as the following week village meetings were held where outcomes could be shared and discussed. Also seasons and events during the year were identified when many clan members would be less likely to be in the village, such as the sugar harvest season when many people work outside of the village.

It was determined to hold a meeting in Labasa, the provincial capital, following every field visit to enable the participation of those residing in urban areas, with transport and meals where provided. A bi-monthly meeting has been held in Suva, the national capital, to share information and get input into decision-making. A Suva-based subcommittee was formed to provide advice to the DBFCC board, while the board was seen as the ultimate decision making body.

Annual General Meetings are to be held yearly in one of the villages at the project site, and travel costs are covered by the project to enable attendance of urban dwellers.

A number of elements of the DBFCC By-laws (see Appendix 5: DBFCC Cooperative By-laws) ensure participation of all resource-owning groups. The Cooperative is composed of 11 members that include each of the 9 participating clans, as well as a women’s group and a youth group. The Cooperative board is made up of two representatives from each member group. The DBFCC By-Laws also include that certain decisions require an intra-member meeting to be held, where it is required that 5 representatives from each member participate.

For other decisions each board member is required to gain feedback from their clans and village members, and share the outcomes of board meetings. During the design phase the project includes paid Community Coordinators from each village whom are tasked with supporting the dissemination of project information to their village members, and report back on these meetings to the Project Coordinator and the Drawa Block Forest Communities Cooperative Board (DBFCC).

All project education and planning activities are held in different villages on a rotational basis, with members of other villages provided with support to attend. For all activities a participation registration form was completed which include participant’s name, age, gender, clan, contact details and consent for photography. The participant’s registration forms can be accessed on the Drawa Project Information Platform, see ER 3.1.2b.

### **Customary leaders (clan and/or tribal level as appropriate)**

Facilitating the participation and approval of clan leaders is crucial in the Fijian context, based on acknowledging traditional structures and legally according to the iTaukei Land Trust Board and Ministry of iTaukei Affairs regulations. The key barrier to the participation of clan leaders is the majority are elderly and some have limited use of English language.

Therefore a number of measures were put in place to address this:

- All community education and planning meetings were conducted in Fijian language
- 3 clan leaders are represented on the board, however the age of other clan leaders restricted their participation on the board. However clan board representatives were appointed based on a community vote, which was endorsed by the clan leaders. This documented in ER 3.1.2.2
- All key discussions and decisions at the board level were then taken to the community level by Project Coordinators and Community Coordinators to gain input and approval. Each community visit included meeting with the clan leader.
- Clan leaders were requested to attend and usually attended intra-member meetings called for significant decisions (i.e. those decisions beyond the mandate of the board according the DBFCC By Laws).
- As is required by TLTB, clan leaders are required to approve all decisions relating to land matters, such a Conservation Lease and the PES Agreement. This is evidenced by the letter signed by the clan leaders in ER 3.1.2.2.

### **Women**

The barriers to women's participation in project education and planning education activities include:

- Many women reside in urban areas during the week to support their children attending high school (especially those from villages without a school within its vicinity)
- Traditionally men are decision makers in regards to clan and village matters, hence engagement with men was required to increase support for women's participation
- Women who marry into the villages are not entitled to land ownership, which also impedes their ability to put forward their views and opinions with project activities that relate to land

To address these barriers, for community education and consultation activities all members of villages are invited to attend whether or not they are landowners. Project activities were facilitated in a manner that encouraged the active participation of marginalised groups, for example dividing into sub-groups for certain discussions. Field reports and activity registration forms ER 3.1.2b show that there was a high attendance of woman in all project activities.

To ensure women's participation on the DBFCC given traditional gender roles, one of the cooperative members was determined to be a women's group. Beyond the representatives of this group, there are only 3 other women on the board representing their clans. The barriers to women's representation (of clans) are described above.

The project meetings held in urban centres (Labasa and Suva) were important for facilitating the broad participation of women, as evidenced by the meeting registration forms (ER 3.1.2b).

### **Young people**

Young people are defined in the project as 18-35 year olds, as in Fijian culture there is a strong tradition of respecting elders, where the respect of elders in decision-making is traditionally upheld. Another barrier to the participation of young people in project activities is that they are often busy with agricultural work or employment in urban centres.

To address these barriers meetings being held in the morning has facilitated increased participation of young people, as well as informal *talanoa* discussions (traditional but informal meeting around the kava bowl) in the evening also provide an opportunity to share information about the project. The meetings held in the urban centres (Labasa and Suva) have also provided opportunities for youth living away from the villages to participate. Refer to meeting registration forms ER 3.1.2b)

One member of the Cooperative (at a group level) and position on the Cooperative Board is reserved for a youth representative.

### **People living or reliant on the project site who do not have secure resource user rights relevant to the project**

People reliant on the project site who are not landowners include women who marry into the village and men who have migrated from their home villages. These groups are usually granted resource use rights (e.g. areas for gardening or space for building a house). These groups are invited to participate in community education and planning sessions, and it is specified in Community Coordinators TOR to visit these groups to share information and gain feedback on project matters. A significant proportion of benefits from the project will go to 'group benefit,' such as improving community water supply infrastructure. In this manner non-landowners will derive benefit from the project. Furthermore non-landowners were involved in the land use planning activities to determine agricultural reserves and hence are not disadvantaged. The initial land use planning was undertaken by the former GTZ/SPC project but was reaffirmed within the context of the current project.

Table 3.1.2.2: Evidence Requirement: Participation	
#	Name/Description
3.1.2.2	Sample reports from participatory education & planning activities (1-7 in table 3.4.2b). To include data relevant to participation (e.g. participants clan group, age, gender, landowning status etc), barriers to participation and measures to address barriers to participation.

The evidence requirements are referred to in the above sections, the reports from participatory education and planning activities are provided on the Drawa Project Information Platform under ER 3.1.2b.

### 3.1.3 Transparent Participation

According to Section 4.4 of the Plan Vivo Standard (2013, p14):

4.4. *Community groups participating in the project must have a governance structure in place whereby they have the capacity to develop a plan vivo collectively and make a decision to participate in the project and enter into a PES Agreement as a group, e.g. participate via an established community structure and nominate representatives to sign the PES Agreement on behalf of the group.*

The NMF states: *The Project Owner is required to establish a governance structure enabling compliance with Section 4.4 of the Plan Vivo Standard (2013). This includes:*

1. *The establishment of a 'Formation Group' to initiate the project co-design and co-development process*
2. *The registration of a legally constituted 'Project Owner' group with a mandate to co-manage the project (with the Project Coordinator) on behalf of the land/resource rights holders.*
3. *The legally constituted 'Project Owner' group must be owned by or accountable to the land/resource rights holders of the project area (i.e. the land/resource rights holders must become its members or shareholders).*
4. *The establishment of a Project Governing Board/Committee within the legally constituted 'Project Owner' with a mandate to govern the project on behalf of the land/resource rights holders.*

#### 3.1.3.1 Formation Group

This is the group of people among the landowning community who the Project Coordinators originally engaged with for the purpose of engaging in participatory co-design and co-development of the project.

The DFCP Steering Committee (SC) was formed in late 2012 (see ER 3.1.2b Participatory Workshop Reports) following consultation workshops explaining the roles and responsibilities and what is required from a SC. Each clan group nominated two representatives to join the Committee based on trustworthiness and that they must reside in the village (i.e. be available to participate). The SC was responsible for preparing for the registration of the landowner Cooperative, including developing its Terms of Reference,

Cooperative By-laws and Business Plan. Input was sought from broader community members through consultation meetings in villages and urban areas (Labasa and Suva).

### **3.1.3.2 Project Owner Group**

The landowners have registered the Drawa Block Forest Communities Cooperate (DBFCC) to represent landowners in the project. The structure of the Drawa Block Forest Communities Cooperative is defined by the DBFCC By-laws (Appendix 5) developed by the Steering Committee (formation group) and mandated by the board. The Cooperative is made up of 11 members, including one member for each participating clan, and one member representing both a women's group and a youth group.

### **3.1.3.3 Mandate of Project Owner Group**

The mandate for the DBFCC and its board to represent landowners on project matters is defined in its Terms of References and the DBFCC By-Laws (Appendix 5). The By-laws were developed through a participatory process and reflect the requirements of the Fiji Cooperatives Act 1996, the Nakau Methodology Framework as well as traditional rules and practices. Under the Fiji Cooperatives Act 1996 each owner of the Cooperative (in this case all of the landowning clans) had to provide a mandate for registration at the formation meeting. The mandate was granted through registration of the Cooperative and the holding of its First General Meeting and is recorded in the minutes (ER 3.1.3.3). This mandate is reconfirmed at each Annual General Meeting.

### **3.1.3.4 Project Governing Board**

The DBFCC By-laws and TOR define the structure of the DBFCC governing board. Each DBFCC member nominates 2 representatives to sit on the Cooperative board. The board elects the office bearers including the Chairperson, Treasurer, Secretary and their assistants. Board membership is renewed annually at the Annual General Meeting.

The By-laws define that there are certain decisions, for example those that surpass spending limits, which require intra-member meetings that involve at least 5 representatives from each mataqali (and 5 members of the women's / youth groups).

An audit of expenses is to be undertaken every financial year, which is presented at the Annual General Meeting. A quarterly *Money Story* activity is to be held with the broader community to ensure the transparency of the boards financial management.

The board can also hold special general meetings if there are important matters to discuss.

## **3.1.4 Nakau Management Plan**

Section 4.5 of the Plan Vivo Standard (2013, p14) states that:

4.5. *The project coordinator must assist each participant to develop a plan vivo<sup>9</sup> which is clear, appropriate to their land and livelihoods, and comprehensible to the participant, his/her family members, and the project coordinator.*

The NMF states: *All projects in the Nakau Programme are required to develop a 'Nakau Management Plan', which is equivalent to the Plan Vivo as defined by the Plan Vivo Foundation. The purpose of the Nakau Management Plan is to guide implementation of land management activities within the PES Project Area, including defining activities that are prohibited or restricted. While the Nakau Management Plan may vary in complexity, the intention is for the Project Owner and members (landowners) to be equipped with a simple, accessible and understandable document capable of providing practical guidance about land use and management within the project area.*

*Project Coordinators shall work collaboratively with Project Owner groups to develop a Nakau Management Plan that must include all land within the PES Project Area boundary, but may also cover additional areas of relevance to the project.*

*The Nakau Management Plan must comply with requirements of Sections 4.5 - 4.10 of the Plan Vivo Standard (2013), and is a key performance indicator for informed participation, enabled by an education and learning process.*

*The participatory process required in development of the Plan is described in Sections 3.1.2 and 3.1.3 above, and includes participatory educational processes defined in this section (below). The decision by the project owners / land owners to accept (or otherwise) the Nakau Management Plan is a key decision that triggers the FPIC process, detailed in Sections 3.1.6.1 and 3.1.6.2.*

The Drawa Block Conservation Management Plan (the Nakau Management Plan and Plan Vivo) is provided in Appendix 1. It was developed from incorporating information gathered via a desktop study and a series of workshops with the Steering Committee, DBFCC Board and the broader communities. The activities which were facilitated to enable the Project Owner group are outlined below further details can be found in the ER 3.1.2b Participatory Workshop Reports.

The desktop study involved reviewing the land-use planning for the Drawa Block that was undertaken under the previous GIZ/SPC sustainable forest management project (ER 3.1.4). This land-use planning identified coupe boundaries and protection forest, which was inaccessible to logging due to the Fiji Logging Code of Practice. The plan also identified agriculture reserves, and church reserves, that were in addition to the Native Reserves that

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<sup>9</sup> A Plan Vivo in the Nakau Programme is defined as the Nakau Management Plan.

were designated under the iTaukei Lands Trust Act. These zones combined are designated for community use. The agricultural zones were designated based on extensive assessment of areas ideal for agriculture, such as soil sampling, GPS ground truthing and distance from villages, as well as participatory land-use planning with community members. As a rigorous process has been used for this land-use planning process it was deemed appropriate for this zoning to be a basis of the previous project.

Topographic maps with the above zones and clan boundaries were produced, and provided the basis for a series of Steering Committee workshops and community workshops within each village, to revisit and verify these land-use plans (see ER 3.1.2b Participatory Workshop Reports). These workshops confirmed that the various zones were recognised and seen as valid by community members. Subsequent workshops with participating clans have identified that one of the coupes previously designated as an agriculture reserve could be included as part of the eligible forest area for the project, as it was not ideal for agricultural purposes based on its distance from villages.

The educational activities that increased community members understanding of different aspects of REDD+, such as additionality and permanence, were important in enabling community members to engage with the land-use planning for the project and to understand the need for the Conservation Management Plan.

A draft Conservation Management Plan was developed by the Project Coordinating team which included activities that were permitted, restricted and prohibited in the different zones of the Protected Area, and management actions for monitoring and implementing the plan. This was then presented to the community in March 2015 at meetings of the now formed DBFCC and at a series of community workshops. Management of the areas eligible for crediting under the project were the main focus, and including discussion of roles and responsibilities for monitoring the plan and penalties for breaches. A series of community relevant penalties that would be implemented by the DBFCC board were developed, and the concept that it was a collective responsibility to adhere to the plan as well to recognise the liabilities incurred by the Cooperative under the project, which were clearly explained and understood.

During these workshops further details of community land-use were identified including historically and culturally significant sites, and customary land management practices which were subsequently incorporated into the plan. Also areas within the eligible area that had been converted for agricultural purposes since the end of the previous SFM project were identified. These areas were subsequently mapped and removed from the eligible area.

The Conservation Management Plan will be an active document that is continually updated and improved through implementation and learning. Once mandated by the broader community, the DCFCC Board will formally approve each new version of the Plan.

### **3.1.4.1. Nakau Management Plan Committee**

The NMF states: *A Nakau Management Plan Committee must be established by the Project Owner Governing Board to oversee implementation of the Nakau Management Plan.*

*The Project Owner Committee will assume the role and responsibility as the Nakau*

*Management Committee unless at its discretion a sub-committee of the Project Owner Committee is appointed. If appointed, a sub-committee may include other Project Owner members and/or external individuals (e.g. non-landowners or technical partners).*

*Overall accountability for the implementation of the Nakau Management Plan must reside with the Project Owner Committee. The Nakau Management Plan Committee is expected to be involved in the preparation and presentation of the Project Management Report during the annual Project Management Workshops (see 3.1.7).*

The DBFCC Board functions as the Management Committee responsible for implementation Drawa Block Conservation Management Plan. In the future the board may delegate this to a sub-committee, which may include non-board members (e.g. experts). The DBFCC will retain ultimate accountability for implementation of the Conservation Management Plan.

### **3.1.4.2 Essential Content**

The NMF states: The Nakau Management Plan must include as minimum requirements the essential key elements defined in Table 3.1.4.2 of the Nakau Methodology Framework.

The Drawa Block Conservation Management Plan (the Nakau Management Plan and Plan Vivo) for this project contains all elements required in Section 3.1.4.2 of the Nakau Methodology Framework as indicated by the check list in the right hand column of Table 3.1.4.2 below. The Drawa Block Conservation Management Plan is presented in Appendix 1.

Table 3.1.4.2: Essential Content of the Drawa Block Conservation Management Plan		
Section	Conservation Management Plan contains:	Location in CMP
Location and Boundaries	Digitally created maps containing accurate coordinates for location, boundaries and size of the area under management.	Section 3
Prohibited Activities	A concise list and description of any activity that is prohibited within the area under management.	Section 7.1.1
Restricted Activities	A concise list and description of any activity that is restricted within the area under management. Restricted activities include those that may be allowed, but are subject to management limitations or special permissions.	Section 7.1.2
Penalties	This plan includes a description of the process for determining a penalty for not complying with prohibited or restricted activities, and includes a dispute resolution process. This includes penalties under customary law, or penalties if applicable under the legal instruments applied to the project.	Section 7.1.3
Permitted Activities	Various local, customary and potentially commercial uses of land are allowable within the crediting area boundary subject to the project type and technical specifications. The Plan identifies locally significant activities that may occur within the areas under management. For example: hunting, food and medicine collection, collection of non-timber forest products and eco-tourism.	Section 7.1.2

Management Zones	The area under management includes separate management zones with differing management objectives applicable to each zone. The boundary of each management zone is clearly defined on a map, and the objectives for each zone explained.	Section 3
Action Plan	A basic action plan, identifying the main activities that will be implemented is included	Section 8

### 3.1.4.3 Recommended Content

The NMF states: *The Nakau Programme recommends developing a comprehensive Nakau Management Plan document that can be used to communicate land management objectives and activities to a range of stakeholders. However the Programme allows this to be developed gradually through the course of the project (included in socio-economic elements of Project Monitoring Report at verifications going forward). A comprehensive Nakau Management Plan may include the following or similar content headings:*

- Vision
- Acknowledgments (e.g. donors & supporters)
- Location (Maps)
- Description of the natural features of the area (soil, climate, habitats, ecosystems, biodiversity)
- History of the site
- Use by local people
- Description of threats
- The Law/policy applying to the area
- Management Objectives
- Link to PES / Technical Specifications
- Roles and responsibilities
- Protecting the Values and Achieving the Vision
- Benefits and Opportunities
- Community Participation and Awareness
- Management Zones
- Rules and Regulations
- Action Plan
- Monitoring, Evaluation and Review of the Plan

Where relevant and possible, the requirement for a Nakau Management Plan can be satisfied through development of plans with equivalent content under National Legislation for Protected Areas, leasing or licensing. For example, in the Solomon Islands a Protected Area Management Plan developed according to requirements of the Protected Area Act 2010 can be used to satisfy the requirement for a Nakau Management Plan, provided the essential content is covered.

The recommended content for the Conservation Management Plan from the Nakau Methodology Framework was used as guidance in developing the first complete version of the Drawa Block Conservation Management Plan. The first version of the CMP does not include all recommended sub-headings. However the Plan will be continually developed and

improved through time with reference to the above. The Drawa Block Conservation Management Plan is presented in Appendix 1.

### 3.1.5 Informed Participation

The NMF states: *The Nakau Programme recognises the need to address a significant power imbalance between the Project Coordinator and the Project Owner that exists because of differences in capacity and education levels, and the fact that PES is a new and foreign concept for indigenous people. Correcting the power imbalance requires a commitment to education and learning by Project Coordinators and Project Owners, thus fostering a better understanding of where the ‘worlds’ of local custom and culture meet that of PES and international business and development. A strong commitment to learning and understanding by all participants is essential to enabling genuine and effective participation.*

*All Project Coordinators developing projects in the Nakau Programme shall commit to a process of education with participants to ensure and enable informed planning decisions throughout the project cycle.*

*Informed participation is a crosscutting requirement spanning project activities and outcomes. Local participants (and in particular Project Owner group representatives) must be able to make informed decisions concerning project design, planning, development and implementation. In most situations this will necessitate a process of education, which shall be implemented prior to and throughout the decision-making and planning process. The Project Coordinator shall undertake the following activities to enable local participants to understand PES activities to a level where their participation is genuinely informed and effective:*

- a. *Assess participant’s prior knowledge of the PES activity to determine perceptions, misconceptions and knowledge gaps, and establish a baseline for monitoring change in understanding. Investments in community education by the Project Coordinator shall be tailored to participant needs.*
- b. *Implement a PES education programme (e.g. series of participatory workshops) to increase understanding and address any misconceptions or knowledge gaps noted in the assessment of prior knowledge.*
- c. *Create opportunities for ‘both ways’ learning, whereby the Project Coordinator also increases their understanding of local governance, culture and ecological knowledge that could benefit the project*
- d. *Enable opportunities for customary / local processes of information exchange and learning to occur.*
- e. *Assess learning outcomes to measure against capacity benchmarks (see details below on capacity benchmarks).*
- f. *Provide opportunities for ongoing*

*‘informal’ (non-structured) learning to occur, throughout the project, as required.*

### **3.1.5.1 Assessment of Prior Knowledge**

An initial series of workshops were held with community members to assess their aspirations and perception of concepts related to the project, including REDD+, climate change, sustainable forest management and forest governance (see the Fiji REDD+ RAP Report, ER 3.1.2a RAP). It was found that there was a sound understanding of the concept of sustainable forest management amongst community members resulting from the GIZ/SPC Sustainable Forest Management project, but very little understanding of climate change and REDD+. These findings were an input into the design of subsequent education activities, including the learning outcomes and activities for the Climate Change and REDD+ Education manual.

Refer also to Table 3.1.2c (above) for further description of the RAP activities as a tool to assess prior knowledge.

### **3.1.5.2 Educational Programme**

A series of education activities were undertaken at different stages of the project to enhance participation of community members in project design and enable informed decision-making. Educational activities covered a broad range of topics including those relating to climate change, REDD+ and biodiversity conservation, organisational governance and financial management. The Climate Change and REDD+ Education (CCRE) manual was developed and used to guide the education activities. Refer to Table 3.1.2c (above) for further information about learning outcomes covered. The education programme was implemented through the following formal workshops, while exchange of knowledge also occurred throughout all field visits by the project coordinating team, and during informal *talanoa* discussions.

The effectiveness of educational activities was assessed using a learning self-assessment tool located within the CCRE manual. The tool assessed the achievement of key learning outcomes (See Section 3.1.5.5 for further details). Evidence that community members were developing a good understanding of key PES and project concepts was also observed (informally) by the Project Coordinator team during subsequent workshops and meetings (refer to ER 3.1.5.2).

### **3.1.5.3 Both-Ways Learning**

The Research in Aspirations and Perception (RAP) activities were designed to enable a two-way flow of learning (between Project Coordinators and landowners). They include both the educational activities described above to enable full participation of community members, as well as an opportunity for the Project Coordinating team to gain knowledge about the local communities to incorporate into project design and delivery. As well as this formal knowledge exchange, the project team visiting regularly and staying in the village for

the duration of the visits enabled ample opportunity for knowledge exchange in informal settings. Key learning outcomes for the Project Coordinator team include:

- Approaches to engaging with communities such as identifying key people in the village, best times to conduct meetings to enable maximum participation, factors that may be a barrier to the participation of certain groups or other stakeholders
- Community perspectives about what did and didn't work from the past SFM project and community cooperative. The lessons learned were incorporated into the approach for this project.
- Important information that was an input into land-use planning such as culturally significant sites, customary land management practices and the traditional values of forest resources.

#### **3.1.5.4 Customary Learning**

Customary learning refers to local and traditional practices of information exchange and learning outside of the formal education process. The project has made an effort to encourage opportunities for this type of learning to occur as it enhances ownership and opportunities for participation. Customary learning has been incorporated into the project structure in the following ways:

- During the project development stage, part of every board meeting takes place independently from Project Coordination staff. As the project progresses the majority of meetings now take place wholly independently. This allows for the board to run their meetings according to local protocols.
- A key part of the role of board members, assisted by Community Coordinators is disseminating information to their village and clan members. This employs existing social networks and traditional information exchange practices, such as village meetings.
- Village headmen (*turaga ni koro*) were required to update provincial government officers of developments with the village, including the forest carbon project.

#### **3.1.5.5 Capacity Benchmarks for Informed Participation**

Section 4 of the Plan Vivo Standard (2013, p15) states that:

4.6. *Plan vivos approved by the project coordinator must show which project interventions are to be adopted, aligned and consistent with the project's technical specifications, and include any specific information that is not common to all plans under the relevant technical specification, e.g. specific species-mix selected for planting where the technical specification provides a range of options, or selection of a specific baseline scenario where there are multiple scenarios set out in the technical specification.*

4.7. *The project coordinator must not approve plan vivos where implementation would*

*undermine the livelihood needs and priorities or reduce the food security of participants.*

- 4.8. *There must be a system for accurately recording and verifying the location, boundary and size of each plan vivo using GPS, where boundary coordinates are recorded for all plan vivos above 5 hectares, and at least a central point coordinate recorded for plan vivos under 5 hectares.*
- 4.9. *Participants must have access to their plan vivo in an appropriate format and language.*
- 4.10. *Evidence must be provided demonstrating the participatory methods used to assist the participants to develop their plan vivo, e.g. photographs or videos of group planning activities, hand-drawn maps or other outputs of community discussions.*

The NMF states: *The Project Coordinator shall conduct an assessment / survey to determine capacity for informed participation, targeting key knowledge areas (benchmarks). The approach will be ‘learner-centered’ and will allow a participant to self assess from his or her perspective. However the Project Coordinator will also objectively verify a sample of self-assessments to ensure findings are accurate.*

*The self-assessment will be conducted by asking participants about their capacity to undertake the following:*

- *Describe opportunity costs (lost opportunities) due to the project.*
- *Describe the benefits to be gained from the project and how these would be shared.*
- *Describe the project interventions and/or activities in the Project Area*
- *Describe any project-specific information not common to all projects.*
- *Explain how project interventions impact on livelihood needs and priorities including food security*
- *Define project boundaries where boundary coordinates are recorded for all Project Area land parcels (as a minimum for those above 5ha and at least a central point for all Project Area land parcels below 5ha).*
- *Access Nakau Management Plans<sup>10</sup> in a format and language that they comprehend.*
- *In general, make informed decisions about if or how they would like to be involved in the project.*

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<sup>10</sup> A ‘plan vivo’ using the language of the Plan Vivo Standard. See definitions in the Plan Vivo Standard (2013) for ‘plan vivo’ definition.

