

Name of Reviewer: Koen Meyers

Date of Review: 04-03-2015 until 07-03-2015

Project Name: Community Forests for Climate, People, and Wildlife: Hutan Desa Durian Rambun, Jambi

Project Description: Avoided Deforestation and Forest Conservation

List of Documents Reviewed: PDD, Technical Specification, Carbon Calculation Spreadsheets, all legal documents necessary to obtain tenure, all documents related to social issues (Benefit sharing arrangements, PRA, Village profile, Well-being criteria, etc.), all maps regarding to the site (*plan vivo* Zonation), land cover, deforestation.

Description of field visits (including list of sites visited and individuals/groups interviewed):

13-03-2015: Meeting with FFI field staff in Bangko, 14-03-2015: Travel from Bangko to Durian Rambun; Meeting with four community groups, village head, ex-village head, Head of Badan Pemusyawarahan Desa (BPD) or village parliament, Head of LPHD or Village Forest Management Unit, village secretary, and all male community members, 15-03-2015: Field visit to permanent carbon plots, assessing condition of forest, assessing ability of community members to monitor carbon plots; meeting with women's group, 16-03-2015: Travel from Durian Rambun to Bangko; Analysis of documents; 17-03-2015: Meeting with FFI team and local partner, Lembaga Tiga Beradik (LTB)

Validation Opinion: The project fulfils the standards of Plan Vivo, though some minor corrective Actions still need to be conducted before full validation.

Table 1. Summary of major and minor Corrective Actions

Theme	Major CARs	Minor CARs	Observations
Governance		5	
Carbon		2	
Ecosystem			
Livelihoods		3	

Theme 1. Effective and Transparent Project Governance

Ensuring that the project meets requirements 3.1-3.16 of the Plan Vivo Standard (2013)

A. Requirement	<p>1.1 Administrative capabilities</p> <p>Is there a legal and organisational framework