*The above is a minimum requirement. Project Coordinators are encouraged to assess a range of locally relevant learning outcomes and address locally relevant issues for informed participation.*

The capacity benchmarks for informed participation were assessed using the self-assessment tool from the CCRE manual. The tool was used before and after all formal educational activities and involved 10 questions covering key topics. Participants assessed their knowledge according to their ability to describe the particular topic or concept to a friend or relative. In general, those people involved in key decision making (e.g. the DBFCC board) demonstrate a very good understanding in relation to capacity benchmarks. The understanding in the broader community shows progress towards a good understanding, however suggests that a long-term commitment to education is required. This is not surprising given levels of education very broadly within the communities, with some people having only attained primary school level of education while others have a tertiary education. The results of self-assessment of understanding of key topics are presented in the Education Programme Report, see to ER 3.1.5.2.

### 3.1.6 FPIC and Decision Mandates

Section 4 of the Plan Vivo Standard (2013, p15) states that:

- 4.12. *Participants must be provided with a forum, or facilitated to use existing forums, to periodically discuss the design and running of the project with other participants in their community, and raise any issues or grievances with the project coordinator over the PES period.*
- 4.13. *Where smallholders or community members may be affected by the project, even though they are not participating, the project coordinator must ensure there is a mechanism for any concerns or issues to be raised with the project coordinator, e.g. through local meetings or via an appointed local representative.*

Section 8 of the Plan Vivo Standard (2013, p22) states that:

- 8.3 *Participants must enter into PES agreements voluntarily according to the principle of free, prior and informed consent, where sufficient information, in an appropriate format and language, is available to potential participants to enable them to make informed decisions about whether or not to enter into a PES Agreement.*

The NMF states: *The Nakau Programme operates under the principles of Free, Prior and Informed Consent (FPIC). FPIC is defined within this programme by reference to the United Nations Declaration on the Rights of Indigenous People (UNDRIP) (United Nations 2008), where:*

- *Free means no force, bullying or pressure.*
- *Prior means (Indigenous peoples) have been consulted before the activity begins.*
- *Informed means (Indigenous peoples) are given all of the available information and informed when that information changes or when there is new information. If people don't understand this information then they have not been informed.*
- *Consent means (Indigenous peoples) must be consulted and participate in an honest and open process of negotiation that ensures:*
  - *All parties are equal, neither having more power or strength*
  - *Indigenous group decision-making processes are allowed to operate*
  - *Indigenous peoples right to choose how they want to live is respected.*

#### 3.1.6.1 FPIC Triggers

The NMF states: *The Nakau Programme requires Project Coordinators to recognise key points in project design, development and implementation that trigger the need for a mandate or decision by the Project Owner participants. These triggers are identified in Table 3.1.6.1. When FPIC or a mandating step is triggered, the decisions by the Project Owner participants could be:*

- a. A mandate to continue the project (accept a decision or plan);
- b. Delay a decision or plan pending further information;
- c. A request to change the decision or plan before continuing; or
- d. The Project Owner opts out of the project.

Project Coordinators shall produce evidence that the Project Owner participants have given their free, prior and informed consent or provided a mandate (described in Table 3.1.6.1).

However, prior to triggering the FPIC or a mandating decision, the Project Coordinator will ensure that a process has been undertaken as a lead up to the decision, and that various pre-requisite conditions have been met.

The key FPIC triggers identified for projects are listed in the left hand column in Table 3.1.6.1.

Table 3.1.6.1: Decisions that trigger FPIC and/or require a mandate

Decision	Evidence Requirement	Evidence & location
1. Register a legally constituted Project Owner entity to act on behalf of land/resource user rights holders.	Project Owner entity / business registration <sup>11</sup> (including documents tendered to gain registration).	The Drawa Block Forest Communities Cooperative Ltd was registered under the Cooperatives Act 1996, on the 15th April 2015 with the registration number 1700. (ER 2.13.10a)
2. Agreement with the terms and conditions of project PES Agreement <sup>12</sup> and Programme Agreement.  Note: the PES agreement encompasses points 4.1.1.1 to 4.1.1.16 (see section below)	PES Agreement and Programme Agreement Participation Report. This report must describe how the Project Owner committee and broader Project Owner membership were adequately informed and consulted (with supporting evidence) in developing the agreements, including how the pre-requisite conditions for decision 2 (see below) were adequately met.	PES Agreement and Programme Agreement Participation Report (ER 3.1.6.1a)
	Letter or meeting minutes accepting the above report must be signed/ accepted by the Project Owner committee.	Letter from the DBFCC Board accepting the report (ER 3.1.6.1a)
	Letter or meeting minutes signed/accepted by the Project Owner committee accepting the PES agreement and Programme Agreement.	Letter from the DBFCC Board accepting the PES & Programme agreement (ER 3.1.6.1a)

<sup>11</sup> Registration requirements vary from country to country and according to the specific organization type (e.g. Cooperative or Trust). Registration documentation may be accepted as the evidence requirement for FPIC if the relevant regulations require a FPIC process and this can be demonstrated. The process must have required that all or a large majority of members endorse the goals of the organization and accept its by-laws or constitution.

<sup>12</sup> The PES Agreement will include the Conservation/Land Management Plan (or equivalent) (plan vivo) as an appendix.

	<p>Signed letter from the recognised land and resource user rights holders or their representatives (e.g. clan leaders) mandating the Project Owner committee to sign the PES agreement and Programme Agreement.</p> <p>PES agreement and Programme Agreement signed by Project Owner committee.</p>	<p>Letter from clan leaders mandating the DBFCC board to sign the agreements (ER 3.1.6.1a)</p> <p>Signed PES and Programme Agreements (Appendix 3b,c)</p>
3. Agreement to Conservation/Land Management Plan (or equivalent) <sup>13</sup> (land management plan or 'plan vivo') including project boundaries and management regime for the project area	<p>Conservation/Land Management Plan (or equivalent) Participation Report. This report must describe how the Project Owner committee and broader Project Owner membership were informed and consulted (with supporting evidence) in developing the plan, including how the pre-requisite conditions for decision 3 (see below) were adequately met.</p>	<p>The Conservation Management Plan Participation Report (ER 3.1.6.1b)</p>
	<p>Letter or meeting minutes accepting the above report must be signed/ accepted by the Project Owner committee.</p>	<p>Letter from the DBFCC Board accepting the CMP (ER 3.1.6.1b)</p>
4. Agreement for the Project Description (PD) to be submitted for validation	<p>Project Description Summary Report (written or presentation) describing the PD document and delivered in a format that Project Owners can understand.</p>	<p>The PD Participation Report (ER 3.1.6.1c)</p>
	<p>Letter or meeting minutes accepting the above report must be signed/ accepted by the Project Owner committee.</p>	<p>Letter / minutes from the DBFCC Board accepting the PD report and approving its submission (ER 3.1.6.1c)</p>
	<p>Letter / minutes signed by Project Owner committee agreeing to submit the PD for validation.</p>	

### 3.1.6.2 Required Process

The NMF states: *The processes identified in Sections 3.1.2 and 3.1.5 are crosscutting (apply to all decisions identified in Table 3.1.6.1).*

*Project Coordinators are required to ensure pre-requisite conditions are met prior to concluding decisions that trigger FPIC or require a local or Project Owner mandate.*

*The FPIC Decisions (1-4) (below) are described in the order that they would arise within a project. They are, however, not mutually exclusive. Therefore some decisions and associated activities may be implemented concurrently or in a different order than prescribed below. What remains important is that the decisions are made in a transparent manner creating the necessary mandate for the project to advance from one stage to another.*

The fulfilment of each requirement in this section is presented in the form of evidence requirements for each FPIC Decision, along with the completion of the Decision itself. This evidence or reference to the location of an evidence requirement is provided below each FPIC Decision.

<sup>13</sup> FPIC may be applied to the material content of the Conservation/Land Management Plan (or equivalent) rather than the entire document.

Table 3.1.6.2a: FPIC Decisions & Pre-Requisites – Decision 1

Pre-Requisite Condition Met	Comments
Initial project scoping work has been conducted by the Project Coordinator to determine project feasibility (e.g. a desktop feasibility study).	A desktop feasibility study was conducted (ER 3.1.6.2)
The proposed Project Owner Entity membership (or shareholders) includes the legally recognised landowners or resource rights holders.	All members of the Cooperative (including board) are on the Register of iTaukei (indigenous Fijian) Births ( <i>Vola ni Kawa Bula (VKB)</i> ) record of indigenous landowners of the Project Area
Proposed Project Owner Entity members understand that a legally constituted Project Owner Entity could act on their behalf in the implementation of a PES project, and decisions made by this group can affect their land and livelihoods.	Understanding developed through participatory planning / education and recognised in formation group meeting
Project Owner Entity representatives have a good understanding of the opportunity to undertake a PES project and the responsibilities this entails.	Understanding developed through participatory planning / education and recognised in formation group meeting
A process of participatory education & planning has been implemented in the design of the legally constituted Project Owner Entity, or a suitable legally registered Project Owner Entity already exists.	Refer to Table 3.1.2c above for description of participatory planning process associated with developing the Cooperative
All legal requirements for Project Owner Entity / business registration can be met.	Evidenced by registration of the Cooperative by the Department of Cooperatives (ER 2.13.10a)
If registration requires a constitution or by-laws to be developed, these must have been developed through a collaborative process (Involving Project Owner members and the Project Coordinator).	Refer to Table 3.1.2c above for description of participatory planning process associated with developing the by-laws
<b>Decision Completed</b>	
Decision 1. Register a legally constituted Project Owner Entity to act on behalf of land/resource user rights holders	The Drawa Block Forest Communities Cooperative Ltd (DBFCC) was registered the 15 <sup>th</sup> of April 2015, under the Cooperatives Act 1996 – registration number 1700 (ER 2.13.10a)

***Decision 2. Agreement with the terms and conditions of project PES Agreement(s) and Programme Agreement***

Pre-requisite conditions:

Project Owner committee transparently and effectively consult with their members on the PES and Licence agreements (including meeting the requirements listed below):

- Sufficient information, in an appropriate format and language, made available to potential participants to enable them to make informed decisions about whether or not to enter into a PES Agreement
- Project participants have a good understanding of key elements of the PES agreement, in particular:
  - a. Estimated number of PES units to be produced
  - b. Roles and responsibilities of Project Owner and Project Coordinator
  - c. Fees for the Project Coordinator
  - d. Commitments to management & monitoring tasks in order to produce PES units
  - e. Rules concerning benefit distribution
  - f. Obligations and possible penalties for reversals
  - g. Limitations to withdrawing from the project in the future
- Project participants aware of potential buyers and/or options for PES unit sales and marketing, and how sales can impact on income / profitability.
- All impacted land owners with land or use rights within the Project Area aware of the Conservation/Land Management Plan (or equivalent) and the PES Agreement (see Decision 3)

Recommended Activities:

- Development and presentation of a realistic project cost / benefit analysis
- Project Coordinator to facilitate preparation of draft agreements
- Project Owner (with support from Project Coordinator as required) transparently and effectively consult with their members regarding the draft Agreements
- Prepare PES Agreement and Project License Agreement Consultation Report
- Facilitate the process for the recognised land and resource user rights holders to sign a letter providing the mandate for the Project Owner entity to sign the PES Agreement and Programme Agreement
- Project Owner committee meet to consider the report (above) and draft agreements, and sign acceptance (if agreed)

Table 3.1.6.2b: FPIC Decisions & Pre-Requisites – Decision 2

Pre-Requisite Condition Met	Comments
Project Owner committee transparently and effectively consult with their members on the PES and Programme agreements (including meeting the requirements listed below):	Understanding developed through participatory planning / education (ER 3.1.6.1)
Sufficient information, in an appropriate format and language, made available to potential participants to enable them to make informed decisions about whether or not to enter into a PES Agreement	The PES and Programme agreements were presented to the landowners over several

	workshops. Key information in the agreements was translated into the Fijian language and provided to Cooperative members (ER 3.1.6.2b)
Project participants have a good understanding of key elements of the PES Agreement.	Understanding developed through participatory planning / education/ (ER 3.1.6.1)
<b>Decision Completed</b>	
Decision 2. Agreement with the terms and conditions of project PES Agreement(s) and Programme Agreement	Refer to signed PES and Programme Agreements Appendix 3b

**Decision 3 Agreement to Conservation/Land Management Plan (or equivalent) (land management plan or ‘plan vivo’) including project boundaries and management regime for the project area**

Pre-requisite conditions:

- Project Owner and Project Coordinator have consulted available land and resource use information (e.g. maps, tenure boundaries, ecosystem attributes).
- Project Owners and Project Coordinator can demonstrate that the Project Area falls within land ownership boundaries of the Project Owner group
- All impacted land owners with land or use rights within the Project Area aware of the Conservation/Land Management Plan (or equivalent)
- Project Owner participants have collaborated with the Project Coordinator through a process of participatory planning to design the Conservation/Land Management Plan (or equivalent).

Recommended Activities:

- Participatory (collaborative) process to design land use and management plans.
- Produce accurate land use maps (including procurement of required data).
- Project Owner (with support from Project Coordinator as required) transparently and effectively consult with their members regarding the draft Conservation/Land Management Plan (or equivalent)
- Preparation of a Conservation/Land Management Plan (or equivalent) Consultation Report
- Project Owner committee meetings to consider the report (above) and sign acceptance (if agreed)

Table 3.1.6.2c: FPIC Decisions & Pre-Requisites – Decision 3

Pre-Requisite Condition Met	Comments
Project Owner and Project Coordinator have consulted available land and resource use information (e.g. maps, tenure boundaries,	Information was consulted from the GTZ/SPC Forest

ecosystem attributes).	Management Plan (land use plan); see ER 3.1.4. Further information accessed through GIS support provided through WCS
Project Owners and Project Coordinator can demonstrate that the Project Area falls within land ownership boundaries of the Project Owner group.	Confirmed, as per section 1.3.2.1 (above) 'Stable Land Tenure and / or User Rights'
All impacted land owners with land or use rights within the Project Area aware of the Conservation/Land Management Plan (or equivalent).	Understanding developed through participatory planning / education ER 3.1.2b
Project Owner participants have collaborated with the Project Coordinator through a process of participatory planning to design the Conservation/Land Management Plan (or equivalent).	The process for developing the Conservation Management Plan in collaboration with the community members, the steering committee and DBFCC board is detailed in section 3.1.4
<b>Decision Completed</b>	
Decision 3 Agreement to Conservation/Land Management Plan (or equivalent) (land management plan or 'plan vivo') including project boundaries and management regime for the project area.	Refer to approved Drawa Block Forest Conservation Plan Appendix 1.

***Decision 4. Agreement for the Project Description (PD) to be submitted for validation/verification***

Pre-requisite conditions:

- Project Owner participants understand key project components including:
  - a. Likely PES unit volumes including buffer.
  - b. Realistic estimation of PES pricing.
  - c. Potential buyers and/or options for PES unit sales and marketing strategy.
  - d. Time frames for validation/verification/implementation/monitoring.
  - e. Project registration requirements and costs associated with credit issuance.
  - f. Project net costs and benefits and financing strategy.
- Project Owners have thoroughly reviewed the Project Description.

Recommended Activities:

- Preparation of Project Description Summary Report (written or presentation) that includes points (a-f) above.
- Consultation with Project Owners (e.g. workshop) on the Project Description Summary Report and draft Project Description.
- Facilitate a Project Owner meeting to seek a decision on submitting the PD for validation /

verification.

Table 3.1.6.2d: FPIC Decisions & Pre-Requisites – Decision 4

Pre-Requisite Condition Met	Comments
Project Owner participants understand key project components, which includes (i) likely PES unit volumes including buffer, (ii) realistic estimation of PES pricing, (iii) potential buyers and/or options for PES unit sales and marketing strategy, time frames for MRV, (iv) project registration requirements and costs associated with credit issuance, (v) project net costs and benefits and financing strategy.	The pre-requisite knowledge here refers to understanding of key project design concepts across the entire project (as reflected in the PD). This has been built gradually over 3 years of commitment to participatory planning and education. Refer to section 3.1.1, 3.1.2 & 3.1.5 of this PD for a description of education and participatory planning activities.
Project Owners have thoroughly reviewed the Project Description.	The PD was presented to the mandated Project Owner representatives; the DBFCC board (ER 3.1.6.1c)
<b>Decision Completed</b>	
Decision 4. Agreement for the Project Description (PD) to be submitted for validation/verification	The DBFCC Board will provide consent for submission of the PD at the inaugural Project Monitoring Meeting (ER 3.1.6.1c)

### 3.1.7 Project Management Workshops

The NMF states: *The purpose of Project Management Workshops is to provide an annual update on project progress pursuant to the requirements of the PES agreements and PD. Project Management Workshops take place within six months of the end of each (annual) Project Management Period.*

*Key outputs of Project Management Workshops are approval of Project Management Reports and Project Business Reports. The authors of the Project Management Report and Project Business Report (e.g. Project Coordinator and individuals within the Project Owner community) shall send these reports to the Project Owner committee no less than 8 working days prior to the Project Management Workshop.*

*The Project Management Workshop will take place at a venue and date agreed to mutually by the Project Coordinator and the Project Owner committee and will follow an agenda sequence as follows:*

The Project Owner participants and the Project Coordinator are fully aware of the requirements for Project Management Workshop, to take place annually. This includes

completion of annual Project Management Reports from the Live & Learn Fiji (Project Coordinator) and Project Business Reports from the DBFCC (Project Owner).

The Project Management Workshop will progress according to the following agenda:

***Agenda: Project Management Workshops (minimum annually)***

Part 1 - Administration

- a. Agree the agenda for the Project Management Workshop.
- b. Record the names, affiliation and contact details of all participants.

Part 2 – Project Update

- a. Presentation of Project Management Report (including community and biodiversity impact monitoring updates as specified in the PD).
- b. Presentation of Project Business Update Report (linked to Project Finance Model and Project Owner Business Plan)

Part 3 – Mandating Next Steps

The Project Governing Board presides over decisions required as follows:

- a. **Decision 1:** Approve (or other) Project Management Report
- b. **Decision 2:** Approve (or other) the Project Business Update Report
- c. **Decision 3:** Assign roles, responsibilities, and resources to address issues arising from the Project Management Report or the Project Business Update Report.
- d. **Decision 4:** Approve (or other) proposed changes to the Community Benefit Sharing Plan (if any)
- e. **Decision 5:** Review any Project Disputes and assign roles and responsibilities for dispute resolution under the Project Dispute Resolution Framework.

Part 4 – Evaluation and Reporting

- a. A draft version of the minutes of the meeting (referring to decisions made) are provided to the Project Coordinator.
- b. Project Owner participants to complete an evaluation of each Project Management Workshop prior to departing from the workshop in closed session in the absence of any personnel of the Project Coordinator or sub-contractors. The evaluation to be placed in the document database of the Project Owner, Project Coordinator and the Programme Operator.
- c. Project Coordinator to prepare a draft Project Management Workshop Report that describes the workshop and contains a record of all decisions made.
- d. Project Owner committee to review the Project Management Workshop Report to check for accuracy, edit, and either approve or make recommendations for changes/amendments. If approved without changes, the report is finalized by formal approval by the Project Governing Board. This decision is recorded in the minutes of a Project Owner committee meeting with a copy of these minutes forwarded to the Project Coordinator. A copy of the

Project Management Workshop Report and approval minutes is lodged in the project document database and a copy forwarded to the Programme Operator.

Table 3.1.7: Evidence of Project Management Workshop Requirements

Pre-Requisite Condition Met	Comments
Project Owner participants understand the requirements and roles for Project Management Reports.	The requirements for the Project Management Workshops are identified in the PES agreement.
Project Owner participants understand the requirements and roles for Project Business Reports.	Evidence for free prior and informed consent for signing the PES agreement is recorded in Table 3.1.6.1b: Decisions that trigger FPIC and/or require a mandate (above)
Project Owner participants understand the requirements and roles for Project Management Workshops.	

### 3.1.8 Project Monitoring Workshops

The NMF states: *The purpose of Project Monitoring Workshops is to evaluate and approve Project Monitoring Reports at the conclusion of each Project Monitoring Period (as specified in the Technical Specifications applied). Project Monitoring Workshops take place within one year of the end of each Project Monitoring Period.*

*The current Project Monitoring Report shall be sent to the Project Governing Board no less than 8 working days prior to the Project Monitoring Workshop.*

*The Project Monitoring Workshop will take place at a venue and date agreed to mutually by the Project Coordinator and the Project Governing Board and will follow an agenda sequence as follows:*

The Project Owner participants and the Project Coordinator are fully aware of the requirements for Project Monitoring Workshop, to take place every three years (once per monitoring period). This includes completion of Project Monitoring Report.

The Project Monitoring Workshop will progress according to the following agenda:

#### **Agenda: Project Monitoring Workshop**

##### Part 1 - Administration

- a. Agree the agenda for the Project Monitoring Workshop.
- b. Record the names, affiliation and contact details of all participants.

##### Part 2 – Project Update

- a. Presentation of Project Monitoring Report by its authors to the Project Governing Board.

##### Part 3 – Mandating Next Steps

The Project Governing Board presides over decisions required as follows:

- a. **Decision 1:** Approve (or other). Project Monitoring Report
- b. **Decision 2:** Assign roles, responsibilities, and resources to address issues arising from the Project Monitoring Report (if any).

#### Part 4 – Evaluation and Reporting

- a. A draft version of the minutes of the meeting (referring to decisions made) are provided to the Project Coordinator.
- b. Project Owner participants to complete an evaluation of each Project Monitoring Workshop prior to departing from the workshop in closed session in the absence of any personnel of the Project Coordinator or sub-contractors. The evaluation to be placed in the document database of the Project Owner, Project Coordinator and the Programme Operator.
- c. Project Coordinator to prepare a draft Project Monitoring Workshop Report that describes the workshop and contains a record of all decisions made.
- d. Project Governing Board to review the Project Monitoring Workshop Report to check for accuracy, edit, and either approve or make recommendations for changes/amendments. If approved without changes, the report is finalized by formal approval by the Project Governing Board. This decision is recorded in the minutes of a Governing Board meeting with a copy of these minutes forwarded to the Project Coordinator. A copy of the Project Monitoring Workshop Report and approval minutes is lodged in the project document database and a copy forwarded to the Programme Operator.

Table 3.1.8: Evidence of Project Monitoring Workshop Requirements

Pre-Requisite Condition Met	Evidence Location
Project Owner participants understand the requirements and roles for Project Monitoring Reports.	The requirements for the Project Monitoring Reports / Workshops are identified in the PES Agreement. Evidence for free prior and informed consent for signing the PES agreement is recorded in Table 3.1.6.1b: Decisions that trigger FPIC and/or require a mandate (above)
Project Owner participants understand the requirements and roles for Project Monitoring Workshops.	

## 3.2 DISPUTE RESOLUTION

Section 4 of the Plan Vivo Standard (2013, p15) states that:

- 4.14. *A robust grievance redressal system should be part of project design, and should ensure that participants are able to raise grievances with the project coordinator at any given point within the project cycle, and that these grievances are dealt with in a transparent, fair, and timely manner. A summary of grievances received, the manner in which these are dealt with, and details of outstanding grievances must be reported to the Plan Vivo Foundation through the periodic reporting process.*

The NMF states: *Each project in the Nakau Programme is required to prepare a Standard Operating Procedure (SOP) for Dispute Resolution to guide the process of dispute resolution should it occur during the course of the project. Project Coordinators are required to co-design the ‘SOP: Dispute Resolution’ together with Project Owners based on principles of conflict resolution and non-violent communication, in addition to local customary procedures.*

*Project Owners and Project Coordinators are required to incorporate the ‘SOP: Dispute Resolution’ into the Project Description (PD) (as an appendix). Any revisions of the ‘SOP: Dispute Resolution’ shall be noted in Project Monitoring Reports and PD revisions.*

*The ‘SOP: Dispute Resolution’ may be based on the Nakau Programme Dispute Resolution Framework (see Appendix 3 [of the NMF]).*

The procedure for dispute resolution is set out in section 9 of the PES Agreement, which intends to ensure that any grievances that may arise between the Project Owners and Project Coordinators be dealt with in a transparent, fair and timely manner. See Appendix 3b Programme Agreement.

# 4. Benefit Sharing

The NMF states: *All projects within the Nakau Programme shall apply the benefit sharing mechanism described within this Methodology Framework. The benefit-sharing mechanism is sufficiently flexible to accommodate local differences in capacity, preferences, needs and opportunities for Project Coordinators and Project Owners. However, specific conditions on benefit sharing arrangements have been identified which provide safeguards to ensure benefit sharing is equitable, and to mitigate risks that cash benefits lead to un-intended negative social outcomes for local communities. The mechanism also seeks to ensure sustainability of the Nakau Programme, and where possible provide financing opportunities for programme strengthening.*

*The benefit sharing mechanism is divided into three components:*

- a. *The Payment For Ecosystem Services (PES) Agreement*
- b. *The Project Finance Model*
- c. *The Project Owner Business Model*

*The PES Agreement is a legal contract between the Project Coordinator and the Project Owner. The Project Finance Model describes the systems for sale of PES units and defines protocols for financial discipline in the project. The Project Owner Business Model defines how funds shall be managed by the Project Owner Business to keep the project viable and transparently deliver financial benefits at the group and individual level.*

*This Methodology does not and cannot override national legislation that may prescribe benefit-sharing arrangements under certain business structures. In circumstances where this applies, the national legislation will be met as a minimum requirement, and where allowable by law the project must still meet the requirements of this Methodology Framework in respect to benefit sharing.*

## 4.1 PES AGREEMENT

Section 8 of the Plan Vivo Standard (2013, p21) states that:

- 8.1. *Transaction of ecosystem services between the project coordinator and participants must be formalized in written PES Agreements, where participants agree to follow their plan vivo in return for staged, performance-related payments or benefits.*

The PES Agreement is presented as within Appendix 3c of Part A of this PD.

#### 4.1.1 Scope

Section 8 of the Plan Vivo Standard (2013, p21, 22) states that:

- 8.2. *Procedures for entering into PES agreements with participants must be defined and followed, where PES agreements specify:*
  - 8.2.1. *The quantity and type of ecosystem services transacted*
  - 8.2.2. *The project interventions to be implemented*
  - 8.2.3. *The plan vivo the PES Agreement relates to and its date of approval and implementation*
  - 8.2.4. *Performance targets that must be met to trigger the disbursement of payments or other benefits, with reference to monitoring methods, frequency and duration*
  - 8.2.5. *The amount of payment or benefit to be received (or what the process is for determining this)*
  - 8.2.6. *Consequences if performance targets are not met, e.g. withholding of some or all payments and how corrective actions will be agreed*
  - 8.2.7. *The PES period (period over which monitoring and payments will take place) and overall duration of commitment to the plan vivo*
  - 8.2.8. *Any impacts of the agreement on rights to harvest food, fuel, timber or other products*
  - 8.2.9. *Deduction of a risk buffer where applicable*
  - 8.2.10. *Agreed upon mechanism to resolve or arbitrate any conflict arising from the implementation of the project, following established community practices or legal rules in the country.*
- 8.4. *PES agreements must not remove, diminish or threaten participants' land tenure.*

The NMF states: *The PES Agreement is a contract between the Project Coordinator and Project Owner and must comply with all sub-sections of Section 8.2 of the Plan Vivo Standard (2013). Projects shall clarify this by providing a copy of the PES Agreement in the Appendix to the PD, and presenting the necessary information contained in the PES Agreement in the sub-sections of the PD defined below:*

- 4.1.1.1 *Quality and Type of Ecosystem Service Transacted*
- 4.1.1.2 *Project Interventions*
- 4.1.1.3 *Relevant PD*
- 4.1.1.4 *Performance Targets (linked to Nakau Management Plan)*
- 4.1.1.5 *Process for Determining Volume of PES Units Transacted*
- 4.1.1.6 *Non-Performance Penalties*
- 4.1.1.7 *PES Period*
- 4.1.1.8 *Impacts of PES Agreement on Rights to Food, Fuel, Timber*

- 4.1.1.9 *Buffer*
- 4.1.1.10 *Agreement on roles and responsibilities of the Project Owner*
- 4.1.1.11 *Agreement on services to be provided by the Project Coordinator and other services providers*
- 4.1.1.12 *Agreement on payment milestones and payment schedule for services provided by the Project Coordinator*
- 4.1.1.13 *Agreement on disbursement of income from PES sales to the Project Owner*
- 4.1.1.14 *Agreement on management of income from PES sales by Project Owner according to the Project Owner Business Plan*
- 4.1.1.15 *Process of PES Agreement review*
- 4.1.1.16 *Project SOP Dispute Resolution*

The content of the PES Agreement is summarised below.

#### **4.1.1.1 Quality and Type of Ecosystem Service Transacted**

Clause 1.1 of the PES Agreement states that the Project will produce verified Payment for Ecosystem Service Units (PES units) determined through Improved Forest Management – Logged to Protected Forest. The Project is expected to generate 20,689 tradable carbon offsets every year in the first 15 years and approximately 11,873 tradable carbon offsets per year for the following 15 years of the project.

#### **4.1.1.2 Project Interventions**

Clause 4.1 of the PES Agreement indicates that the project interventions are defined by this PD, the Nakau Methodology Framework and the Technical Specifications Module applied. The project interventions are specified in section 2.1 of this PD.

#### **4.1.1.3 Relevant PD**

Clause 4.1 of the PES Agreement links the Agreement with this PD (part A and B).

#### **4.1.1.4 Performance Targets (linked to Conservation/Land Management Plan (or equivalent))**

Clause 4.2 (a) of the PES Agreement requires the Project Owner to implement the project according to the Drawa Conservation Management Plan and the performance targets contained therein

#### **4.1.1.5 Process for Determining Volume of PES Units Transacted**

Schedule 2 clause 4 (d) of the PES Agreement states that the quarterly disbursement of sales revenue (if any) to the Project Owner shall include full disclosure of pricing data and the project sales register by the Nakau Programme Operator.

#### **4.1.1.6 Non-Performance Penalties**

Non-performance penalties are outlined in Section 10 of the PES Agreement, where non-performance is described as a Reversal.

Following a Reversal, The Nakau Programme Operator will determine whether the Reversal was Avoidable or Unavoidable. If it is determined that the Reversal was Unavoidable, the Nakau Programme Operator will be requested to retire a quantity of Buffer Credits from the Pooled Buffer Account equivalent to the negative net change in the GHG Reduction Balance, capped at the number of PES units issued in respect of the Project, including Buffer Credits.

If it is determined that the Reversal was Avoidable, then the Project Owner must:

- a. Deliver to the Nakau Programme Operator for retirement, a quantity of Eligible Units equivalent to the negative net change in the GHG Reduction Balance, capped at the number of PES Units issued in respect of the Project, including Buffer Credits; and
- b. Reimburse the Project Coordinator and the Nakau Programme Operator on demand for all reasonable costs incurred by them in enforcing your commitments under this clause.

Following a reversal, the Project Owner must take all action necessary to re-establish, restore or maintain the project's GHG emission reductions or enhanced removals.

#### **4.1.1.7 PES Period**

Clause 1.3 of the PES Agreement defines the 'Project Period' during which PES Units will be produced is from 01/01/2012 to 01/01/2042 (30 years).

#### **4.1.1.8 Impacts of PES Agreement on Rights to Food, Fuel, Timber**

The Project will not impact the right of landowners to harvest resources for their needs outside of restrictions noted in the Drawa Block Conservation Management Plan (Appendix 1) and the Technical Specifications Module (C) 1.1 (IFM-LtPF): Improved Forest Management – Logged to Protected Forest V1.0. This is set out in section 1.2 of the PES Agreement.

#### **4.1.1.9 Buffer**

Clause 5.2 (b) of the PES Agreement states 20% of the PES Units from the Project, as calculated in the PD and under the Buffer Account Rules, will be set aside and held by the Nakau Programme Operator in the Pooled Buffer Account to mitigate against the risk of Reversals.

#### **4.1.1.10 Agreement on roles and responsibilities of the Project Owner**

The roles and responsibilities of the Project Owner are set out in clause 4.1 of the PES Agreement. They are detailed in section 2.13.6.1 of this PD.

#### **4.1.1.11 Agreement on services to be provided by the Project Coordinator and other services providers**

The roles and responsibilities of the Project Coordinator are set out in section 3.1 of the PES agreement, and are described above in section 2.13.5 of this PD.

#### **4.1.1.12 Agreement on payment milestones and payment schedule for services provided by the Project Coordinator**

The agreement on disbursement of income from PES sales to the Project Coordinator is set out in the PES Agreement Clauses 5.3 (c) vi-vii. The amount paid to the Project Coordinator and the Nakau Programme Operator shall be calculated from a budget for reasonable costs expected to be incurred in delivering project related services. This shall include registry fees, transaction costs, and any rents, taxes, or fees imposed directly upon the Nakau Programme Operator and/or Project Coordinator and directly relating to the operation of this project.

The amount paid to the Nakau Programme Operator and/or the Project Coordinator is subject to the safeguards imposed by the Plan Vivo Standard, designed to ensure fairness for equitable sharing of project benefits. Project and Programme related costs borne by the Nakau Programme Operator and/or the Project Coordinator can be altered according to need, but will not exceed 40% of total sales income received at the wholesale price, unless justified to the satisfaction of the Plan Vivo Standard, and only where such adjustment is necessary for covering direct project-related costs.

#### **4.1.1.13 Agreement on disbursement of income from PES sales to the Project Owner**

The agreement on disbursement of income from PES sales to the Project Owner is set out in the PES Agreement Clauses 5.3 (c) vi-vii of the PES Agreement, and specified in Schedule Two. Revenue will be disbursed to the Project Owner will be evenly distributed across each 15-year baseline rotation, to ensure, as best as possible, a steady and predictable income. Payments shall be made quarterly, and shall not exceed one quarter of the value of one year's volume of units, unless agreed by both parties. Any balance of income owed will be held in trust until subsequent quarterly payments are due. The disbursement amount paid quarterly to Project Owners will be the number of units sold in the previous quarter multiplied by the rate agreed to pay per unit sold.

Further information about disbursements to project Owners is described 4.2.9 of this PD (below).

#### **4.1.1.14 Agreement on management of income from PES sales by Project Owner according to the Project Owner Business Plan**

Clause 5.8 of the PES Agreement states that the Project Owner will manage income from the sales of PES units according to the Drawa Black Forest Communities Cooperative Business Plan (See Appendix 2) and this PD, as described below in Section 4.1.1.18.

#### **4.1.1.15 Process of PES Agreement review**

Clause 7 of the PES Agreement states that it will be reviewed annually at each Project Management Workshop. Alterations must be consistent with the Nakau Methodology Framework and Technical Specifications Module(s) applied. Changes made to this contract must be consistent with respective changes within the PD where relevant.

A contract review does not convey the right of individual parties to change the contract. Any alterations to the contract require the agreement and signature of both contracting parties.

#### **4.1.1.16 Project SOP Dispute Resolution**

Clause 9 (9.1 – 9.6) of the PES Agreement sets out the procedure for dispute resolution, which intends to ensure that any grievances that may arise between the Project Owners and Project Coordinators be dealt with in a transparent, fair and timely manner. This refers to the Standard Operating Procedure for Dispute Resolution that can be found in PD Part A Appendix 3b: Programme Agreement.

The NMF states: *Disbursement of payments shall comply with section 8.2.4 of the Plan Vivo Standard (2013). The disbursement arrangements shall be consistent with the Project Finance Model (as per Section 4.2 of this document).*

#### **4.1.1.17 Project finance disbursement compliance with the Project Finance Model**

As is set out in clauses 5 (a)-(d) of the PES Agreement project finance will be disbursed in manner that complies with the Nakau Methodology Finance Model, as described in section 4.2 of this PD.

The NMF states: *A concise Project Owner Business Plan shall be developed and incorporated into the PES Agreement and described in this section of Part A of the PD. The Project Owner Business Plan shall clearly describe how the Project Owner group will allocate money derived from PES unit sales for the benefit of the Project Owner group members and community. The arrangement shall be consistent with and comprise the Project's application of the Project Owner Business Model (defined in Section 4.3 of this document and presented in Section 4.3 of the PD) and must include:*

- a. *A target for Business Money (money needed to keep the business running)*
- b. *A target for Safety Money;*
- c. *Rules determining allocation of money for (i) Group Benefit and (ii) Individual Benefit*
- d. *Identification of priority investments / activities capable of delivering sustained group or community benefits (linked to budgets where possible)*
- e. *Rules for financial discipline and governance*

#### 4.1.1.18 Allocation of project income by the Project Owner

As stated in section 5.8 of the PES Agreement, the Project Owner will manage income from the sales of PES units according to the Nakau Methodology Framework Business Model (see section 4.3 of this PD) and as detailed in the Drawa Black Forest Communities Cooperative Business Plan. An explanation of the Business Plan is described in section 4.3.1 of this PD.

#### 4.1.2 Voluntary Process for PES Agreements

Section 8 of the Plan Vivo Standard (2013, p22) states that:

*8.3. Participants must enter into PES agreements voluntarily according to the principle of free, prior and informed consent, where sufficient information, in an appropriate format and language, is available to potential participants to enable them to make informed decisions about whether or not to enter into a PES Agreement.*

The NMF states: *The process of negotiating a PES Agreement is incorporated into the FPIC process specified in Section 3.1.5 of this document, in particular – the process leading to Decision 3 in Table 3.1.5.1 (the decision sequencing presented in that section). This section of the PD will summarise the process leading to the PES Agreement.*

The process of leading to signing of the PES Agreement was voluntary. The PES agreement triggers the Free, Prior and Informed Consent (FPIC) process described in Section 3.1.6 of this PD as Decision 2: “Agreement with the terms and conditions of project PES Agreement(s) and Programme Agreement.” Table 3.1.6.1(b) refers to the location of supporting evidence that FPIC was met.

#### 4.1.3 Conditions and Safeguards

Section 8 of the Plan Vivo Standard (2013, p22) states that:

*8.5. Project Coordinators must have the capacity to meet the payment obligations in PES Agreements entered into with communities, by one or more of the following:*

- 8.5.1. Secured upfront funding or purchase commitments sufficient to guarantee an agreed minimum payment to participants*
- 8.5.2. A proven track record in identifying funders or buyers in ecosystem markets or from other sources*
- 8.5.3. Demonstrable capacity to meet PES obligations from their own funds should a buyer or funder not become available<sup>1</sup>*

<sup>1</sup>NB: There are limitations on the volume of Plan Vivo Certificates that may be issued at one time in the absence of secured funding or buyers, details of which are contained in the Procedures Manual.

- 8.6. *Where a greater number of smallholders or community groups wish to enter PES agreements than the project coordinator is able to engage, e.g. because of lack of resources, a fair process for selecting participants must be defined. The process should take into consideration the potential for tensions or disputes being created within or between communities.*
- 8.7. *Where the project coordinator enters into PES Agreements in advance of securing the necessary buyers or resources to fund payments, any risk of non-payment must be communicated to, and agreed by, participants.*

The NMF states: *All projects must, in this section of the PD, demonstrate compliance with Sections 8.5, 8.6, and 8.7 of the Plan Vivo Standard (2013).*

#### **4.1.3.1 Project Coordinator Capacity For PES Payment Obligations**

The Project Coordinator and the Nakau Programme Operator will co-operate on PES payment obligations in accordance with the Programme Agreement and PES Agreement.

#### **4.1.3.2 Eligibility Criteria for Enrolling Projects in the Nakau Programme**

Clause 2.2 (b) of the PES Agreement commits the project Owner to comply with the requirements under the Plan Vivo Standard and the Nakau Methodology Framework (NMF) (section 8). This includes adherence to the Nakau Methodology Framework regarding enrollment of new participants or projects (e.g. including another landowning group in the project). Under the NMF section 8.1.3 all new entrant projects shall fulfill the following:

- Meet the eligibility criteria of the Nakau Programme including the Nakau Methodology Framework and the relevant Technical Specifications Module/s.
- Apply the Nakau Methodology Framework and any relevant Technical Specifications Modules for the development of the PD.
- Submit the PD for 3<sup>rd</sup> party validation for the first project for each activity type.
- Submit the PD for 2<sup>nd</sup> party validation by the Programme Operator for projects that are not the first project for that activity type.
- Submit all Monitoring Reports for 3<sup>rd</sup>-party verification.

#### **4.1.3.3 PES Payment Conditions**

The Project will only produce ex-post carbon credits, which are to be issued by the Plan Vivo Standard upon acceptance of a Monitoring Report, which is to be verified by an approved 3rd party. Section 5 'Finance' of the PES Agreement states:

(a) We enter into this agreement in advance of securing buyers for PES Units generated through the Project. We make no representations and give no guarantees of income from sales of PES Units and accept no liability for payment in the event that PES Units are unable to be sold.

And requires that the Project owner acknowledges:

(b) PES Units will only be issued by the Registry after the independent validation and registration of the Project and submission of an independently verified PES assertion with supporting documents, which complies with the Nakau Methodology Framework, the Nakau Programme Technical Specifications Module/s applied and Registry requirements;

(c) 20% of the PES Units from the Project, as calculated in the PD and under the Buffer Account Rules, will be set aside and held by the Nakau Programme Operator in the Pooled Buffer Account to mitigate against the risk of Reversals, and;

(d) PES Units from this project are not currently tradable in any compliance emissions trading scheme, but are currently tradable in international voluntary PES markets.

## 4.2 PROJECT FINANCE MODEL

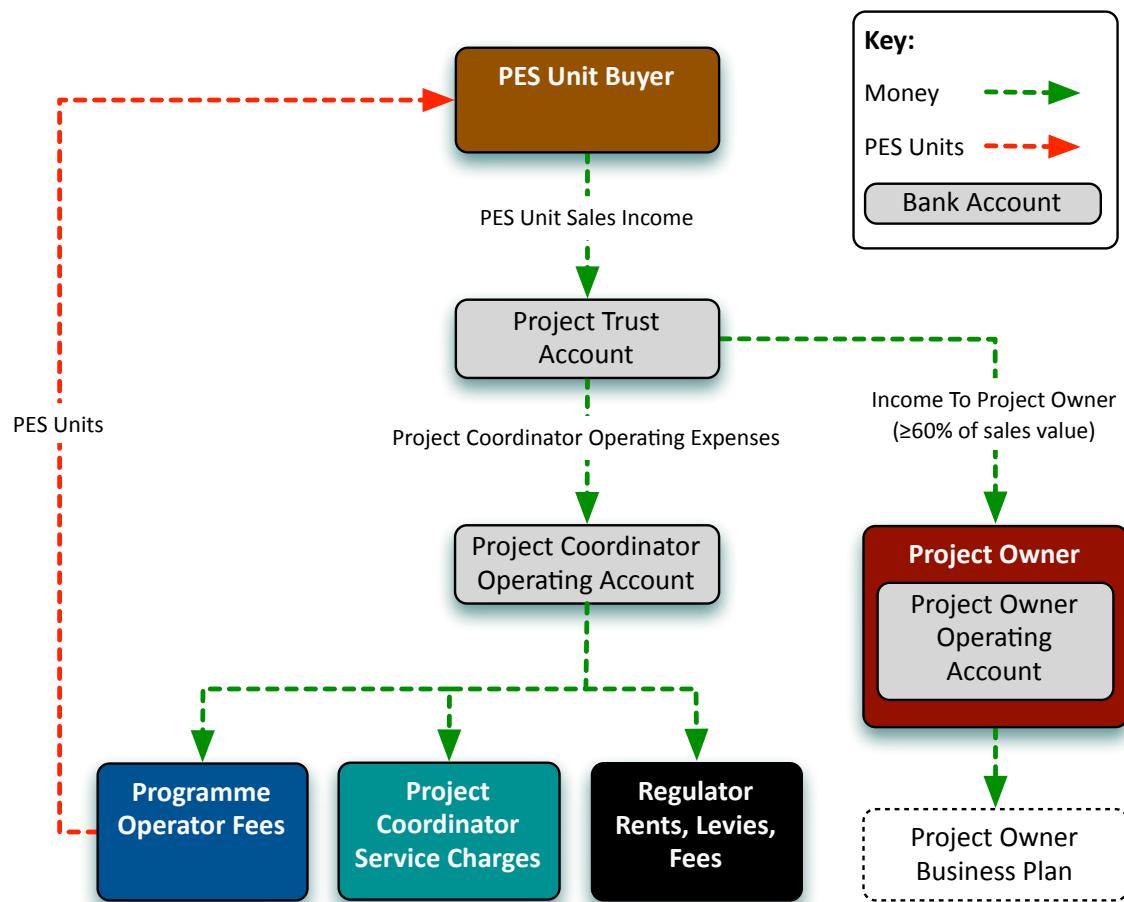
Section 3 of the Plan Vivo Standard (2013, p12) states that:

3.9. *A transparent mechanism and procedures for the receipt, holding and disbursement of PES funds must be defined and applied, with funds intended for PES earmarked and managed through an account established for this sole purpose, separate to the project coordinator's general operational finances.*

### 4.2.1 Overview

The NMF states: *The Project Finance Model defines the transactional relationships between key project stakeholders.*

Figure 4.2.1: Project Finance Model



## 4.2.2 Project Budget And Financial Planning

Section 3 of the Plan Vivo Standard (2013, p12) states that:

3.10. *A project budget and financial plan must be developed by the project coordinator and updated at least every three months, including documentation of operational costs and PES disbursed, and funding received, demonstrating how adequate funds to sustain the project have been or will be secured.*

The NMF states: *All projects must establish and maintain a project budget and financial plan in a way compliant with Section 3.10 of the Plan Vivo Standard (2013).*

The project budget and financial plan is presented in sections 4.2.3-4.3.9 below.

#### 4.2.3 PES Unit Sales

The NMF states: *The Programme Operator holds a PES Unit Master Account for each unit type held in trust on behalf of Project Owners, and a Pooled Buffer Account for each buffer unit type for buffer credits owned by the Programme Operator. The PES Unit Master Account is sub-divided into Project-Specific Sub-Accounts for each unit type.*

*PES Unit sales will take place according to a Sale and Purchase Agreement.*

*The parties to a Sale and Purchase Agreement are the PES Unit Buyer and the Programme Operator acting as Sales Agent for the Project Owner. The PES Unit Buyer deposits 100% of agreed funds into the Project Trust Account.*

*Sales ≥ USD\$50,000 shall be administered through an escrow arrangement.*

The Programme Operator and/or the Project Coordinator will develop Sales and Purchase Agreements tailored to the circumstances of each particular sales transaction. In very case the Sales and Purchase Agreement will adhere to the conditions of the NMF (see box above) and the Project Agreements between project proponents (PES Agreement, Programme Agreement and License Agreement). The Clause 3.1 (f) of the Programme Agreement grants permission for Programme Operator to enter into a Sale and Purchase Agreement with purchasers for PES Units acting as Sales Agent on behalf of the Project Owners (DBFCC). This is necessary to enable the Programme Operator to undertake sales and marketing effort outside of Fiji. For sales within Fiji, the Project Coordinator will work with the Programme Operator and Project Owners to facilitate development of the Sales and Purchase Agreement, however the Project Owners will sign the Agreement directly.

The Programme Agreement Clause 5.3 (a) and the PES Agreement Clause 5.3 (a) both state that the Programme Operator shall maintain a ‘Project Trust Account’ for this project. PES unit buyers shall deposit of funds from PES unit sales into the Project Trust Account.

An exception to the above may occur if an approved reseller makes small volume sales, or if the Nakau Programme raises funds through crowd funding or other method where sales accumulate gradually. In such cases the funds may be held in a separate account by the reseller or other party until there is sufficient funds to justify a transfer into the Project Trust Account. This is to avoid excessive transaction fees.

#### 4.2.4 Project Trust Account

The NMF states: *The main purpose of the Project Trust Account is to ensure a viable long-term PES project for the Project Owner, reduce the risks of income leading to unsustainable or unintended negative social outcomes, and optimise the flow of benefits to meet Project Owner aspirations.*

*The Programme Operator shall open a Project Trust Account for each individual project to receive PES sales income (from the PES buyer). The Project Trust Account shall be established entirely for the purpose of financial administration of the PES project and be separate from the Project Owner's and Project Coordinator's other accounts.*

*Alternatively, if agreed by the Project Coordinator and Project Owner, and approved by the Project Operator, projects in the Nakau Programme may nominate a trusted 3<sup>rd</sup> party to administer the Project Trust Account on their behalf. In this event, the account must also be established entirely for the purpose of financial administration of the PES project and be separate from the 3<sup>rd</sup> parties other accounts.*

*The PES Agreement will define how income received into the Project Trust Account will be disbursed as; (a) fees for services required to operate the PES project; (b) taxes and levies (if required), and (c) net income for Project Owners. Further details are provided below:*

The Nakau Programme Operator board has opened a Drawa Project Trust Account entirely for the purpose of receipt and disbursement of funds from project PES sales, and this account is separate from the Project Operators other accounts. A PES sales register (template) has been prepared to record PES transactions for the Drawa Project Trust Account.

#### 4.2.5 Fees for Services Delivered by the Project Coordinator

The NMF states: *The Project Coordinator may receive payments from the Project Trust Account for provision of agreed services to the project, such as ongoing project development services, monitoring, reporting, and administration (together with a contingency percentage if specified in the PES Agreement). Payments to the Project Coordinator must be based upon delivery of agreed services and achievement of performance milestones, which must be specified in the PES Agreement.*

*The services to be provided by the Project Coordinator and specified in the PES Agreements are expected to vary between different projects in the Nakau Programme. The main variables will be the capacity of the Project Owner to undertake certain activities by themselves, and Project Owner's individual preferences regarding outsourcing of activities for other reasons, such as for increased efficiency etc. Further information about project roles and responsibilities is provided in the PPP sections 2.13.4 and 2.13.5.*

*The Project Trust Account may also be used to directly pay other sub-contractors (e.g. third party verification auditors) if required, subject to the PES Agreement conditions.*

Clauses 3.1 (a) – (v) of the PES Agreement outline the services to be provided by the Project Coordinator to the Project Owner. Clause 5.3 (c) vi declares that the amount paid to the Project Coordinator shall be calculated from a budget for reasonable costs they expect to incur in delivering project related services. This shall include registry fees, transaction costs,

and any rents, taxes, or fees imposed directly upon the Project Coordinator and directly relating to the operation of this project.

Schedule 2 – ‘Disbursements of Sales Revenue and Project Budget’ within the Licence Agreement between the Programme Operator and the Project Coordinator states the amount of funds from the sale of each PES unit that is to be disbursed to the Project Coordinator in accordance with their budget.

#### 4.2.6 Limit to Project Coordinator Payments

Section 8 of the Plan Vivo Standard (2013, p22) states that:

8.12. *Projects selling Plan Vivo Certificates should aim to deliver at least 60% of the proceeds of sales on average to communities as PES, meaning project coordinators should not draw on more than 40% of sales income for ongoing coordination, administration and monitoring costs. Where less than 60% is delivered projects must justify why this is not possible, why the benefits delivered to communities are fair and that they are able to effectively incentivise activities.*

The NMF states: *The Project Coordinator may receive funding from grants, or other third parties to support their role in the project. However, payments to Project Coordinators that derive directly from PES Unit sales are subject to the following conditions:*

- a. *Payments are made according to the PES Agreement between the Project Coordinator and the Project Owner, where the PES Agreement is subject to the FPIC / mandating steps.*
- b. *The payments received by the Project Coordinator should aim to not exceed 40% of the total value of PES Unit sales income received by the project.*
- c. *The income received by the Project Coordinator directly from the Project Trust Account is intended to enable the Project Coordinators to deliver services as required under the PES Agreement. The Project Coordinator should not charge the Project Owner any further fees for services, unless they are for services requested outside of the scope of the PES Agreement.*

The PES Agreement clause 5.2 (c)(vi) states that the amount paid to the Project Coordinator and the Nakau Programme Operator shall be based on the amount of project related services calculated from the budget at a reasonable cost. This includes registry fees, transactions costs and any rent, taxes or fees imposed directly upon the Nakau Programme Operator or Project Coordinator in operation for this project.

The amount paid to the Nakau Programme Operator and /or Project Coordinator is subject to the 60:40 ratio guidelines recommended in the Plan Vivo Standard, designed to ensure fairness for equitable sharing of project benefits. Project and Programme related costs borne by the Nakau Programme Operator and Project Coordinator are priced at cost and incorporated into the wholesale unit price for this project. The latter aligns as best as possible to the 60:40 (Land Owner/Project Coordinator) guidelines. For due diligence on the treatment of the 60:40 ratio guidelines see Appendix 2 of the Drawa PD Part B D3.2b v1.0 20151009 ('Drawa Carbon Budget & Pricing' spreadsheet (worksheet Drawa Budget, cells D89-91).

#### 4.2.7 Programme Operator Fees

The NMF states: *Project Coordinators shall pay a license fee to the Programme Operator. The fee is required to cover administrative costs incurred by the Programme Operator relating to quality controls and support of Project Coordinators, and sustaining the integrity of the Nakau Programme.*

*Project Coordinators may seek additional services from the Programme Operator on a fee for service basis.*

*The Programme Operator charges service fees to Project Coordinators for validation audits, registry account administration, and other forms of project support as required by the Project Coordinator.*

The PES Agreement clause 5.2 (c)(vi) states that the amount paid to the Nakau Programme Operator shall be based on the amount of project related services calculated from the budget at a reasonable cost. This includes registry fees, transactions costs and any rent, taxes or fees imposed directly upon the Nakau Programme Operator in operation of this project.

The Nakau Programme Operator role is established in the Licence Agreement with the Project Coordinator, see Clause 4.1 (a) – (i), and in the Programme Agreement with the Project Owner, see Clause 3.1 (a) – (k).

The amount paid to the Nakau Programme Operator and /or Project Coordinator is subject to the safeguards imposed by the Plan Vivo Standard, designed to ensure fairness for equitable sharing of project benefits. Project and Programme related costs borne by the Nakau Programme Operator and Project Coordinator are altered according to project needs (i.e. the costs of service delivery to support the project) but shall not exceeding 40% of total sales revenue unless approved by the Standard (Plan Vivo).

To see the budget for Programme Operator Fees please refer to Appendix 2 of the Drawa PD Part B D3.2b v1.0 20151009 ('Drawa Carbon Budget & Pricing' spreadsheet (worksheet Drawa Budget, cells D35-44).

#### 4.2.8 Project Taxes and Levies

The NMF states: *Regulatory taxes, fees, or rents etc associated with the project will be paid directly from the Project Trust Account, subject to the PES Agreement conditions.*

The PES Agreement, Clause 5.3.c (vi) states that the income from the Project Trust Account will be used to cover the cost of delivering project related services. This includes registry fees, transaction costs, and any rent, taxes or fees imposed directly upon the Nakau Programme Operator or Project Coordinator and directly relating to the operation of this project.

#### 4.2.9 Net PES Sales Income to the Project Owner

The NMF states: *The income remaining in the Project Trust Account (after services fees and taxes etc are allocated) will be disbursed to the Project Owner's operating account according to an agreed payment schedule defined in the PES Agreement. The Programme Operator will only approve of disbursement schedules that provide an ongoing incentive for the Project Owner to continue with project implementation (i.e. achieve permanence objectives). Hence the Programme Operator will not approve disbursement schedules that have the majority of payments at an early stage and little towards the end of the project period (unless this can be justified by the Project Coordinator in agreement with the Project Owner).*

*Projects involving an opportunity cost to the Project Owner (e.g. when the project owner foregoes the right to commercial timber harvests) shall disburse ≥ 60% of total PES sales income received to the project to the Project Owner (unless justified by the Project Coordinator in line with Section 8.12 of the Plan Vivo Standard 2013).*

*Net sales income paid from the Project Trust Account to the Project Owners Operating Account shall be managed by the Project Owner group in adherence to the Project Owner Business Model and Project Owner Business Plan (see section 4.3).*

Funds received into the Project Trust Account as a result of the sale of PES units will be disbursed to the Project Owner (DBFCC) according to Clause 5.3 (c) (i) of the PES Agreement, which states: *the amount paid to the Project Owner from the sale of each PES unit will be calculated at the rate that would be required to; (a) replace the income that the landowner participants could have received had they undertaken the allowable baseline activity described in the Technical Specifications Module applied and accepted by the Standard and the Nakau Programme Operator (the 'opportunity cost'); plus, (b) cover the costs incurred by the Project Owner in implementing the project as specified in the PD.*

Schedule 2 of the PES agreement sets out further details of the disbursement procedures and contains a budget for Project Owner operational expenses. The opportunity cost for this project is based on logging royalties that would have been paid to the Drawa Block landowners under the scenario of conventional logging practices. This opportunity cost was accurately calculated based upon the forest inventory used for the Technical Specifications IFM-LtPF (Part B of this PD) and royalty rates for various timber species prescribed by the Fiji Department of Forestry. The specific amount to be paid to the Project Owners in \$USD from the sale of each carbon credit is provided in Schedule 2 of the PES Agreement and is subject to review at the end of each monitoring period because the costs of project implementation and opportunity costs are also likely to change through time.

The disbursement procedures for PES income to the Project Owners is also described in section 4.1.1.13 of this PD (above).

#### 4.2.10 Financial Discipline and Transparency

The NMF states: *Project Coordinators shall establish a system to maintain records of all PES Unit sales income, and project-related transactions from the Project Trust Account, including amounts transacted, transaction dates, conditions and contact details of parties involved.*

*The Project Coordinator must produce the following reports every quarter based upon Project Trust Account activity:*

- a. *Cash Flow*
- b. *Profit & Loss*
- c. *Balance Sheet*

*The reports (above) must be provided to the Project Owner every quarter in a format that ensures Project Owner executive committee or board members can understand.*

*The Project Coordinator shall also document any further operational costs of the project that are financed separately from the Project Trust Account.*

The Nakau Programme Operator has established the Drawa Project Trust Account at the Bendigo Bank (Australia), and has prepared a PES sales registry spreadsheet to record sales income and disbursements. Live & Learn International will undertake administration of the account as a service to the Nakau Programme Operator. As part of this service Live & Learn will maintain up-to-date records of all transactions and disbursements using accounting software (MYOB). Reports that fully disclose all income and disbursements to all parties will be produced quarterly and made available to all parties. This will include (a) Cash Flow, (b) Profit & Loss, and (c) Balance Sheet reports of Project Trust Account activity. In the future the service could transfer to the Nakau Programme Operator executive or another service provider, provided sufficient capacity exists to deliver the above requirements.

The Programme Agreement between the Nakau Programme Operator and the Project Owner commits the Programme Operator to financial discipline and transparency through Schedule 2, Clause 4 (d): “The quarterly disbursement of sales revenue to the Project Owner shall include full disclosure of pricing data and the project sales register by the Programme Operator.”

Table 4.2.10 Evidence requirement: Financial management	
#	Name/Description
4.2.10a	Records kept of all PES Unit sales income, and project-related transactions from the Project Trust Account, including amounts transacted, transaction dates, conditions and contact details of parties involved.
4.2.10b	Evidence that (a) Cash Flow, (b) Profit & Loss, and (c) Balance Sheet reports of Project Trust Account activity are provided to the Project Owner quarterly in a format that ensures Project Owner executive committee or board members can understand
4.2.10c	Signed PES Agreement

### 4.3 PROJECT OWNER BUSINESS MODEL

Section 8 of the Plan Vivo Standard (2013, p22) states that:

- 8.8. *A fair and equitable benefit-sharing mechanism must be applied that has been agreed with the participation of communities involved, identifying how PES funding will be distributed among participants and other stakeholders, including the project coordinator. This should include consideration of how benefit-sharing might change over time as the project progresses.*
- 8.9. *Details of the benefit-sharing mechanism must be made available to participants in an appropriate format and language.*
- 8.10. *The project coordinator must provide justification for any payments for ecosystem services delivered in kind or in the form of equipment or resources other than money.*
- 8.11. *The benefit-sharing mechanism must be equitable, i.e. represent a fair and locally appropriate distribution of benefits, taking into consideration the rights, resources, risks and responsibilities of different stakeholders over the PES period.*
- 8.12. *Projects selling Plan Vivo Certificates should aim to deliver at least 60% of the proceeds of sales on average to communities as PES, meaning project coordinators should not draw on more than 40% of sales income for ongoing coordination, administration and monitoring costs. Where less than 60% is delivered projects must justify why this is not possible, why the benefits delivered to communities are fair and that they are able to effectively incentivise activities.*
- 8.13. *The process by which the benefit-sharing mechanism is decided must be recorded including a record of any concerns or objections raised.*

The NMF states: *Projects in the Nakau Programme shall develop a Project Owner Business Plan that is consistent with Sections 8.8 to 8.13 of the Plan Vivo Standard, and based on the Project Owner Business Model described in this section. The Community Benefit Sharing Plan (which could be a section of the Project Owner Business Plan or a stand-alone document) shall also comply with Sections 3.13 to 3.15 of the Plan Vivo Standard.*

*The Project Owner Business Model (presented in Figure 4.3 and Table 4.3) is modelled on graphical financial information systems developed by Little Fish PTY Ltd<sup>14</sup>. With respect to Section 8; item 8.12 of the Plan Vivo Standard, the Nakau Programme defines all income delivered to the Project Owner group from PES Unit sales as constituting part of the minimum 60% delivered to communities. The Project Owner group will use a proportion of their income for local level administration and employment costs associated with project management or monitoring. However Project Owner income will not be used to pay the Project Coordinator for any services required by the Coordinator under the PES agreement. The expenditure incurred by the Project Owner on local level administration and management will normally constitute a community benefit through local employment.*

The Project Owner Business Model is presented in Figure 4.3 below.

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<sup>14</sup>[www.littlefish.com.au/web/home.html](http://www.littlefish.com.au/web/home.html)

Figure 4.3: Project Owner Business Model

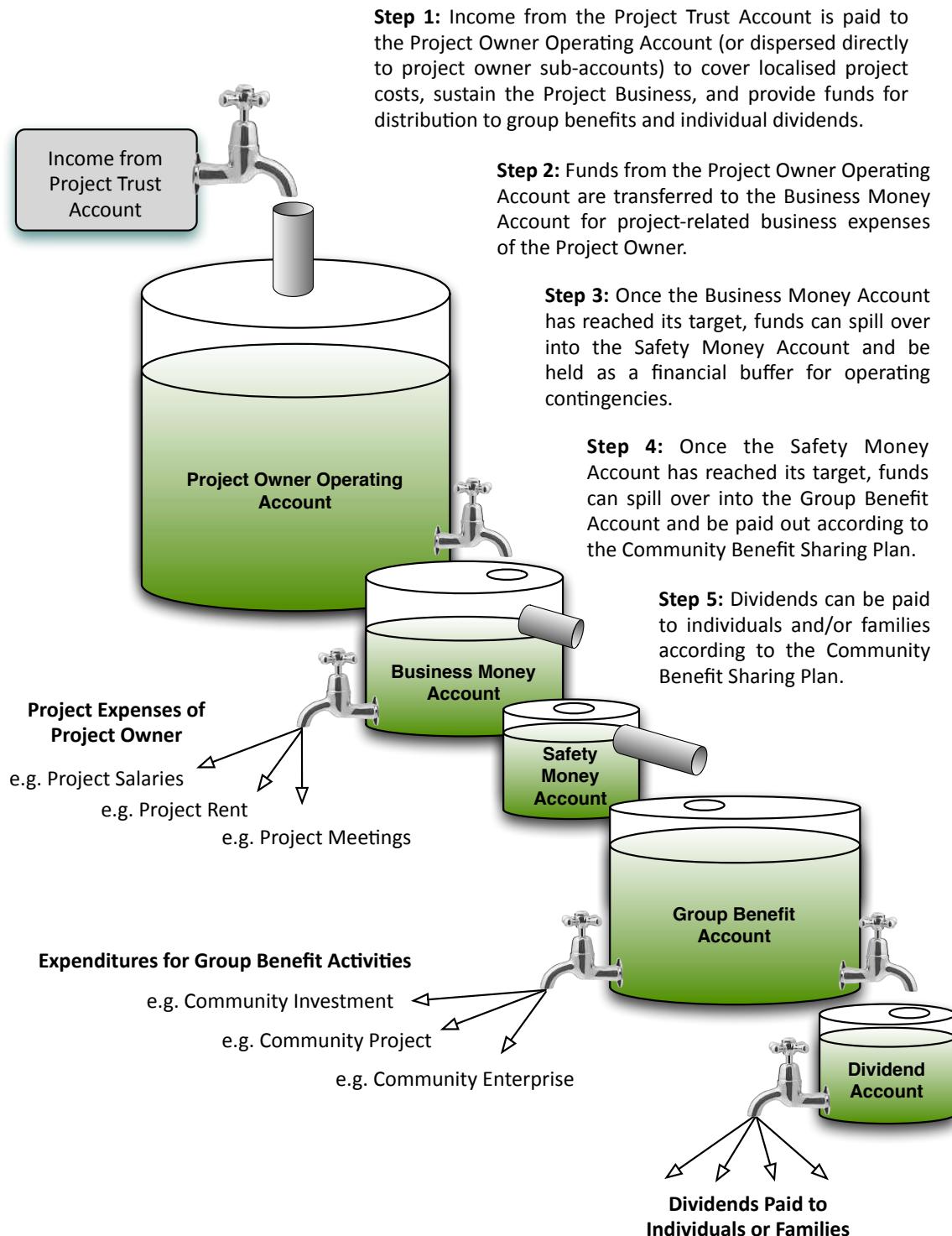


Table 4.3 (a) Rules for allocation of funds			
Allocation	Priority	When available	Explanation
Project Owner Operating Account	1	After project costs have been paid to parties other than the Project Owner	Where all income from PES unit sales is received from the Project Trust Account. In some projects it is appropriate to by-pass the Project Owner Operating Account and instead allocate funds directly from the Project Trust Account to the Business Money Account, Safety Money Account, Group Benefit Account, and Dividend Account
Business Money Account	1	When income is received	The Business Money Account is used to pay for expenses related to managing the business and implementing the project. A target is established for the level of the 'Business Money' to be maintained in this account.
Safety Money Account	2	If Business Money target is exceeded (there is a profit)	Safety Money transferred into a separate Safety Money Account for business resilience (in case emergency funds are needed. A target is established for the level of 'Safety Money' to be maintained in this account.
Group Benefit Account	3	If Safety Money target is exceeded (a profit beyond the safety money target)	Money transferred into a Group Benefit Account that can be used for expenditures or investments that have group benefit, as determined by the Project Owner Group
Dividend Account	4	If Group Benefit target is exceeded (a profit beyond the Group benefit target)	The Dividend Account contains an allocation of the profit that can be used to pay individual owners (or families) in cash dividends.

The Project Owner Business Model is set out in section 7 of the DBFCC Business Plan (Appendix 2) and is described in section 4.1.1.18 of this PD. The DBFCC Business Plan establishes a system for managing income from sales of PES units and is entirely consistent with the NMF business model (as per Figure 4.3 above).

The Business Plan Section 7.1 outlines the six Cooperative Bank Accounts, which hold primary and secondary role in operation of the Cooperative. Primary refers to running the business of the Cooperative and the project, and secondary refers to the disbursement of profits for community and/or member benefits. Details of the DBFCC accounts are provided in Table 4.3 (b) below.

Table 4.3 (b) Application of Project Owner Business Model in the Drawa Project		
DBFCC Account Name	Equivalent in Business Model	Notes (where applicable)
Income Receiving Account	Project Owner Operating Account	
Business Account	Business Money Account	
Rent Account	-	<i>An additional account that is established to</i>

		<i>ensure funds are put aside to pay annual Conservation lease rents, as this is critical to maintaining a legal instrument for protection over the Protected Area</i>
Reserve Fund Account	Safety Money Account	<i>The Reserve Fund is a requirement under the Fiji Cooperatives Act 1996</i>
Group Benefit Account	Group Benefit Account	
Member Dividend Account	Dividend Account	

Rules for the administration funds within each DBFCCC account are outlined in Section 7.1 of the DBFCC Business Plan and commitment to implementing the Business Plan is enshrined in the by-laws of the Cooperative Constitution and in the PES Agreement. The PES Agreement Clause 4.2 (h) states the Project Owners commitment to “work in line with the Project Owner Business Plan in accordance with the Project Owner Business Model as specified in the Nakau Methodology Framework and the PD.” Clause 4.2 (j): The Project Owner shall “Distribute all money received under this project in accordance with the Project Owner Business Plan.”

The Business Plan is mentioned in the Cooperative by-laws within the following sections:

- By Law 17. Distribution of Surplus: Members shall apply the benefit sharing mechanism described within Section 4 of the Nakau Methodology Framework and the detailed within the Co-operative business plan.
- By Law 18. Reserve Fund: Members shall comply with the benefit sharing mechanism described within Section 4 of the Nakau Methodology Framework and the Drawa Block Forest Communities Co-operative Business Plan.

The Project Owner Income Receiving Account was opened with the ANZ Bank in the presence of the DBFCC community elected Trustees. The other five Cooperative accounts will be opened as sub-accounts to the Income Receiving Account at commencement of trading. These accounts were not opened earlier because they require a minimum account balance when they are opened.

The DBFCC Business Plan Section 7.3 of Book Keeping and Reporting outlines that Project Owners will receive support from Project Coordinator to undertake book keeping and financial reporting in the first three years, these functions will be therein transferred to be the responsibility of the Project Owner. The Business Plan Section 7.3.1 state that business cash flow report will be provided to Project Owners at least quarterly and will use Money Story system developed by Little Fish to communicate financial information to the board and with members of the participating mataqalis. The system uses graphics to clearly communicate financial information, which enables more members of the community to understand the activities of the Cooperative, and as a result increasing transparency.

### 4.3.1 Project Owner Business Plan (Overview)

The NMF states: *Projects in the Nakau Programme shall develop a Project Owner Business Plan based on the Project Owner Business Model described in this section (i.e. Figure 4.3). The Project Coordinator must collaborate through a participatory process with the Project Owner to design the Project Owner Business Plan. The plan must include the following elements, which are described in further detail in this section:*

- a. *A target for Business Money (money needed to keep the project running)*
- b. *A target for Safety Money*
- c. *Rules determining allocation of money for (i) Group Benefit and (ii) Individual Benefit*
- d. *Community Benefit Sharing Plan*
- e. *Rules for financial discipline and governance*

*The Project Owner Business Plan must form a condition (appendices) of the PES Agreement signed between the Project Coordinator and Project Owner.*

Table 4.3.1 (below) asserts that local participation was adequate in development of the DBFCC business plan, and identifies where supporting evidence can be located.

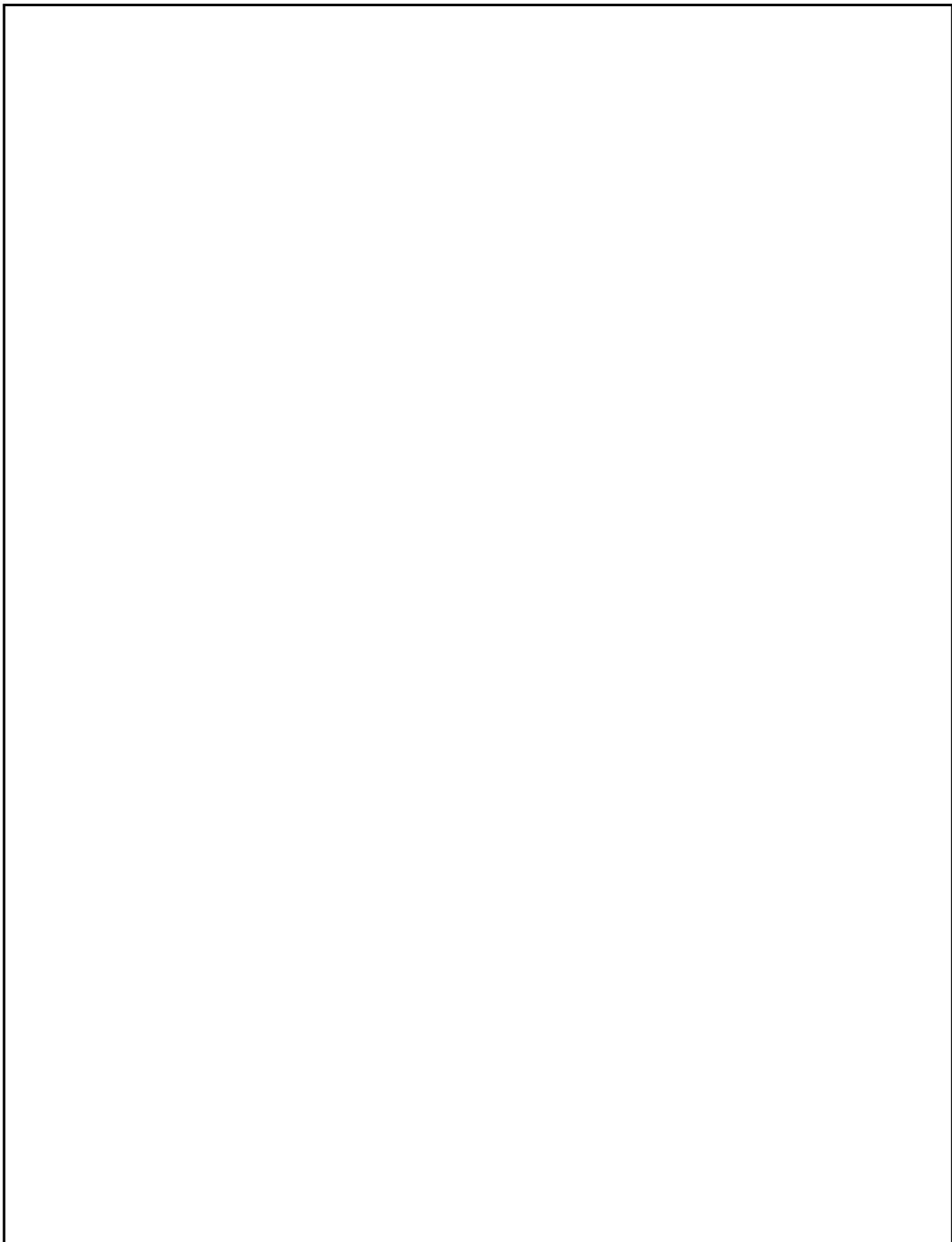
Table 4.3.1: Evidence of Collaboration in Project Owner Business Plan Development	
Participatory Condition Met	Evidence Location
Project Owner participants have participated in defining the target for Business Money.	Money Story Training Report (ER 3.1.2b)
Project Owner participants have participated in defining the target for Safety Money.	Money Story Training Report (ER 3.1.2b)
Project Owner participants have participated in defining the rules for determining allocation of money for Group Benefit and Individual Benefit	Money Story Training Report (ER 3.1.2b)
Project Owner participants have participated in developing the Community Benefit Sharing Plan	Money Story Training Report (ER 3.1.2b)
Project Owner participants have participated in developing rules for financial discipline.	Money Story Training Report (ER 3.1.2b)
Project Owner Business Plan is included in the PES Agreement.	PES Agreement Clause 4.2 (h) & (j)

The DBFCC have developed a strong business plan, which is a requirement of this PD and the NMF, however it is also a requirement under the Fiji Cooperatives Act 1996. The Plan was approved by the Department of Cooperatives as part of the Cooperative registration process. The DBFCC Business Plan is provided as Appendix 2.

The contents page of the DBFCC Business plan is provided in Figure 4.3.1 (below) to summarise content.



**Figure 4.3.1 DBFCC Business Plan Content Page**



The Project Owners participated in developing the above elements of the DBFCC Business Plan through Steering Committee workshops and in undertaking the Money Story Training. Expert consultant Little Fish (Hugh Lovesey) delivered the Money Story training directly to the communities and through Live & Learn staff whom participated in train the trainer activities. The Money Story involved participants learning simple systems to transparently manage and communicate flow of income within a business, with emphasis on establishing account ‘targets,’ agreeing on account management rules, and clearly differentiating income from profit.

#### **4.3.1.1 Community Benefit Sharing Plan**

The NMF states: *The Project Owner Business Plan must include a Community Benefit Sharing Plan, which must identify priority investments or activities capable of delivering sustained group or community benefits. The Community Benefit Sharing Plan can begin as a simplified plan and increase in complexity through time as a living document. The Project Coordinator is encouraged to provide support, and where appropriate assist to facilitate a process to identify group benefits in a strategic way.*

The DBFCC Benefit Sharing Plan is outlined in Section 8 of the Cooperative Business Plan. It will be used to guide the expenditure from the Cooperative Group Benefit Accounts on such things as community development projects, and projects that stimulate further income earning opportunities and investments. It will also guide the identification of the proportion deposited into the Member Dividend Account and the appropriate timeframe for distribution of dividends to the members. The Community Benefit Sharing plan is a living document that will evolve and adapt to the changing needs and opportunities for the members. See also section 4.1.1.18 of this PD.

The DBFCC Benefit Sharing Plan identifies two main priorities for group benefit expenditures:

##### Priority 1: Investments in further livelihood or business opportunities for members

The Cooperative will seek to identify opportunities for members to take part in other income earning activities that are complimentary to our business objectives and to the objectives of protecting our forests under REDD+. This may include assisting members with start-up capital and/or providing a micro-finance service (i.e. loans to members).

The first priority for stimulating new businesses is to assist members and their families to undertake beekeeping to produce honey. The Cooperative would be involved in providing services to members and will obtain a proportion of the income earned through honey sales.

##### Priority 2: Investments in essential community infrastructure

The Cooperative will identify opportunities for investing in improvements to infrastructure that will benefit members’ communities. In particular they will focus on infrastructure that can improve members’ health and wellbeing. The initial priority is to improve accessibility of safe drinking water and provision of effective sanitation (toilets) for members’ communities.

The DBFCC will engage with members to further identify needs and prioritize investments in this area.

The Cooperative board will work closely with members and communities to identify the most appropriate way to allocate payment of cash dividends. This will include determining the proportion of profit or 'surplus' that may be given as dividends (with the other portion going to group benefit).

The DBFCC will consider the most appropriate timing for making such payments, for example to coincide with the times that households require money to pay for school supplies or school fees etc.

#### 4.3.2 Project Owner Income

The NMF states: *The Project Owner Business Plan framework is designed to increase the capacity of the project owner to manage income in a way that sustains the project and project benefits. Project Owner Income refers to the income received by the Project Owner from sale of PES Units. The amount of income received will depend upon a) the value of PES unit sales, and b) the balance of the sale provided to the Project Owner after other project-related service fees have been subtracted (refer to the Project Finance Model).*

*The Project Owner may develop other income streams independent of PES Unit sales and may manage this through the Project Owner Business Plan and associated accounts (E.g. income from eco-tourism or agro-forestry activities).*

*Managing project funds in different project accounts provides financial transparency. This enables account statements to be provided by the bank that transparently documents transactions, and enables these statements to be used as evidence of financial discipline required in the Nakau Programme. Rules for operating these accounts are provided in section 4.3.7 of this document.*

Several consultation and training sessions were undertaken with the DBFCC board and the broader community to foster an understanding of the relationship (and difference) between income and profit in the context of the DBFCC Business Plan. The activities and outcomes of training are presented in the Money Story Field Report (ER 3.1.2b).

Education sessions involved participants examining three different scenarios of profit, loss and break-even price on the income earned from the sales of carbon credit units. The Money Story Training Report provides evidence that Project Owners understand the relationships and difference between the income and profit.

With respect the Business Plan, participants recognise that funds within the Business Account, Reserve Fund Account and Rent Account are not profit and are retained for covering costs of implementation. These funds are kept in different accounts (following the Money Story System) to prevent their use for other purposes. Funds only 'overflow' into the

Group Benefit or Dividend Accounts after the target cash levels are reached in aforementioned accounts. At this point the DBFCC members understand that the funds are now profit that can be used in accordance with their community benefit sharing plan.

The Project Coordinator will provide ongoing assistance in identifying opportunities for Project Owners to take part in other income earning activities that are complimentary to the Forest Conservation Project business objectives, as described in Business Plan Section 7.3. During the period of PD development Live & Learn Fiji have commenced a 3-year project funded by NZAID that will provide assistance to the DBFCC in establishing beekeeping activities as an additional source of income that will supplement income from carbon sales.

#### 4.3.3 Managing ‘Business Money’ Account

The NMF states: *Within their Project Owner Business Plan, all Project Owners within the Nakau Programme must adopt a strategy to ‘isolate’ and safeguard income needed to keep the business running. Maintaining sufficient Business Money is critical because the Project Owner business needs sufficient cash to keep running (to meet its obligations for project implementation) from one crediting period to the next.*

*This strategy requires that:*

- a. *A percentage (determined by the formula below) of Project Owner income from PES unit sales must be placed into the Business Money Account to pay for local project implementation and administration costs (if any). Income received beyond this level may be transferred into separate accounts for Safety Money, or Group or Individual benefit, furthermore:*
- b. *A minimum target for the balance (determined by the formula below) of the Business Money Account must be achieved before money can be allocated elsewhere. Subject to (a) above, income received beyond this target can be transferred into a separate account for Safety Money, or Group or Individual benefit.*

*Note that strategy (a) will apply even when the minimum operating account balance is exceeded. Under strategy (b) up to 100% of income may be allocated to the Business Money Account until the minimum operating account balance is achieved, and henceforth strategy (a) will apply.*

The business account will receive funds transferred from the Income Receiving Account. The purpose of this account is to pay for Cooperative business activities; its use for any other purpose is strictly disallowed. The target minimum balance for this account is FJ\$18,000. Therefore all income from the Drawa Cooperative Receiving account must be transferred into the Business Account until the minimum balance is achieved. This is to ensure that there is always sufficient balance to allow the cooperative to operate its essential business activities (FJ\$18,000 = one years operating budget). Once the minimum balance is achieved a

minimum of 5% of all other income received into the Receiving account must be transferred to the Business Account.

Secondly a rent account will receive funds transferred from the Income Receiving Account. The purpose of this account is to pay rent to iTaukei Lands Trust Board (TLTB) subject to the conservation lease agreement over the project area; its use for any other purpose is strictly disallowed. The target minimum balance for this account is FJ\$3,500 (equals the estimated annual rent cost). This figure will be adjusted depending on actual rent negotiated with TLTB. The payments to this account are to ensure rent can be paid when it is due. Once the minimum balance is achieved, a further 10 cents from each individual credit sold will be paid into the rent account. This will ensure that there are always sufficient funds to cover the annual rent payments.

The annual operating budget (including operational costs and lease rents) for the DBFCC is contained in Section 6 the DBFCC Business Plan ‘Cooperative Running Costs,’ see Appendix 2.

#### **4.3.3.1 Expenses of running the Project Owner business (Operating Expenses)**

The NMF states: *Operating expenses refer to the costs incurred by the Project Owner in project implementation. These are the costs of activities that the Project Owner agrees to undertake in order to produce PES Units. The obligations of the Project Owner must be described as activities / responsibilities within the PD and specified in the PES Agreement. They may include expenses such as employment (e.g. administration staff, rangers etc) and operational costs (such as travel, equipment, consumables etc). However where the Project Owner agrees to outsource the majority of project services to the Project Coordinator, the expenses may be few initially, but may grow over time as the Project Owner takes on more responsibilities and grows in capacity. Further information about project roles and responsibilities is provided in 2.13.5 and 2.13.6.*

The annual operating budget (including operational costs and lease rents) for the DBFCC is contained in Section 6 the DBFCC Business Plan ‘Cooperative Running Costs,’ see Appendix 2.

#### **4.3.3.2 Calculating the Business Money target:**

The NMF states: *The Project Owner business must retain sufficient cash to enable it to keep performing its roles and responsibilities (defined in the PES agreement) until further income is received.*

*The minimum target balance of the Business Money Account must be equal to or greater than one years operating expenses (i.e. the project owners annual operating budget). This balance must be achieved before money can be allocated for other uses.*

*The Project Owner must develop a budget for operating expenses, i.e. to cover the costs incurred by the Project Owner in project implementation. These are the costs of activities that the Project Owner agrees to undertake in order to produce PES Units. The obligations*

*of the Project Owner must be described as activities / responsibilities within the PD and specified in the PES Agreement. They may include expenses such as employment (e.g. administration staff, rangers etc.) and operational costs (such as travel, equipment, consumables etc).*

*If the Project Owner was to sell greater than one year's volume of units within a 12-month period, provision must be made to increase the business money target to ensure that the business can remain viable until the following monitoring period and unit issuance.*

The Business Money target is provided in 4.3.3 (above).

#### 4.3.4 'Safety Money' Account

*The NMF states: 'Safety Money' refers to the portion of the profit (i.e. after Business Money is removed) that must be set-aside in a separate bank account as a financial buffer to ensure that the registered Project Owner Group remains financially viable. This includes having sufficient cash reserves to cover unforeseen costs, losses or delays in receiving payments.*

*Subject to availability of funds Project Owners shall deposit an agreed amount of Safety Money into a separate account. If agreed by the Parties, the Safety Money may be held in trust by the Project Coordinator for use for contingencies.*

*If drawn upon during the course of project implementation, the Safety Money pool will need to be replenished by applying the rules within the Project Owner Business Plan.*

*The Project Coordinator must collaborate through a participatory process with the Project Owner to determine an appropriate target for Safety Money. This target may vary from project to project, as it is dependent upon project scale, project type, project location and other factors. The Project Coordinator and the Project Owner may change the Safety Money target from time to time subject to mutual agreement.*

As is required under the Fiji Cooperatives Act 1996, funds will flow to a Reserve Account at a rate of 30% of remaining profits, once this reaches FJD\$30,000 this will reduce to 5% of profits. The purpose of this account is to keep money aside to cover unexpected costs, losses or delays in receiving income, as outlined in the DBFCC Business Plan section 7.

#### 4.3.5 Group Benefit Account

The NMF states: *Once the Safety Money Account has reached its target, funds can ‘spill over’ (if available) into the Group Benefit Account and be used according to the Community Benefit Sharing Plan. The money in this account is the portion of profit (i.e. after Business Money and Safety Money are removed) set-aside to provide collective rather than individual benefits to the local community (in contrast to individual dividends).*

*Group Benefit funds may be used at the discretion of the Project Owner Board in consultation with their shareholders/ members, and uses may include (but are not limited to) the following:*

- *Community infrastructure (e.g. water supply, sanitation, health post or school);*
- *Investment in new business activities that return group benefits (e.g. tourist bungalows, agro-forestry business development, employment opportunities);*
- *Activities that increase access to markets (e.g. transportation infrastructure, tourism, agricultural developments);*
- *Funding to support community savings and loan services (micro-finance);*
- *Grants or loans for cultural ceremonies (weddings, funerals etc);*
- *Investments that grow the Project Owner business (e.g. shares, property);*
- *Household infrastructure (e.g. solar panels, sanitation systems, or rainwater tanks), but only where benefits are equitably shared among households represented within the Project Owner group;*
- *School fees (where paid directly to the school and at a community scale rather than for individual families).*

The management of Project Owner profits from sale of PES units is defined in section 8 of the DBFCC Business Plan. Profits received by Project Owners will flow into two accounts:

- Group Benefit Account to fund the Cooperatives priorities for community development initiatives and investments in member initiated income generating opportunities
- Member Dividend Account to pay members dividends subject to the availability of funds

The ratio of disbursal between these two funds will be determined by the DBFCC, guided by the Benefit Sharing Plan and the recommendation (guidance only) of the Nakau Methodology that profits are shared according to a 70:30 ratio between the Group Benefit Account and Member Dividend Account.

The DBFCC Business Plan identifies priority investments being:

- Investments in further livelihood or business opportunities for members, such as providing members with start-up capital and/or a micro-finance service
- Investments in essential community infrastructure, such as improving accessibility to safe drinking water and effective sanitation for members

Refer to 4.3.1.1 (above) for further detail on the Community benefit Sharing Plan.

#### 4.3.6 Dividend Account

The NMF states: *Dividends can be paid to individuals and/or families according to the Community Benefit Sharing Plan. The disbursement of dividends is optional for Project Owners, but shall not normally exceed 30% of the amount available for Community Benefits unless the project can justify a variation to this rule depending on local circumstances. Dividends include cash distributed at the level of individuals, families, or clans. The Project Owner group may determine how the dividends are allocated. For example, dividends may be allocated on a one-member one-share basis (cooperative model), or may be distributed according to relative contribution to the project (e.g. land size or owned by each family or clan).*

As described in the Section 8.2 of the DBFCC Business Plan, the Cooperative board will manage the dividend account by working closely with its members and communities to identify the most appropriate way to allocate payment of cash dividends. This will include determining the proportion of profit that may be given as dividends (with the other portion going to group benefit). The board will consider the most appropriate timing for making such payments, for example to coincide with the times that households require money to pay for key essential needs, such as school supplies or school fees.

#### 4.3.7 Financial Controls

The NMF states: *Project Owners participating in the Nakau Programme are required to establish transparent and accountable systems for financial controls. This must include:*

- a. *Establishment of 5 accounts:*
  - i. *Project Operating Account*
  - ii. *Business Money Account*
  - iii. *Safety Money Account*
  - iv. *Group Benefit Account*
  - v. *Dividend Account*

- b. *Minimum of 3 signatories on each Account.*
- c. *Signatories on all accounts approved by the Project Governing Board.*
- d. *Establishment of a daily transfer limit for each account.*

The establishment of the project accounts is described in Section 4.3.

As is stated in Section 7.1 of the DBFCC Business Plan as well as the above fund management regime, the following rules will support financial discipline:

- Minimum of 3 signatories on each account.
- Signatories on all accounts approved by the Project Governing Board.
- A daily transfer limit for each account is to be established.

#### 4.3.8 Book Keeping And Reporting

The NMF states: *A suitably skilled bookkeeper must be appointed by the Project Owner to maintain accurate and up-to-date records of expenditure from the Project Operating Account. The bookkeeper must create an expenditure and cash flow report that must be provided to the Project Governing Board and the Project Coordinator at least quarterly (although more frequent reporting is encouraged).*

As described Section 7.3 of the DBFCC Business Plan (Appendix 2), the Cooperative will receive support from Live & Learn to undertake book keeping and reporting in the first three years. However capacity to transfer this function will be assessed during Project Monitoring meetings, with the goal that responsibilities are transferred to the DBFCC in the future. Live & Learn will administer employment of a Cooperative Coordinator or Administrator, however the position will report to Live & Learn and the DBFCC Board. Should there be insufficient funds to employ a Cooperative Coordinator Live & Learn will provide the service on an in-kind basis until such time as sufficient funds are available.

#### 4.3.9 Informing Project Owner Membership

The NMF states: *All projects shall develop a system for effectively communicating the information within each expenditure and cash flow report (for each account) transparently to the members (participants) of the Project Owner group. This must occur at least quarterly.*

*The Nakau Programme highly recommends that projects use the Money Story® system developed by Little Fish ([www.littlefish.com.au/web/home.html](http://www.littlefish.com.au/web/home.html)). The system uses graphics to clearly communicate financial information, which increases transparency and enables more members of the community to understand the activities of the business.*

As described in Section 7.3.1 of the DBFCC Business Plan (Appendix 2), financial reports will be developed quarterly, initially by the Project Coordinator and then by the Cooperative Coordinator or Administrator. The Money Story system developed by Little Fish ([www.littlefish.com.au/web/home.html](http://www.littlefish.com.au/web/home.html)) will be used to communicate financial information to the board and with members of the participating mataqalis. The system uses graphics to clearly communicate financial information, which increases transparency and enables more members of the community to understand the activities of the Cooperative.

Table 4.3.9: Evidence Requirement: Project Owner Business Plan

#	Name/Description
4.3.9	Project Owner Business Plan that is compliant with the minimum requirements of this Methodology Framework and is linked to the PES Agreement.

# 5. Project Measurement

## 5.1 CORE PES ACTIVITY IMPACT MEASUREMENT

According to Section 5 of the Plan Vivo Standard (2013, p16):

*Principle 5: Projects generate real and additional ecosystem service benefits that are demonstrated with credible quantification and monitoring.*

- 5.1. *The project must develop technical specifications for each of the project interventions, describing:*
  - 5.1.1. *The applicability conditions, i.e. under what baseline conditions the technical specification may be used*
  - 5.1.2. *The activities and required inputs*
  - 5.1.3. *What ecosystem service benefits will be generated and how they will be quantified. (NB Technical specification templates can be provided by the Plan Vivo Foundation)*
- 5.7. *An approved approach must be used to quantify ecosystem services generated by each project intervention compared to the baseline scenario.*

The NMF states: *Each project in the Nakau Programme shall deliver at least one core ecosystem service in a manner enabling the generation of verified PES units. This requires the detailed measurement of ecosystem service attributes comparing a baseline and a project scenario. Such measurement must be undertaken through the application of a Nakau Programme Technical Specifications Module specific to the Activity Class and Activity Type. Each Nakau Programme Technical Specifications Module shall be validated to a reputable standard prior to its application to a project.*

*Project Proponents are required to list the Technical Specifications Module/s applied to the project. This shall be stated in summary in this section of Part A of the PD, with the relevant Technical Specifications populated with project data and presented in Part B of the PD.*

*Technical Specifications applied to the project shall be listed in an equivalent of the example provided in the following table (one line per Technical Specifications applied):*

Core PES activity measurement is provided in the Drawa PD Part B D3.2b v1.0 20151009.

The Technical Specifications Module applied to the project is presented in the table below:

Table 5.1 Technical Specifications Applied				
Title	Type of activity	Objectives	Brief description	Target areas / groups
Technical Specifications Module (C) 1.1 (IFM-LtPF) D2.1.1 v1.0 20140409	Improved forest management through avoiding timber harvesting	Forest protection and associated avoided emissions and removal enhancements	Establish a conservation lease / protected area in lieu of logging	Drawa Block landowners, Vanua Levu, Fiji

## 5.2 COMMUNITY IMPACT MEASUREMENT

According to the Plan Vivo Standard (2013) Guiding Principle 7:

*Projects demonstrate positive livelihood and socioeconomic impacts*

*7.1. The project must demonstrate clear plans to benefit the livelihoods of participants. The definition of what constitutes a benefit will be defined by local participants.*

According to the CM1 Net Positive Community Impacts of the Climate Community and Biodiversity Project Design Standards second edition (2008):

*CM1: The project must generate net positive impacts on the social and economic well-being of communities and ensure that costs and benefits are equitably shared among community members and constituent groups during the project lifetime.*

### 5.2.1 Description Of Community Context

According to the Plan Vivo Standard (2013) Section 7:

*7.2. A project socioeconomic baseline scenario must be defined, including information on the socioeconomic context in participating communities at the start of the project, and describing how these conditions are likely to continue or change in the absence of the project. Basic information must be included on:*

*7.2.1. Demographics and population groups*

*7.2.2. Access to and main uses of land and natural resources*

*7.2.3. Access to and use of energy sources for light and heat*

*7.2.4. Typical assets and income levels*

*7.2.5. Main livelihood activities*

*7.2.6. Local governance structures and decision-making mechanisms*

*7.2.7. Cultural, religious and ethnic groups present*

### 7.2.8. Gender and age equity

According to the general community requirements of the Climate Community and Biodiversity Project Design Standards second edition (2008): project proponents must provide a description of the project zone, containing the following information:

*G5. A description of communities located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific groups such as Indigenous Peoples and describes any community characteristics.*

The NMF states: *Project Coordinators shall describe the Project Owners and nearby communities, including information on the following:*

- 5.2.1.1 Demographics and population groups
- 5.2.1.2 Access to and main uses of land and natural resources
- 5.2.1.3. Access to and use of energy sources for light and heat
- 5.2.1.4. Typical assets and income levels
- 5.2.1.5. Main livelihood activities
- 5.2.1.6. Local governance structures and decision-making mechanisms
- 5.2.1.7. Cultural, religious and ethnic groups present
- 5.2.1.8. Gender and age equity.

#### 5.2.1.1 Demographics And Population Groups

The groups owning land within the project area include 9 mataqali (clans) whose members reside in 5 villages within and surrounding the project area- Drawa, Keka, Vatuvonu, Batiri and Lutukina. A number of mataqali members also reside in urban areas, principally Labasa and Suva. The 9 mataqalis are Navunicau, Bakibaki, Nadugumoimoi, Drawa/ Drano, Vatucucu, Nakalouniuaka, Koroni, Nakase, Tonikula. Koroni are not participating in the carbon aspect of the project and do not have land in the 'eligible area.' The total population of the mataqalis involved is approximately 500, which is extrapolated from the most recent census figures in 2000 when the population was 429 (See Table 5.2.1.1).

zzzTable 5.2.1.1 Project Area Population

Province	Village of Residence	Mataqali (clan)	Number of Registered Members		
			Male	Female	Total
Cakadroive Tikina: Wailevu West	Drawa	Navunicau	43	34	77
		Bakibaki	0	2	2
		Nadugumoimoi	3	1	4
		Drawa/Drano	5	4	9
		Navoatu	0	2	2
	Keka	Vulavuladamu	35	35	70

	Vatuvonu	Vatucucu Lot	6	9	15
	Batiri/Nayarailagi	Nakalounivuaka	106	91	197
	Batiri	Karoni	8	12	20
<u>Macuata</u>	Lutikina	Nakase	13	20	33
Tikina: Drekete		Tonikula	extinct		0
<b>Total</b>			<b>219</b>	<b>210</b>	<b>429</b>

### 5.2.1.2 Access To And Main Uses Of Land And Natural Resources

The predominant land use in the project area is subsistence agriculture, cash cropping and extraction of timber and non-timber forest products (NTFPs). The communities strongly depend on natural resources from the forest and its freshwater ecosystems. These ecosystems provide almost all water, shelter, medicinal and nutritional needs for the local population as well as being central to customary practices. Access to the natural resources is not restricted. However, at certain times of the year the villages of Vatuvonu and Drawa are inaccessible by road due to flooding.

### 5.2.1.3. Access To And Use Of Energy Sources For Light And Heat

The project area has only minimal basic access to electricity. Very few households have access through standard power lines. The majority relies on other sources of energy such as solar power, open fire, kerosene lamps, batteries, or generators.

### 5.2.1.4. Typical Assets And Income Levels

The remoteness and inaccessibility of the Drawa Block creates significant barriers for income generation opportunities, such as distance to markets. The main source of income for the people of the Drawa Block is agriculture. Conventional Logging is also a common means whereby people on neighbouring lands have sought income, hence is the baseline activity for the Eligible Area.

Obtaining average income data is difficult. In 2001, the results of a study indicated that the average annual household income lies somewhere between FJD\$3,000 - 8,000, which includes a high level of variability (Fung, 2001). This is consistent with the findings with Live & Learns 2015 survey of 28 households (see section 5.2.2.2, below), which suggests an annual household income of between \$3,444 (average) to \$4,800 (mode) per household.

### 5.2.1.5. Main Livelihood Activities

Cash crops sold in local markets are *dalo* (taro) and *yaqona* (kava). The scale of cultivation has expanded over the years with farmers focusing on cash crops dictated by market demands. The production of cash crops is seen to be as important as subsistence production. Each household manages its own plantation or plot to produce crops to sell. A small number of mataqali members also work as laborers on nearby sugar plantations.

Commercial logging is one of the few reliable income-generating activities for inland village communities who do not have access to commercial agriculture (due to lack of suitable land,

or suitable transport to markets) or commercial inshore fisheries (due to lack of fisheries tenure, distance and access). For example, the mataqali Vulavuladamu decided to pull out of the Drawa Block project during the project design period, as they felt that only commercial logging would allow for a more stable and reliable income within a shorter period of time. This also shows that commercial logging is a threat to the Project Area and is justified as the baseline activity.

#### **5.2.1.6. Local Governance Structures And Decision-Making Mechanisms**

The target groups are governed by the chiefly system, which significantly influences indigenous Fijian local political organization. Each district has a paramount chief (Tui Wailevu), who is followed by the yavusa chief (Turaga ni Yavusa) and the leader of each mataqali (Turaga ni Mataqali). Each chief has certain decision-making powers and maintains customary practices.

This traditional structure is supported by legislation and incorporated into the provincial administrative processes. The provincial government, in turn, is responsible for reporting to the national government. Many issues are channelled through the statutory body the iTaukei Affairs Board.

Each community has a democratically appointed Village Headman (Turanga ni koro). It is a position established through the provincial government not to override the chiefly system but to act as the principal executor of government decisions within the village and ensures that decisions reached at village meetings are actually carried out.

In respect to the project, the participating mataqalis have established the Drawa Block Forest Communities Cooperatives Ltd to undertake the governance role and to manage the business and land management aspects of the project. The Cooperative was established with the participation and mandate of the mataqalis. Membership of the Cooperative is at the mataqali level with the addition of one women's group and one youth group. Hence at the local level the Cooperative provides a governance structure that incorporates both customary (traditional) structures and contemporary decision-making process, and reports back to the mataqalis. Refer to section 3.1.5 of this PD for further details regarding the Cooperative.

#### **5.2.1.7. Cultural, Religious And Ethnic Groups Present**

The island of Vanua Levu consists of many different Melanesian cultures and various dialects of the Fijian language. The communities of the Drawa Block speak the *Cakaudrove (Wailevu)* dialect. The communities are very connected to traditional arrangements, rules and ways of life. Religion plays an important role in village life. The majority of the Drawa Block mataqalis belong to the Methodist church and, except for Vatuvonu, all villages have their own church, which is seen as an important institution by most households.

Community based organisations (CBO) exist and are usually grouped according to gender. These CBO's are commonly at village level. A CBO prevalent in all Methodist villages is the

*Soqosogo ni Lotu Wesele* which is made up of the women, men and youth fellowship groups of the Methodist church. Church obligations are carried out within these groups. The women, for example, contribute fortnightly or monthly towards their church group, which is added to the village funds. This is separate from their individual and household contributions. The groups are well organized with elected office bearers and with regular reporting to the church circuit headquarters as required by the Methodist church of Fiji.

#### **5.2.1.8. Gender And Age Equity.**

Since most rural Fijian communities are based on a patriarchal society, women are seldom consulted in decision-making processes. However, they play a very important role in the development process. In the Drawa Block project area, men and women still live according to certain traditional roles. While men are usually expected to farm and harvest the food and act as the decision maker of the family, women are mostly responsible for the household and children. Especially in very remote villages like Drawa and Vatuvonu, women and their children usually travel to the urban areas nearby on a weekly basis, in order for the children to attend school.

Domestic violence is still a problem in most rural areas in Fiji. Especially women and children are suffering from the use of violence.

#### **5.2.2 Description Of Community Baseline**

According to the Plan Vivo Standard (2013) Section 7:

*7.3. The expected socioeconomic impacts of the project must be described in comparison with the socioeconomic baseline scenario, including consideration of expected impacts on participants, and consideration of any likely 'knock-on effects on non- participating communities living in surrounding areas.*

According to the CM1 Net Positive Community Impacts and CM2 Offsite Stakeholder Impacts, of the Climate Community and Biodiversity Project Design Standards second edition (2008):

*CM1: The project must generate net positive impacts on the social and economic well-being of communities and ensure that costs and benefits are equitably shared among community members and constituent groups during the project lifetime.*

*Projects must maintain or enhance the High Conservation Values (identified in G1) in the project zone that are of particular importance to the communities' well-being.*

*CM2: The project proponents must evaluate and mitigate any possible social and economic impacts that could result in the decreased social and economic well-being of the main stakeholders living outside the project zone resulting from project activities. Project activities should at least 'do no harm' to the well-being of offsite stakeholders.*

The NMF states: *The Project Coordinator shall provide a description of the community baseline including:*

- 5.2.2.1 *Description of project indicators to be measured*
- 5.2.2.2 *Evidence of project owner consultation on determination of project indicators*
- 5.2.2.2 *Community baseline scenario*
- 5.2.2.3 *Expected impacts from the project*
- 5.2.2.4 *Expected impacts for nearby community members who are not Project Owners.*

*It is optional for Project Coordinators to define how they seek to maintain or enhance the High Conservation Values in the project zone that are of particular importance to the communities' well-being. Should Project Coordinators choose to address High Conservation Values they can use the most recent version of the CCB Standard guidance in CM1.*

### **5.2.2.1 Description Of Project Indicators To Be Measured**

The criteria, indicators and their justification outlined in Table 5.2.2.1 below were chosen to assess wellbeing and have been developed in response to Rapid Assessment of Perceptions (RAP) work undertaken by Live & Learn staff.

Table 5.2.2.1 Community Baseline Indicators		
Criteria	Indicators	Justification (why are we looking at this?)
Food Security	<ul style="list-style-type: none"> <li>▪ Food sources</li> <li>▪ Consumption patterns</li> <li>▪ Agricultural production</li> </ul>	<p>We want to know:</p> <p>if the forest products continue to be used indicating the continuation of traditional practices,</p> <p>if access to land for gardens diminishes to a point it affects access to food,</p> <p>if project owners begin to purchase food more often indicating increased income but also creating possible negative unintended impacts (i.e. health)</p> <p>if income is still sought through the sale of food and how this income changes over time.</p>
Water Security	<ul style="list-style-type: none"> <li>▪ Accessibility of water</li> <li>▪ Water use</li> </ul>	<p>Access to water has been a key issue for project owners in Drawa and Loru. Given how desired improved access to water is, any changes may indicate a positive impact resulting from the project. Further, access to water being such a basic need, it is another indicator of overall wellbeing. The impact of this on women needs to get special attention by interviewers.</p>
Financial Security	<ul style="list-style-type: none"> <li>▪ Access to education</li> <li>▪ Proportion of time dedicated to various activities</li> <li>▪ Household income &amp; assets</li> </ul>	<p>Increased income can demonstrate increased wellbeing although it can also be damaging. While we measure income over time, we also measure changes in livelihoods or time spent on activities every day such as housework, gardening etc. This will help us to see if project owners have more time to give to non-core activities and therefore, perhaps their lives are made easier by the project or the money is causing social</p>

		decay via its use for negative pursuits (i.e. alcohol). Education is also used to determine whether increased income is creating greater wellbeing.
Resilience of the PES Project	<ul style="list-style-type: none"> <li>• Level of women and youth engagement</li> <li>• Accessibility of information</li> <li>• Perceptions of trust</li> </ul>	We want to use this monitoring as a chance to assess how well the 'PES Enterprise' (i.e. the Cooperative) is doing at engaging the project owners and earning local trust. This indicates resilience and overall wellbeing if the faith in this institution is high.

### 5.2.2.2 Evidence Of Project Owner Consultation On Determination Of Project Indicators

The indicators (above) were informed by the extensive process of participation leading up to the socio-economic survey (see Section 3 of this PD), and by the RAP (participatory rural appraisal) workshops. See ER 3.1.2a.

#### 5.2.2.2 Community Baseline Scenario

The baseline data was collected through formal standardised questionnaires (see ER 5.2.2.2) consisting of both, open-ended as well as close-ended questions. The interviews were conducted at 28 households in 5 villages. The ratio of respondents was as follows:

Interviewees	
Mataqali (clan)	Number interviewed
Vatuvonu	4
Batiri	6
Drawa	7
Lutukina	7
Navaralagi	4
Total	28

Interviewers attempted to randomly select participants for the survey, however selection was limited by the availability of householders during the time available for conducting the survey. The survey mostly focused on the household as a whole, differentiations were made between male and female occupants when appropriate.

Criteria 1: Food security: Quality and quantity of food			
Question	Measure	Average	Comments
1.1. How often do you buy food from the store/market?	Days per month	3.4	Households rather buy in bulk a few days of the month as they mostly rely on the food supply from their own garden or the forest.
1.2. What goods do you purchase at the store/ market?	Type of good	Sugar, salt, flour, rice, noodles, canned tuna, and tea	Basic supplies such as sugar, salt, flour, rice, noodles, canned tuna, and tea are being bought from local cooperative stores by most households. In addition, fresh produce such as freshwater fish, prawns, mussels or vegetables are also purchased by a large number of households.

1.3. How big is your family (household?) garden?	Hectares	1.3	Garden plot sizes are relatively small but allow food for consumption and sale.
1.4. What types of crops do you grow at your family garden?	Type of crop	Tavioka (Cassava), Yaqona (Kava), Dalo (Taro), Vudi (Plantain), Uvi (Yam), Jaina (Banana), Bele (Kale), Kumala (Potatos)	Most households grow more or less the same kinds of vegetables. Only a few indicated different varieties such as cabbage, egg plant, or watermelon.
1.5. Which of these crops are used for sale?	Type of crop	Yaqona, Dalo, Tavioka	Besides the 3 most common crops, vudi and jaina are also sold by some households. Only 5 out of 28 households don't sell their produce at all.
1.6. How much do you make from the sale (household or individual?)?	FJD per month	311	Only two households earned far more than the average. The majority earns between FJD300-400.
1.7. How often do you eat food from your garden?	Days per week	6.6	Households consume the food they grown at home almost every day of the week.
1.8. Do you ever run out of food?	Percentage 'yes'	7%	Only 2 households indicated that they ran out of food. The majority does not run out of food since they can either gather goods from the forest or buy them at the store.
1.9. How often do you harvest food from the forest?	Days per month	16.5	Large varieties of vegetables are being harvested from the forest, which shows the communities' dependence on the natural resources that surround them.
1.10. What goods do you collect from the forest?	Type of good	Yams, ota, rourou, duna, bele, herbs, wild pig, firewood	Various items are being gathered from the forest by the communities.

Criteria 2: Water security: Access to clean water			
Question	Measure	Average	Comments
2.1. Do you ever run out of clean (tap) water?	Percentage 'yes'	68%	The actual number of households running out of clean water is expected to be much higher. During the first round of interviews the type of water source was not defined so most people indicated that they do not run out of water. During the second round, respondents noted that during the dry season or after heavy rain they regularly run out of clean water. During that time they rely on rain and river water.
2.2. Which water sources does your	Type of source	Spring, river and rain	Even though most households are connected to a communal spring through a piped system, some

household use and is it available all year round?		water	villages still rely on river (individual collection) and/or rain water tank supply as their springs do not carry enough water.
2.3. Do you feel you can use as much tap water as you like? (i.e. through piped system)	Percentage 'yes'	64%	The majority feels they can use as much tap water as they like.

Criteria 3: Financial security: Household income and assets, and livelihood opportunities			
Question	Measure	Average	Comments
3.1. Access to education			Of those surveyed with children of school age, 90% were attending school. 13 children attended secondary schools and only 6 were in tertiary education. Out of all the villages, 57% of men and 43% of women graduated from secondary schools. 18% of men and 14% of women graduated from a tertiary school.
3.2. What is your household's average monthly income?	FJD per month	\$287	Income varies greatly. The majority earns around FJD400 a month. The average household consists of 6.5 members.
3.3. Are you able to save money from your earnings in a typical month?	Percentage 'yes'	57%	
3.4. Which sources of electricity are used in your home?	Type of source	Solar	46% of all households use solar power as their main source of electricity. Generators were used very rarely and not regularly. Only 2 households were connected through power lines and 21% didn't have any access to electricity at all.
3.5. What type of toilet is your household using?	Type of toilet		43% of households reported using a flush toilet. Others have pour-flush toilets (29%) and only 2 households indicated using an open pit toilet. Overall, 39% were using septic tanks.
3.6. Hours spent for daily activities:	<b>Female Adults</b>	<b>Male Adults</b>	<b>Comments</b>
<i>Cooking</i>	3.5	1.8	Women take care of the family while men usually take care of the farm.
<i>Household chores</i>	2.5	1.2	
<i>Gardening/farming</i>	1.6	4.6	
<i>Resting</i>	2	1.8	
<i>Leisurely activities</i>	1.6	1.4	
3.7. Substance consumption (days/week)	<b>Female Adults</b>	<b>Male Adults</b>	<b>Comments</b>
<i>Kava</i>	1.4	2.2	Only 9 women indicated that they were drinking kava for mostly 1 day per week.
<i>Alcohol</i>	0	1.5	None of the women reported consuming alcohol.

Cigarettes	2	5.8	Only 2 women indicated they smoked occasionally, compared to 50% of men who usually smoke more regularly. For this study, commercial cigarettes and local tobacco leaves were considered as one.
Marijuana	0	0	No one reported personal use of marijuana.
Others	0	0	n/a
3.8. Are you aware of anyone in the community using marijuana?	Multiple choice	75%	75% of all respondents indicated that they are not aware of anyone in the community consuming marijuana. Surprisingly, 25% said that they are aware of a few people that rarely consume it. This response was not expected as it was assumed that (due to its level of acceptance) marijuana would not be consumed in the communities.

Criteria 4: Resilience of the PES project			
Question	Measure	Average	Comments
21. Can you access information about the REDD+ Enterprise's finances and activities?	Percentage "yes"	82%	Most people have access. Others usually have not tried to access the information.
22. Do you generally trust the REDD+ Enterprise?	Percentage "yes"	89%	Respondents generally trust the REDD+ Enterprise and appreciate the training and involvement.

### 5.2.2.3 Expected Impacts From The Project

#### Criteria 1: Food security: Quality and quantity of food

The project is not expected to affect the landscape around the villages where gardens are currently located. This is because landuse planning was conducted previously and revisited through this project. The communities have excluded priority areas for existing and possible future gardens from the Protected Area. It is anticipated that as the families generate more wealth from the project they will purchase more meat and higher cost items than just basic food items such as oil, sugar and flour. If increased wealth occurs, there may be less need to grow food for sale at market. This could have a negative impact on food security, traditional knowledge and the possible increase of non-communicable diseases arising from an unhealthy diet, and hence requires monitoring.

The Drawa Block communities have decided not to use the Protected Area for extraction of non-timber forest products in the future. However there are forested areas located outside of the Protected Area, and these areas are those in closest proximity to the villages. These forested areas should continue to support occasional food extraction from rivers, wild pig hunting and the seasonal wild pigeon hunting. This will provide important nutritional benefits as well as maintaining traditional knowledge and practices.

#### Criteria 2: Water security: Access to clean water

A common key priority for all the target communities is having access to clean piped water. It is expected that one of the first uses of any profit generated through the Drawa Block

Forest Communities Cooperatives Ltd business for community benefit will be in support of improving the water infrastructure of the respective villages where members of the cooperative business reside. This is expected to include improved access to clean piped water systems and better sanitation facilities (shift from pour-flush toilets to flush toilets). Families state that even though they currently have access to water from the nearby river, they still aspire to have flowing water from a piped systems straight into their homes. Women and youths highlighted that they would like to have access to better sanitation facilities (flush toilets).

Criteria 3: Financial security: Household income and assets, and livelihood opportunities

It is expected that household income will slightly increase though the project directly resulting from revenues from carbon sales (e.g. dividends to members) and related employment. However this project and the DBFCC are expected to have a ‘multiplier effect’ by providing social and financial capital that can be used to stimulate and diversify income-earning opportunities. For example, the Cooperative has commenced work on a beekeeping project that will provide opportunities for members to take up beekeeping (planned 240 hives over 3 years). Hence we expect that there will be a more significant increase in household income due to ‘secondary’ outcomes from the project.

The Cooperative will receive physical assets through Live & Learns’ support for REDD+ and the Beekeeping project, including an administrative centre, 4x4 vehicle and bee keeping equipment including hives. These Cooperative assets will provide opportunities for Cooperative members to further increase their income.

Accessibility to Cooperative owned vehicles is likely to decrease travel expenses from members. At the moment, expensive vehicles are being hired when community members have to travel to nearby markets and urban centres to sell their agricultural produce such as taro and kava. It is expected that there will be more opportunities to travel to urban centres, as more money will be available.

Increased income will likely lead to an increase in household assets. Common aspirations from families regarding their homes include access to electricity, gas cookers, fridges and flush-toilets.

Income earned through sales of taro, kava and other agricultural products is likely to remain the same as in the existing baseline.

Criteria 4: Resilience of the PES project

It is expected that there will be a gradual building of support and trust for the Drawa Block Forest Communities Cooperatives Ltd (DBFCC) from the respective families. This is due to the commitments to financial discipline and transparency, and to the fact that the Cooperative is well placed to provide practical benefits to its members. There was a previous business entity (set-up by different members of the same target communities during the Sustainable Forest Management project (1999 - 2008), which did not have the trust of the

people because of lack of transparency and mismanagement of funds. It is therefore important to learn from lessons of the past and monitor both performance of the DBFCC and perceptions of trust from the communities.

#### **5.2.2.4 Expected Impacts For Nearby Community Members Who Are Not Project Owners.**

The DBFCC business consists of 9 landowning units, a women's group and a youth group. The benefit-sharing plan for the DBFCC requires that profits are directed towards business investment, business enterprise and community projects as a priority before it is then shared as dividends to its members. Hence investments into village infrastructure, such as water supply, storage and reticulation, stands to benefit all village members and is not expected to be limited to assets used exclusively by participating mataqali. For example, access to clean water is a priority for the target communities, the community projects can help facilitate the construction of better water infrastructure that not only benefits the mataqalis/ DBFCC members but the communities in general.

### **5.2.3 Community Impact Assessment Plan**

According to the Plan Vivo Standard (2013) Section 7:

- 7.4. *A socioeconomic impact assessment/monitoring plan must be developed in a participatory manner to measure advances against the baseline scenario, within one year of the project validation, that:*
  - 7.4.1. *Is based on locally relevant and cost effective indicators*
  - 7.4.2. *Takes into consideration the potential for differentiated impacts on different groups of participants*
- 7.5. *The project must strive to avoid negative impacts on participants and non-participants, especially those most vulnerable. Where negative socioeconomic impacts are identified, these must be reported to the Plan Vivo Foundation and a participatory review of project activities undertaken with the participants/communities to identify steps to mitigate those impacts.*

According to CM3 Community Impact Monitoring of the Climate Community and Biodiversity Project Design Standards second edition (2008):

*CM3. The project proponents must have an initial monitoring plan to quantify and document changes in social and economic well-being resulting from the project activities (for communities and other stakeholders). The monitoring plan must indicate which communities and other stakeholders will be monitored, and identify the types of measurements, the sampling method, and the frequency of*

*measurement.*

*Since developing a full community monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.*

The NMF states: *The Project Coordinator shall provide an assessment plan to measure community impacts against the baseline scenario. This plan must include:*

- 5.2.3.1 Criteria or performance target*
- 5.2.3.2 Locally relevant and cost effective indicators*
- 5.2.3.3 Methods of measurement*
- 5.2.3.4 Monitoring schedule*
- 5.2.3.5 How to ensure that differentiated impacts on different groups are considered in the design of the monitoring programme*
- 5.2.3.6 A plan to address negative impacts as they arise.*

### **5.2.3.1 Criteria Or Performance Target**

The community impact assessment plan will use the same criteria (see criteria 1-4 above) that were used to assess baseline conditions. There are detailed in Section 5.2.2.1.

### **5.2.3.2 Locally Relevant And Cost Effective Indicators**

The community impact assessment plan will use the same indicators (see Table 5.2.2.1) that were used to assess baseline conditions.

### **5.2.3.3 Methods Of Measurement**

A social impact survey guide containing sampling methodologies, such as interview questions, was developed to conduct the baseline survey. The same guide will be used for ongoing monitoring. Qualitative and quantitative measurements were applied in the Survey. The survey may be changed from time to time in response to local conditions or to improve the quality of the data produced. The Project Coordinator (Live & Learn Fiji) will be responsible for carrying out the social impact survey. Please refer to the social impact survey guide ER 5.2.3.3.

### **5.2.3.4 Monitoring Schedule**

To ensure adequate monitoring of the project, the survey used to establish the baseline shall be repeated annually prior to the annual project management or monitoring meeting. Ideally, the same individuals surveyed during the baseline should be included subsequent interviews.

Furthermore, the number of respondents used for the baseline should be the minimum standard for further surveys, however the Project Coordinator will aim to increase in the number of respondents.

### **5.2.3.5 How To Ensure That Differentiated Impacts On Different Groups Are Considered In The Design Of The Monitoring Programme**

By undertaking individual surveys and differentiating based on age and gender, the project will be able to compare differentiated impacts on different groups. As shown in baseline, livelihood activities and income vary across the four groups identified in the survey (male youth and adults, and female youth and adults). Further differentiation may be made in future surveys.

### **5.2.3.6 A Plan To Address Negative Impacts As They Arise.**

Results from the community impact monitoring will be included in the Project Management and Project Monitoring Reports, as is stated in the clause 3 of the PES Agreement. They will be presented for consideration by the DBFCC at the annual Project Management or Monitoring Workshop, and will inform any adjustments to the implementation of the project to address any negative impacts.

The NMF states: *Project Coordinators are required to incorporate the Community Impact Assessment Plan into the Project Monitoring Plan (with Project Monitoring Plan detail following the requirements for project monitoring laid out in the relevant Technical Specifications Module/s). Any revisions of the Community Impact Assessment Plan will be incorporated into PD revisions. Projects have up to one year after project validation to complete the Community Impact Assessment Plan.*

The Community Impact Monitoring Plan has been incorporated into the Project Monitoring Plan. See Section 8 of the Drawa PD Part B D3.2b v1.0 20151009.

## **5.3 BIODIVERSITY CO-BENEFIT IMPACT MEASUREMENT**

Section 5.13 of the Plan Vivo Standard (2013, p17) states that:

*5.13. The technical specifications must describe the habitat types and main species present in project intervention areas including any areas of High Conservation Value or IUCN red list species present (or more locally defined important areas of biodiversity or lists of vulnerable species if applicable), with a description of how they are likely to be affected by project interventions, and how these effects will be monitored.*

Measuring the impact the Drawa Rainforest Conservation Project on biodiversity requires a comparison between a biodiversity baseline survey and a biodiversity project survey.

The baseline activity for this project is conventional logging. The biodiversity baseline survey therefore needs to be undertaken in a relevant reference area where baseline scenario vegetation is present (e.g. coconut plantations in adjacent lands outside the Project Area). At the time of PD completion this biodiversity baseline survey had not been undertaken.

The first biodiversity project survey encompassed a botanical survey undertaken by the South Pacific Regional Herbarium in 1999, with results presented in Section 5.3.1 below.

### 5.3.1 Significant Species

The NMF states: *As a minimum requirement, all projects within Nakau Programme will describe the historic occurrence and monitor ongoing presence of significant species known to occur within or in close proximity to the project site.*

*Significant species are defined as either:*

- a. IUCN Red List species (classified as VU, EN or CR)*
- b. Endemic species*
- c. Priority species listed by CEPF according to the relevant bio-geographic biodiversity hotspot and ecosystem profile*
- d. Species with special cultural or use values as defined by the landowners.*

The presence of significant plant species on the site, recorded in a botanical survey of the site undertaken by the South Pacific Regional Herbarium in 1999, is presented in Table 5.3.1.

Table 5.3.1 Significant Species

Taxonomic Group: Plants					
Common Name	Taxonomic Name	IUCN Red List	Fiji NBSAP	Endemism	References
Vono	<i>Alyxia bracteolosa</i>	-	Data deficient	Indigenous	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
-	<i>Tectaria menyanthidis</i>	-	Threatened	Indigenous	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Makita	<i>Atuna elliptica</i>	-	Threatened	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); PRH (1999)
Logologo	<i>Cycas seemannii</i>	Vulnerable	Critically threatened	Indigenous	IUCN (2015); GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Balabala	<i>Cyathea affinis</i>	-	Threatened	Indigenous	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Vaivai ni veikau	<i>Serianthes melanescia</i>	-	Data deficient	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
-	<i>Malaxis platychila</i>	-	Threatened	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Wame	<i>Freycinetia vitiense</i>	-	Threatened	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
-	<i>Tmeripteris truncata</i>	-	Threatened	Indigenous	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Ceketuawa	<i>Squamellaria imberbis</i>		Endangered	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Niuniu	<i>Physokentia thurstonii</i>		Data deficient	Endemic	GIZ, SPC (2003); Eco-Consult Fiji (1998); SPRH (1999)
Taxonomic Group: Animals					
Common Name	Taxonomic Name	IUCN Red List	Fiji NBSAP	Endemism	References
Fiji Ground Frog*	<i>Platymantis vitiiana</i>	Endangered		Endemic	IUCN (2015) WCS

\*The Fiji Ground Frog is highly likely to be on the site, but a fauna survey has never been conducted for the site. The frog is present on a similar site 15 km away.

#### References:

SPRH (South Pacific Regional Herbarium) (1999) Floristic Survey of the Native Forest in the Drawa Catchment in Cakaudrove Province, Vanua Levu, Fiji. South Pacific Regional Herbarium, a division of the Institute of Applied Sciences University of the South Pacific.

Eco-Consult Fiji (1998). Botanical Biodiversity in Fiji. PGRFP Technical Report Bot.01.98

GIZ, SPC (2003) The Drawa Model Area Forest Management Plan (2003- 2012)

IUCN RED List accessed online 15Oct15 <http://www.iucnredlist.org/search>

### 5.3.2 Biodiversity Baseline

The NMF states: *A literature review must be undertaken to develop an inventory of significant species known to occur within or in close proximity to the project site. The species inventory may be in the form of a table and must include the following elements:*

- a. *Subheadings to group species according to an appropriate taxonomic level (e.g. mammals, birds, angiosperms etc)*
- b. *Common name (where possible)*
- c. *Taxonomic name (essential)*
- d. *IUCN classification (VU, EN or CR)*
- e. *Specify if a priority species for CEPF Investment*
- f. *Specify if endemic and at what scale (e.g. Island or country)*
- g. *Provide concise remarks on abundance, distribution or other information (if possible and relevant)*
- h. *Provide concise remarks for species deemed significant based upon special cultural or use values as defined by the landowners*
- i. *Include source of data (references).*

Data relevant to this requirement are provided in Table 5.3.1 above.

### 5.3.3 Project Impacts on Biodiversity

The NMF states: *The expected impacts of project interventions on biodiversity should be described, such as:*

- a. *Expected beneficial impacts to significant species gained by avoiding baseline activities*
- b. *Expected beneficial impacts to significant species from project interventions (where different from a.)*
- c. *Expected negative impact to any native species from project interventions.*

#### 5.3.3.1 Expected Beneficial Impacts From Avoiding Baseline Activities

The project will result in a Protected Area of 4143.7 hectares, combining *Eligible Area* and *Protection Forest*. This area will be actively managed to maintain or enhance the biodiversity

of the area, according to the measures set out in the Drawa Conservation Management Plan (Appendix 1).

The protection of this area will benefit biodiversity by avoiding the detrimental impacts of logging. The avoided impacts include

- Reduced habitat quality for fauna (e.g. birds, reptiles, insects) due to tree removal and damage from tree felling, logging tracks etc.
- Reduced abundance and potential local extinction of significant plant species (see table 5.3.1)
- Increased erosion and siltation of creeks and rivers, which reduces habitat quality for native fish and aquatic invertebrates
- Disturbance leading to increased impacts of invasive species
- Negative impacts upon the marine coastal environment, including coral reefs from increased siltation and eutrophication

### **5.3.3.2 Expected Beneficial Impacts From Other Project Activities**

Due to increased awareness of significant species and their habitats, planning for agricultural activities can take into consideration impacts on native flora and fauna.

### **5.3.3.3 Expected Negative Impacts From Project Activities**

Project activities are not expected to cause negative impacts to biodiversity

## **5.3.4 Biodiversity Monitoring**

The NMF states: *The biodiversity plan must be developed to record (at a minimum) the presence of significant species within the project site boundary. Recorded observations of significant species should include:*

- *Date observed*
- *Name and role of observer*
- *Location of observation (description or GPS location)*
- *Remarks on abundance, distribution or other information (if possible and relevant).*

As per the Drawa Conservation Management Plan, the project will undertake biodiversity surveys at the project site. The Land Management Committee will undertake random transect walks through the Protected Area and count sightings of flora and fauna identified within the baseline. Sightings must be tallied together and reported on at Project

Management Meeting. Survey forms are to be developed by the Land Management Committee. These forms must state:

- Date species observed
- Name and role of observer
- Location of observation (description satisfactory)
- Remarks on abundance, distribution or other information (if possible and relevant).

Details of the biodiversity monitoring is supplied in Section 8 of the Drawa PD Part B D3.2b v1.0 20151009.

### 5.3.5 Biodiversity Monitoring Exceeding Minimum Requirements

The NMF states: *Project Coordinators and owners are allowed to implement methodologies such as flora and fauna surveys and mapping exceeding the minimum requirements of the Nakau Methodology Framework, subject to capacity constraints and availability of funding. Project Coordinators that make a commitment (i.e. within a PD) to rigorous biodiversity monitoring systems must also demonstrate capacity to sustain the activity for the entire project period.*

The project will meet the minimum requirement for biodiversity monitoring for the first monitoring period. The Project Coordinator will actively seek partnerships with local institutions and other NGOs to improve understanding of biodiversity on the site. Potential partners include the University of the South Pacific (USP), WCS or WWF. Current knowledge of fauna is particularly limited because a comprehensive fauna assessment has never been conducted on the site. A comprehensive survey would provide an improved understanding of the biodiversity baseline such as presence and abundance of various species. An improved understanding of biodiversity at the site would enable the Monitoring Plan and the Drawa Conservation Management Plan to be more strategic and effective.

Table 5.3.5: Evidence Requirement: Biodiversity impacts	
#	Name/Description
5.3.5a	Significant species inventory (in PD)
5.3.5b	Description of expected project impacts on biodiversity (in PD)
5.3.5c	Biodiversity monitoring plan (component of Project Monitoring Plan)

## 5.4 PROJECT MONITORING PLAN

The NMF states: *All projects in the Nakau Programme are required to prepare a Project Monitoring Plan as part of the Project Description. The Project Monitoring Plan is submitted in Part B of the PD but contains monitoring elements required in Sections 5.2 and 5.3 of this*

*document, and elements required in the relevant Technical Specifications Module/s applied.*

The Project Monitoring Plan is presented in Section 8.1 of Part B of this PD.

## 6. Project Reporting & Verification

### 6.1 DOCUMENTATION

According to section 5.11 of the ISOI 14064-2 Standard (2006):

*The project proponent shall have documentation that demonstrates conformance of the GHG project with the requirements of this part of ISO 14064. This documentation shall be consistent with validation and verification needs*

According to section A.3.8 of the ISOI 14064-2 Standard (2006):

*This part of ISO 14064 refers to documenting in the context of internal needs linked to auditing and validation and/or verification. It is a complement to reporting that should serve external purposes.*

*Documentation is linked to the GHG information system and information system controls of the GHG project, as well as to the GHG data and information of the GHG project. Documentation should be complete and transparent.*

The NMF states: *Projects in the Nakau Programme will generate reports with the following naming convention:*

The core project documents for this project are:

Drawa Project Idea Note v1.0 20130920

Nakau Methodology Framework: General Methodology for the Nakau Programme.  
D2.1 v1.0 20150513

Technical Specifications Module (C) 1.1 (IFM-LtPF): Improved Forest Management –  
Logged to Protected Forest v2.0 20151009

Drawa Forest Project – Project Description (PD): Part A – General Description D3.2a v1.0 20151009 (this document)

Drawa Forest Project – Project Description (PD): Part B – PES Accounting Description D3.2b v1.0 20151009

Drawa Forest Project – Simplified Project Monitoring Report No. 1 Part A & B 2015. D3.3 (1) v1.0 20151009

Drawa Forest Project - Programme Agreement. D1.2 v1.0

Project Coordinator Licence Agreement

Project Development Agreement

Drawa Forest Project - PES Agreement. D1.5 v1.0

Reseller Licence Agreement

### 6.1.1 Project Database

The NMF states: *Project Documents and technical data shall be stored electronically and in hard copy and in duplicate as described in Section 7.2 of this document.*

This project complies with the requirements specified in Section 7.2 of this document.

The Nakau Information Database is located on Dropbox and has the following structure:

Table 6.1.1 Nakau Information Database			
Database Name	Status	Detail	Access
Nakau Information Platform	Public Information	Final pdf version of all Methodologies, PDs, PD Appendices, Evidence Requirements, PINs, TS Modules, Monitoring Reports, Agreements	Programme Operator Project Coordinators Plan Vivo Auditors Files to be uploaded to website
Nakau Project Data - Drawa	Project Development & Implementation Data	All operational documents and files (including drafts, supporting information, correspondence) relating to project development and implementation	Programme Operator Executive Project Coordinator Drawa
Nakau Board Information	Programme Governance Data	Company and board documents, compliance, financials, agendas, minutes, correspondence	Programme Operator Executive Programme Operator Board

## 6.2 REPORTING AND VERIFICATION

According to section 5.13 of the ISO 14064-2 Standard (2006):

*The project proponent shall prepare and make available to intended users a GHG report. The GHG report*

- *Shall identify the intended use and intended user of the GHG report, and*
- *Shall use a format and include content consistent with the needs of the intended user.*

*If the project proponent makes a GHG assertion to the public claiming conformance to this part of ISO 14064, the project proponent shall make the following available to the public:*

- a) An independent third-party validation or verification statement, prepared in accordance with ISO 14064-3, or*
- b) A GHG report that includes as a minimum:*
  - 1) The name of the project proponent;*
  - 2) The GHG program(s) to which the GHG project subscribes;*
  - 3) A list of GHG assertions, including a statement of GHG emission reductions and removal enhancements stated in tonnes of CO<sub>2</sub>e;*
  - 4) A statement describing whether the GHG assertion has been validated or verified, including the type of validation or verification and level of assurance achieved;*
  - 5) A brief description of the GHG project, including size, location, duration and types of activities;*
  - 6) A statement of the aggregate GHG emissions and/or removals by GHG sources, sinks and reservoirs for the GHG project that are controlled by the project proponent, stated in tonnes of CO<sub>2</sub>e, for the relevant time period (e.g. annual, cumulative to date, total);*
  - 7) A statement of the aggregate GHG emissions and/or removals by GHG sources, sinks and reservoirs for the baseline scenario, stated in tonnes of CO<sub>2</sub>e for the relevant time period;*
  - 8) A description of the baseline scenario and demonstration that the GHG emission reductions or removal enhancements are additional to what would have happened in the absence of the project;*
  - 9) As applicable, an assessment of permanence;*
  - 10) A general description of the criteria, procedures or good practice guidance used as a basis for the calculation of project GHG emission reductions and removal enhancements;*
  - 11) The date of the report and time period covered.*

According to section 5.12 of the ISO 14064-2 Standard (2006):

*The project proponent should have the GHG project validated and/or verified.*

*If the project proponent requests validation and/or verification of the GHG project, a GHG assertion shall be presented by the project proponent to the validator or verifier.*

*The project proponent should ensure that the validation or verification conforms to the principles and requirements of ISO 14064-3.*

## 6.2.1 MRV Overview

The NMF states: *The Nakau Programme is an integrated programme of activities applying payments for ecosystem services to environmental protection and enhancement, covering a range of activity types implemented over a range of geographical areas. The core measurement, reporting and verification (MRV) procedures of the Nakau Programme function by means of ecosystem service measurement methodologies, Project Idea Notes (PIN), Project Descriptions (PD), and Project Monitoring Reports.*

*The ecosystem service measurement methodologies include the Nakau Methodology Framework (a generic methodology) in combination with Technical Specification Modules for each activity type (hereafter referred to as 'Nakau Programme methodologies').*

*Each Project Document<sup>15</sup> shall be presented in two parts:*

- A. *Part A: General Description (applying the Nakau Methodology Framework).*
- B. *Part B: Technical Description (applying the relevant Technical Specification Module).*

*Each Project Monitoring Report shall present evidence to support an ecosystem service outcome assertion consistent with the standard and methodology applied.*

The PD is presented in two parts:

Drawa Forest Project – Project Description (PD): Part A – General Description D3.2a v1.0 20151009 (this document)

Drawa Forest Project – Project Description (PD): Part B – PES Accounting Description D3.2b v1.0 20151009

## 6.2.2 Validation And Verification

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<sup>15</sup> Project Documents are those listed under the heading 'Project Documents' in Table 5.1 of this Nakau Methodology Framework.

According to Section 5 of the Plan Vivo Standard (2013. P17):

5.9. *A monitoring plan must be developed for each project intervention which specifies:*

5.9.5. *How the validity of any assumptions used in technical specifications are to be tested*

The NMF states: *The Nakau Programme methodologies shall be third-party validated to an internationally recognised standard covering the scope of the activity, and applying the validation rules of that standard.*

*The Project Description (PD) for the first activity instance of an activity type shall be third-party validated to the same standard as the relevant Nakau Programme methodology applied, covering the scope of the activity, and applying the validation rules of that standard.*

*The Project Description (PD) for all subsequent activity instances of an activity type shall be consistent with the validated PD of the first activity instance (and the relevant Technical Specifications Module), and validated by the Programme Operator of the Nakau Programme.*

*Project Monitoring Reports shall be third-party verified to the same standard as the validated methodologies applied.*

This PD is the first activity instance for the Nakau Programme activity class (C - carbon), activity type (IFM-LtPF) Improved Forest Management – Logged to Protected Forest. This involves the first completed application of a Technical Specifications Module that has not been applied previously. As such this document shall be validated by a third party through the Plan Vivo validation system.

The validation of this document is occurring concurrently with a verification audit of the first monitoring report for this project.

### 6.2.3 Integrated Projects

The NMF states: *Integrated projects applying more than one activity type shall submit a Project Document for each activity type. For example, an integrated project combining three different activity types within the ‘Carbon’ activity class (C) would submit three separate Project Documents for each document type as follows:*

*PIN Documentation*

- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part A Overview. D3.1*

v1.0, 20140428.

- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part B (i) (C) 2.1 (AD-DtPF).* D3.1.C.2.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part B (ii) (C) 3.1 (AR-Af).* D3.1.C.3.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part B (iii) (C) 3.2 (AR-NR).* D3.1.C.3.2 v1.0, 20140428.

#### *PD Documentation*

- *Loru Agroforestry Carbon Project: Project Description (PD) Part A.* D3.2.C.2.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part B (i) (C) 2.1 (AD-DtPF).* D3.1.C.2.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Description (PD) Part B (ii). (C) 3.1 (AR-Af).* D3.2.C.3.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Description (PD) Part B (iii). (C) 3.2 (AR-NR).* D3.2.C.3.2 v1.0, 20140428.

#### *Project Monitoring Reports*

- *Loru Agroforestry Carbon Project: Project Monitoring Report 1 Part A.* D3.3.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Idea Note (PIN) Part B (i) (C) 2.1 (AD-DtPF).* D3.1.C.2.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Monitoring Report 1 Part B (ii). (C) 3.1 (AR-Af).* D3.3.C.3.1.1 v1.0, 20140428.
- *Loru Agroforestry Carbon Project: Project Monitoring Report 1 Part B (iii). (C) 3.2 (AR-NR).* D3.3.C.3.2.1 v1.0, 20140428.

*To avoid unnecessary duplication, Project Coordinators have the option to provide detailed PIN information in one of the three PIN documents and refer to that document in the other two for data elements consistent throughout. This approach also allows projects to evolve greater integration through time, where initially implemented with one activity type, and subsequently upgraded by adding further activity types.*

Only one Technical Specification is currently applied to this project.

The NMF states: *The PIN and PD for the first activity instance for each activity type shall be*

*third party validated to the most recent version of the Plan Vivo Standard. All subsequent activity instances for validated activity types (i.e. where both PIN and PD have been third party validated) shall be validated by the Programme Operator of the Nakau Programme.*

N/A.

# 7. Managing Data Quality

According to section 5.9 of the ISO 14064-2 Standard (2006):

*The project proponent shall establish and apply quality management procedures to manage data and information, including the assessment of uncertainty, relevant to the project and baseline scenario.*

*The project proponent should reduce, as far as is practical, uncertainties related to the quantification of GHG emission reductions or removal enhancements.*

According to the Verified Carbon Standard (2011):

*The project proponent shall ensure that all documents and records are kept in a secure and retrievable manner for at least two years after the end of the project crediting period.*

*For validation, the project proponent shall make available to the validation/verification body the project description, proof of title and any requested supporting information and data needed to support statements and data in the project description and proof of title.*

*For verification, the project proponent shall make available to the validation/verification body the project description, validation report, monitoring report applicable to the monitoring period and any requested supporting information and data needed to evidence statements and data in the monitoring report.*

## 7.1 DATA MANAGEMENT PROCEDURES

### 7.1.1 Project Description Information Platform

The NMF states: *This methodology requires that project description data input fields correspond to all project description elements required for Part A of the PD as specified in the Nakau Methodology Framework (this document).*

All data from Part A and Part B of this PD is stored in the Nakau Programme Information Platform. This consists of data stored electronically in the following locations:

- Local computers of three Nakau Programme Pty Ltd board members (with continuous offsite backups)
- Intranet of Live & Learn International (cloud storage)
- Dropbox (cloud storage) folders used by:
  - Three Nakau Programme Pty Ltd board members
  - The Project Coordinator office in Vanuatu

- Plan Vivo Foundation information platform (web based document database for project documentation).
- Portable hard drive located in the Nakau Programme Pty Ltd office in Alice Springs.
- Portable hard drive located in the Nakau Programme Pty Ltd office in Takaka, New Zealand.

Hard copies of these PD documents will be stored in the following locations:

- Project Owner office, Drawa, Fiji
- Project Coordinator office, Suva, Fiji
- Programme Operator office, Alice Springs, Australia
- Programme Operator office, Takaka, New Zealand.

### 7.1.2 Project Ecosystem Service Information Platform

The NMF states: *This methodology requires that project description data input fields correspond to all ecosystem service measurement elements required for Part B of the PD, as specified in the relevant Technical Specifications Module/s applied.*

Electronic copies of all data used in Part B of this PD has been stored in the following locations:

- Local computers of three Nakau Programme Pty Ltd board members (with continuous offsite backups)
- Intranet of Live & Learn International (cloud storage)
- Dropbox (cloud storage) folders used by:
  - Three Nakau Programme Pty Ltd board members
  - The Project Coordinator office in Suva, Fiji
- Portable hard drive located in the Nakau Programme Pty Ltd office in Takaka, New Zealand.

### 7.1.3 Project Monitoring Information Platform

The NMF states: *This methodology requires project monitoring to be conducted in two forms:*

- *Project Management Reporting*
- *Project Monitoring Reporting*

*Project Management Reports are completed annually, providing transparent details of project management activities and issues.*

*Project Monitoring Reports are completed every 5 years and are used for verification*

*reporting and crediting purposes. Project Monitoring Reports shall contain information and data inputs as specified in the Project Monitoring section of the relevant Technical Specifications Module/s applied.*

Electronic copies of all project monitoring data has been stored in the following locations:

- Local computers of three Nakau Programme Pty Ltd board members (with continuous offsite backups)
- Intranet of Live & Learn International (cloud storage)
- Dropbox (cloud storage) folders used by:
  - Three Nakau Programme Pty Ltd board members
  - The Project Coordinator office in Suva, Fiji
- Portable hard drive located in the Nakau Programme Pty Ltd office in Takaka, New Zealand.

## 7.2 DATA STORAGE AND SECURITY

The NMF states: *All data collected associated with Parts A and B of the PD and Monitoring Reports will be archived electronically and be kept at for at least 2 years after the end of the Project Period.*

*Data archiving will take both electronic and paper forms, and copies of all data shall be provided to and held by the Project Owner, Project Coordinator, and Programme Operator.*

*All electronic data and reports will also be copied on durable media such as CDs and copies of the CDs are to be stored in multiple locations. Data storage media (e.g. portable hard drives, CDs) shall be updated (renewed) at 10-year intervals.*

*The archives will include:*

- *Copies of all original field measurement data, laboratory data, data analysis spreadsheets;*
- *Estimates of all ecosystem service outcome changes and corresponding calculation spreadsheets;*
- *GIS products; and*
- *Copies of project PD and monitoring reports.*

Data security for project documentation and data files is provided by means of multiple site electronic data storage as described in sections 7.1.1, 7.1.2 and 7.1.3 above.

The NMF states: *All projects in the Nakau Programme shall prepare a Standard Operating Procedure (SOP) for data storage and security arrangements. At a minimum the SOP - Data*

*Storage shall have the following attributes:*

*Project Owner*

- *Hard copy of all final documents*
- *Hard copy off-site backup of all final documents*

*(It is recommended that Project Owners also have access to electronic copies of all final documents where possible and practicable)*

*Project Coordinator*

- *Electronic master copy of all final documents*
- *Electronic copy of all project-related technical data*
- *Electronic on-site back up of all project-related technical data*
- *Electronic off-site backup of all final documents*
- *Electronic off-site back up of all project-related technical data*
- *Hard copy master of all final documents*
- *Hard copy off-site backup of all final documents*

*Programme Operator*

- *Electronic master copy of all final documents*
- *Electronic off-site backup of all final documents*
- *Hard copy master of all final documents*
- *Hard copy off-site backup of all final documents.*

The data security requirements of this section has been fulfilled pursuant to information provided in Sections 7.1.1, 7.1.2, and 7.1.3 above.

# 8. Adding Subsequent Projects To The Nakau Programme

According to the VCS Standard v3, 2011:

*A grouped project shall be described in a single project description, which shall contain the following (in the content required for non-grouped projects):*

- 1. A delineation of the geographic area(s) within which all project activity instances shall occur. Such area(s) shall be defined by geodetic polygons as set out in Section 3.11 [of the VCS Standard V3, 2011].*
- 2. One or more determinations of the baseline for the project activity in accordance with the requirements of the methodology applied to the project.*
- 3. One or more demonstrations of additionality for the project activity in accordance with the requirements of the methodology applied to the project.*
- 4. One or more sets of eligibility criteria for the inclusion of new project activity instances at subsequent verification events.*
- 5. A description of the central GHG information system and controls associated with the project and its monitoring.*

*Note – Where the project includes more than one project activity, the above requirements shall be addressed separately for each project activity, except for the delineation of geographic areas and the description of the central GHG information system and controls, which shall be addressed for the project as a whole.*

## 8.1 NEW ENTRANT CRITERIA

### 8.1.1 New Entrant Project Owners

The NMF states: *New projects entering the Nakau Programme are required to apply to the Programme Operator for enrolment in the Programme. The enrolment application must contain the following:*

- Signed Project Development Agreement between Project Owner and a licensed Project Coordinator (i.e. Project Coordinator entity that holds a License Agreement with the Programme Operator).*

- *Project Idea Note (PIN) using the Nakau Programme PIN Template.*

This project has a Project Development Agreement and PIN and complies with all new entrant criteria of the Nakau Programme. This project is a pilot project initiated by the Nakau Programme.

### 8.1.2 New Entrant Project Coordinators

The NMF states: *Project Coordinator entities seeking to enrol in the Nakau Programme are required to apply to the Programme Operator for enrolment in the Programme. The enrolment application must contain the following:*

- *Evidence of experience in undertaking projects of a similar nature.*
- *Evidence of capacity to meet the requirements of the Nakau Programme including the technical and community elements of the Nakau Methodology Framework and the relevant Technical Specifications to be applied.*

This project is a pilot project initiated by the Nakau Programme and is in compliance with all elements of this requirement.

The NMF states: *There is an option for prospective Project Coordinators to undertake a brief training course on the Nakau Programme, to help them build capacity in the delivery of project coordination services to Project Owners.*

*In some situations the Project Owner and the Project Coordinator may be the same entity. This may occur in projects that involve provision of environmental management services (e.g. riparian habitat enhancement) to be financed through PES sales, but where there is no opportunity cost to a resource owner.*

This project is a pilot project initiated by the Nakau Programme and is in compliance with all elements of this requirement.

### 8.1.3 Project Eligibility Criteria

The NMF states: *All new entrant projects shall fulfil the following:*

- *Meet the eligibility criteria of the Nakau Programme including the Nakau Methodology Framework and the relevant Technical Specifications Module/s.*
- *Apply the Nakau Methodology Framework and any relevant Technical Specifications*

*Modules for the development of the PD.*

- *Submit the PD for 3<sup>rd</sup> party validation for the first project for each activity type.*
- *Submit the PD for 2<sup>nd</sup> party validation by the Programme Operator for projects that are not the first project for that activity type.*
- *Submit all Monitoring Reports for 3<sup>rd</sup>-party verification.*

This project is a pilot project initiated by the Nakau Programme and is in compliance with all elements of this requirement.

## 8.2 AVOIDING DOUBLE COUNTING

The NMF states: *Nakau Programme activities shall be additional to regulatory requirements in the host jurisdiction. Should a host jurisdiction elect to undertake a new compliance or voluntary payment for ecosystem service activity, and if that activity overlaps with the activity/ies of the Nakau Programme, a project enrolled in the Nakau Programme affected by such jurisdictional activity would either:*

- a. Continue as an activity under the Nakau Programme where the jurisdiction makes a declaration that it will not claim the same PES units for the jurisdictional level PES activity, either by cancelling an equivalent number of jurisdictional units (if jurisdictional units have already been issued) or not issuing equivalent jurisdictional units, or*
- b. Cease as an activity under the Nakau Programme and yet continuing the long-term environmental protection obligations originally encumbered under the Nakau Programme, but doing so under the jurisdictional instrument, or*
- c. Continuing as an activity under the Nakau Programme, and being issued special off-registry units by the Nakau Programme Operator requiring a declaration to the buyer that such units represent ecosystem service outcome delivery that will also be claimed by the jurisdiction. Option C is applicable only where the Programme Operator judges that a situation exists whereby the ecosystem service outcomes represented by units claimed by the jurisdiction would not have occurred without the operation of the Nakau Programme (e.g. where the jurisdiction participates in an intergovernmental PES mechanism without instituting a domestic incentive mechanism capable of causing behaviour change relevant to the ecosystem services in question).*

Fiji is undertaking a process of REDD+ Readiness and is in the process of establishing a mechanism for national GHG accounting. LLF is working closely with the Government of Fiji to avoid any double counting.

## 8.3 ACTIVITY TYPE

The NMF states: *New or existing projects in the Nakau Programme have the option to add activity types to the project at any time by supplying to the Programme Operator a PD (Part B) for the new activity type using the relevant Technical Specifications Module. Each additional PD (Part B) will be subject to a 2<sup>nd</sup>-party validation by the Programme Operator except for the first activity instance for that activity type where 3<sup>rd</sup> party validation is required. Once validated the new activity type may be implemented and monitored as with all activity types.*

It is unlikely that this project will add an additional activity type at any time during the Project Period.

# References

FAO 2010. Global Forest Resources Assessment 2010. Terms and Definitions. Forest Resources Assessment Programme Working Paper 144/E Rome 2010.

ISO 14064-2:2006. Greenhouse Gases - Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements. First Edition 2006-03-01.

SPC/GIZ 2003. The Drawa model area forest management plan. Secretariat of the Pacific Community / Pacific German Regional Forestry Project, Suva.

United Nations 2008. United Nations Declaration of the Rights of Indigenous Peoples.

VCS 2011. VCS Standard. VCS Version 3 Requirements Document, 8 March 2011, v3.0. Available at: <http://www.v-c-s.org/program-documents>

## Evidence Requirement Documents

Evidence Requirements for this PD are available on this link:

<https://www.dropbox.com/sh/is5y860xkga917c/AAAE29ws5cx6-1dtTQkCACCxa?dl=0>

# Appendices

## APPENDIX 1: DRAWA BLOCK CONSERVATION MANAGEMENT PLAN

Supplied separately

## APPENDIX 2: DBFCC BUSINESS PLAN

Supplied separately

## APPENDIX 3A: LIVE & LEARN FIJI LICENSE AGREEMENT

Supplied separately

## APPENDIX 3B: DRAWA FOREST PROJECT PROGRAMME AGREEMENT

Supplied separately

## APPENDIX 3C: DRAWA FOREST PROJECT PES AGREEMENT

Supplied separately

## APPENDIX 4: CONSERVATION LEASE

Supplied separately

## APPENDIX 5: DBFCC BY-LAWS

Supplied separately

## APPENDIX 6: DEFINITIONS

A/R	Afforestation/Reforestation
Activity Type	Specifically defined carbon project activity combining a reference activity and a project activity to generate carbon benefits
Afforestation	Establishment of forest through planting and/or deliberate seeding on land that, until then, was not classified as forest (FAO 2010). See Explanatory Note below.
AFOLU	Agriculture, Forestry and Other Land Uses
Baseline Scenario	Carbon balance arising from baseline (BAU) activities
BAU	Business-as-Usual
Carbon balance	Sum of carbon in a system into account carbon stored in reservoirs, emissions of carbon from sources, and sequestration of carbon into sinks
Carbon benefits	Net CO <sub>2</sub> e benefits arising from total net avoided emissions and net enhanced removals
Carbon flux	Movement of carbon through different carbon pools
Carbon pool	Component of the earth system that stores carbon
Carbon reservoir	Carbon pool that stores carbon for long time scales
Carbon sink	Carbon pool that absorbs/sequesters carbon dioxide by transforming gaseous CO <sub>2</sub> e into a carbon-based liquid or solid
Carbon source	Carbon pool that emits carbon from a liquid or solid form into a gas
CCB	Climate Community and Biodiversity Standard
CDM	Clean Development Mechanism
CO <sub>2</sub> e	Carbon dioxide equivalent: translation of non-CO <sub>2</sub> GHG tonnes into equivalent CO <sub>2</sub> tonnes through conversion using global warming potential of non-CO <sub>2</sub> GHG
Compliance Space	What is contained within the GHG accounting boundary of a compliance GHG accounting regime (e.g. Kyoto Protocol, NZ ETS)
CSR	Corporate Social Responsibility
Deforestation	The conversion of forest to other land use or the long-term reduction of the tree canopy cover below the minimum 10 percent threshold (FAO 2010). See Explanatory Note below.
Eligible Area	Subset of Forest Area comprising area of forest eligible for crediting
Enhanced removals	Carbon sequestration assisted by management intervention to a level above what would occur naturally
Ex ante	Before the event (referring to future activities)
Ex post	After the fact (referring to past activities)
Forest Area	Subset of Project Area comprising forest land within Project Area
Forest Degradation	The reduction of the capacity of a forest to provide goods and services.
Forest Land	Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use (FAO 2010). See Explanatory Note below.
GHG	Greenhouse Gas

GIS	Geographical Information System
GPG	Good Practice Guidance
HWP	Harvested Wood Products
IFM	Improved Forest Management
IFM-LtPF	Improved forest management – logged to protected forest activity type
IPCC	Intergovernmental Panel on Climate Change
ISO	International Standards Organisation
License Agreement	The License Agreement is a contract between the Programme Operator and the Project Coordinator defining the terms and conditions for <ul style="list-style-type: none"> <li>a. Project Coordinator services to Project Owners and</li> <li>b. Project Coordinator responsibilities to the Programme Operator.</li> </ul>
LULUCF	Land Use, Land Use Change and Forestry
MRV	Measurement/Monitoring Reporting and Verification
Non-Forest Land	All land that is not classified as Forest or Other wooded land (FAO 2010). See Explanatory Notes for 'Other Land' below). Same definition as 'Other Land'.
Operational Forest Area	Term used in sustainable forest management plans delimiting area eligible for timber harvesting
Other Land	All land that is not classified as Forest or Other wooded land (FAO 2010). See Explanatory Notes below). Same definition as 'Non-Forest Land'.
Other Wooded Land	Land not classified as Forest, spanning more than 0.5 hectares; with trees higher than 5 meters and a canopy cover of 5-10 percent, or trees able to reach these thresholds in situ; or with a combined cover of shrubs, bushes and trees above 10 percent. It does not include land that is predominantly under agricultural or urban land use (FAO 2010). See Explanatory Note below.
Participants	The adult land/resource rights holders involved in the project – including, but not limited to the project owner group board/committee members.
PD	Project Description
PDD	Project Design Document (synonymous with PD in this document)
PES	Payment for Ecosystem Services
PES Agreement	The PES Agreement is a contract between the Project Coordinator and the Project Owner defining the terms of project development and project coordination services provided to the Project Owner, and specifying rights and responsibilities of the parties over a specified duration. The PES Agreement is also the legal foundation on which the Project Owner and Project Coordinator implement the project and distribute costs and benefits associated with the project.
<i>plan vivo</i>	An electronic or handwritten spatial land management plan, voluntarily produced and owned by a community, community sub-group or individual smallholder, which can form the basis of an agreement to provide payments or other forms of assistance for ecosystem services. See also: Conservation/Land Management Plan (or equivalent)
Project Area	Land ownership boundary within which carbon project will take place
Project Coordinator	The entity assisting the Project Owner to develop and implement the forest carbon project.
Project Governing	Subset of the Project Owner community appointed by the Project Owner

Board	community to govern the project in the interests of the Project Owner community.
Conservation/Land Management Plan (or equivalent)	The Conservation/Land Management Plan (or equivalent) is the <i>plan vivo</i> for the project
Project Management Workshop	Project Management Workshops are held annually between the Project Coordinator and the Project Owner and involve an ex post review and of completed project management activities undertaken in the previous calendar year of the project.
Project Monitoring Workshop	Project Monitoring Workshops are held periodically (maximum every 5 years) between the Project Coordinator and the Project Owner. They involve a review and approval (by the Project Owner) of the Project Monitoring Report (including PES Unit assertion) covering the Project Monitoring Period subject to the Project Monitoring Report.
Project Scenario	Carbon balance arising from project activities
Programme Operator	The entity that owns and administers the Nakau Programme. This entity is responsible for safeguarding the integrity of the Nakau Programme and its role is to a) govern the Nakau Programme; b) own the IP associated with Nakau Programme methodologies and protocols; c) be the beneficiary of any covenant on the land title of the Project Owner that protects the forest; d) own the buffer credits of the Nakau Programme; e) administer the buffer account with the registry; and f) act as the guardian of the Nakau Programme.
Project Owner	The owner of the forest and forest carbon rights subject to the project
Project Proponent	The Project Owner and Project Coordinator combined.
Project Scenario	Carbon balance arising from Project activities (carbon project change from BAU)
Protected Forest	Halting or avoiding activities that would reduce carbon stocks and managing a forest to maintain high and/or increasing carbon stocks
RED	Reducing Emissions from Deforestation
REDD	Reducing Emissions from Deforestation and Degradation
Reforestation	Re-establishment of forest through planting and/or deliberate seeding on land classified as forest (FAO 2010). See Explanatory Note below.
REL	Reference Emission Level: rate of GHG emissions under BAU
Removals	Carbon sequestered from the atmosphere into a carbon sink
SFM	Sustainable Forest Management
UNFCCC	United Nations Framework Convention on Climate Change
Validation	Independent audit of Project Description (PD) and/or Methodology
VCS	Verified Carbon Standard
Verification	Independent audit of Project Monitoring Reports

## Explanatory Notes:

### Forestry Definitions

All definitions and explanatory notes relating to forest and non-forest land, afforestation, reforestation, deforestation, forest degradation are taken from the FAO Global Forest Resources Assessment 2010.

### **Forest Land:**

1. Forest is determined both by the presence of trees and the absence of other predominant land uses. The trees should be able to reach a minimum height of 5 meters in situ.
2. Includes areas with young trees that have not yet reached but which are expected to reach a canopy cover of 10 percent and tree height of 5 meters. It also includes areas that are temporarily unstocked due to clear-cutting as part of a forest management practice or natural disasters, and which are expected to be regenerated within 5 years. Local conditions may, in exceptional cases, justify that a longer time frame is used.
3. Includes forest roads, firebreaks and other small open areas; forest in national parks, nature reserves and other protected areas such as those of specific environmental, scientific, historical, cultural or spiritual interest.
4. Includes windbreaks, shelterbelts and corridors of trees with an area of more than 0.5 hectares and width of more than 20 meters.
5. Includes abandoned shifting cultivation land with a regeneration of trees that have, or is expected to reach, a canopy cover of 10 percent and tree height of 5 meters.
6. Includes areas with mangroves in tidal zones, regardless whether this area is classified as land area or not.
7. Includes rubber-wood, cork oak and Christmas tree plantations.
8. Includes areas with bamboo and palms provided that land use, height and canopy cover criteria are met.
9. Excludes tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations and agroforestry systems when crops are grown under tree cover. Note: Some agroforestry systems such as the “Taungya” system where crops are grown only during the first years of the forest rotation should be classified as forest.

### **Other Wooded Land**

1. The definition above has two options:
  - The canopy cover of trees is between 5 and 10 percent; trees should be higher than 5 meters or able to reach 5 meters in situ.
  - The canopy cover of trees is less than 5 percent but the combined cover of shrubs, bushes and trees is more than 10 percent. Includes areas of shrubs and bushes where no trees are present.
2. Includes areas with trees that will not reach a height of 5 meters in situ and with a canopy cover of 10 percent or more, e.g. some alpine tree vegetation types, arid zone mangroves, etc.
3. Includes areas with bamboo and palms provided that land use, height and canopy cover criteria are met.

### **Other Land**

1. Includes agricultural land, meadows and pastures, built-up areas, barren land, land under permanent ice, etc.
2. Includes all areas classified under the sub-category “Other land with tree cover”.

## **Afforestation**

1. Implies a transformation of land use from non-forest to forest.

## **Reforestation**

1. Implies no change of land use.
2. Includes planting/seeding of temporarily unstocked forest areas as well as planting/seeding of areas with forest cover.
3. Includes coppice from trees that were originally planted or seeded.
4. Excludes natural regeneration of forest.

## **Deforestation**

1. Deforestation implies the long-term or permanent loss of forest cover and implies transformation into another land use. Such a loss can only be caused and maintained by a continued human-induced or natural perturbation.
2. Deforestation includes areas of forest converted to agriculture, pasture, water reservoirs and urban areas.
3. The term specifically excludes areas where the trees have been removed as a result of harvesting or logging, and where the forest is expected to regenerate naturally or with the aid of silvicultural measures. Unless logging is followed by the clearing of the remaining logged-over forest for the introduction of alternative land uses, or the maintenance of the clearings through continued disturbance, forests commonly regenerate, although often to a different, secondary condition.
4. In areas of shifting agriculture, forest, forest fallow and agricultural lands appear in a dynamic pattern where deforestation and the return of forest occur frequently in small patches. To simplify reporting of such areas, the net change over a larger area is typically used.
5. Deforestation also includes areas where, for example, the impact of disturbance, over utilization or changing environmental conditions affects the forest to an extent that it cannot sustain a tree cover above the 10 percent threshold.

## IUCN Definitions

All definitions for IUCN categories are taken from IUCN RED List:

[http://www.iucnredlist.org/static/categories\\_criteria\\_3\\_1#categories](http://www.iucnredlist.org/static/categories_criteria_3_1#categories)

### **Critically Endangered (CR)**

A taxon is Critically Endangered when the best available evidence indicates that it meets any of the following criteria (A to E), and it is therefore considered to be facing an extremely high risk of extinction in the wild:

A. Reduction in population size based on any of the following:

1. An observed, estimated, inferred or suspected population size reduction of  $\geq 90\%$  over the last 10 years or three generations, whichever is the longer, where the causes of the reduction are clearly reversible AND understood AND ceased, based on (and specifying) any of the following:

- (a) direct observation
- (b) an index of abundance appropriate to the taxon
- (c) a decline in area of occupancy, extent of occurrence and/or quality of habitat
- (d) actual or potential levels of exploitation
- (e) the effects of introduced taxa, hybridization, pathogens, pollutants, competitors or parasites.

2. An observed, estimated, inferred or suspected population size reduction of  $\geq 80\%$  over the last 10 years or three generations, whichever is the longer, where the reduction or its causes may not have ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

3. A population size reduction of  $\geq 80\%$ , projected or suspected to be met within the next 10 years or three generations, whichever is the longer (up to a maximum of 100 years), based on (and specifying) any of (b) to (e) under A1.

4. An observed, estimated, inferred, projected or suspected population size reduction of  $\geq 80\%$  over any 10 year or three generation period, whichever is longer (up to a maximum of 100 years in the future), where the time period must include both the past and the future, and where the reduction or its causes may not have ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

B. Geographic range in the form of either B1 (extent of occurrence) OR B2 (area of occupancy) OR both:

1. Extent of occurrence estimated to be less than 100 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at only a single location.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) number of locations or subpopulations

(iv) number of mature individuals.

2. Area of occupancy estimated to be less than 10 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at only a single location.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) number of locations or subpopulations
  - (iv) number of mature individuals.

C. Population size estimated to number fewer than 250 mature individuals and either:

1. An estimated continuing decline of at least 25% within three years or one generation, whichever is longer, (up to a maximum of 100 years in the future) OR
2. A continuing decline, observed, projected, or inferred, in numbers of mature individuals AND at least one of the following (a-b):
  - (a) Population structure in the form of one of the following:
    - (i) no subpopulation estimated to contain more than 50 mature individuals, OR
    - (ii) at least 90% of mature individuals in one subpopulation.
  - (b) Extreme fluctuations in number of mature individuals.

D. Population size estimated to number fewer than 50 mature individuals.

E. Quantitative analysis showing the probability of extinction in the wild is at least 50% within 10 years or three generations, whichever is the longer (up to a maximum of 100 years).

## **Endangered (EN)**

A taxon is Endangered when the best available evidence indicates that it meets any of the following criteria (A to E), and it is therefore considered to be facing a very high risk of extinction in the wild:

A. Reduction in population size based on any of the following:

1. An observed, estimated, inferred or suspected population size reduction of  $\geq 70\%$  over the last 10 years or three generations, whichever is the longer, where the causes of the reduction are clearly reversible AND understood AND ceased, based on (and specifying) any of the following:
  - (a) direct observation
  - (b) an index of abundance appropriate to the taxon
  - (c) a decline in area of occupancy, extent of occurrence and/or quality of habitat
  - (d) actual or potential levels of exploitation
  - (e) the effects of introduced taxa, hybridization, pathogens, pollutants, competitors or parasites.
2. An observed, estimated, inferred or suspected population size reduction of  $\geq 50\%$  over the last 10 years or three generations, whichever is the longer, where the reduction or its causes may not have

ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

3. A population size reduction of ≥50%, projected or suspected to be met within the next 10 years or three generations, whichever is the longer (up to a maximum of 100 years), based on (and specifying) any of (b) to (e) under A1.

4. An observed, estimated, inferred, projected or suspected population size reduction of ≥ 50% over any 10 year or three generation period, whichever is longer (up to a maximum of 100 years in the future), where the time period must include both the past and the future, and where the reduction or its causes may not have ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

B. Geographic range in the form of either B1 (extent of occurrence) OR B2 (area of occupancy) OR both:

1. Extent of occurrence estimated to be less than 5000 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at no more than five locations.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) number of locations or subpopulations
  - (iv) number of mature individuals.

2. Area of occupancy estimated to be less than 500 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at no more than five locations.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) number of locations or subpopulations
  - (iv) number of mature individuals.

C. Population size estimated to number fewer than 2500 mature individuals and either:

1. An estimated continuing decline of at least 20% within five years or two generations, whichever is longer, (up to a maximum of 100 years in the future) OR

2. A continuing decline, observed, projected, or inferred, in numbers of mature individuals AND at least one of the following (a-b):

- (a) Population structure in the form of one of the following:

- (i) no subpopulation estimated to contain more than 250 mature individuals, OR
- (ii) at least 95% of mature individuals in one subpopulation.

(b) Extreme fluctuations in number of mature individuals.

D. Population size estimated to number fewer than 250 mature individuals.

E. Quantitative analysis showing the probability of extinction in the wild is at least 20% within 20 years or five generations, whichever is the longer (up to a maximum of 100 years).

## **Vulnerable (VU)**

A taxon is Vulnerable when the best available evidence indicates that it meets any of the following criteria (A to E), and it is therefore considered to be facing a high risk of extinction in the wild:

A. Reduction in population size based on any of the following:

1. An observed, estimated, inferred or suspected population size reduction of  $\geq 50\%$  over the last 10 years or three generations, whichever is the longer, where the causes of the reduction are: clearly reversible AND understood AND ceased, based on (and specifying) any of the following:

- (a) direct observation
- (b) an index of abundance appropriate to the taxon
- (c) a decline in area of occupancy, extent of occurrence and/or quality of habitat
- (d) actual or potential levels of exploitation
- (e) the effects of introduced taxa, hybridization, pathogens, pollutants, competitors or parasites.

2. An observed, estimated, inferred or suspected population size reduction of  $\geq 30\%$  over the last 10 years or three generations, whichever is the longer, where the reduction or its causes may not have ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

3. A population size reduction of  $\geq 30\%$ , projected or suspected to be met within the next 10 years or three generations, whichever is the longer (up to a maximum of 100 years), based on (and specifying) any of (b) to (e) under A1.

4. An observed, estimated, inferred, projected or suspected population size reduction of  $\geq 30\%$  over any 10 year or three generation period, whichever is longer (up to a maximum of 100 years in the future), where the time period must include both the past and the future, and where the reduction or its causes may not have ceased OR may not be understood OR may not be reversible, based on (and specifying) any of (a) to (e) under A1.

B. Geographic range in the form of either B1 (extent of occurrence) OR B2 (area of occupancy) OR both:

1. Extent of occurrence estimated to be less than 20,000 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at no more than 10 locations.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:

- (i) extent of occurrence
- (ii) area of occupancy
- (iii) number of locations or subpopulations
- (iv) number of mature individuals.

2. Area of occupancy estimated to be less than 2000 km<sup>2</sup>, and estimates indicating at least two of a-c:

- a. Severely fragmented or known to exist at no more than 10 locations.
- b. Continuing decline, observed, inferred or projected, in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) area, extent and/or quality of habitat
  - (iv) number of locations or subpopulations
  - (v) number of mature individuals.
- c. Extreme fluctuations in any of the following:
  - (i) extent of occurrence
  - (ii) area of occupancy
  - (iii) number of locations or subpopulations
  - (iv) number of mature individuals.

C. Population size estimated to number fewer than 10,000 mature individuals and either:

- 1. An estimated continuing decline of at least 10% within 10 years or three generations, whichever is longer, (up to a maximum of 100 years in the future) OR
- 2. A continuing decline, observed, projected, or inferred, in numbers of mature individuals AND at least one of the following (a-b):
  - (a) Population structure in the form of one of the following:
    - (i) no subpopulation estimated to contain more than 1000 mature individuals, OR
    - (ii) all mature individuals are in one subpopulation.
  - (b) Extreme fluctuations in number of mature individuals.

D. Population very small or restricted in the form of either of the following:

- 1. Population size estimated to number fewer than 1000 mature individuals.
- 2. Population with a very restricted area of occupancy (typically less than 20 km<sup>2</sup>) or number of locations (typically five or fewer) such that it is prone to the effects of human activities or stochastic events within a very short time period in an uncertain future, and is thus capable of becoming Critically Endangered or even Extinct in a very short time period.

E. Quantitative analysis showing the probability of extinction in the wild is at least 10% within 100 years.

List other appendices...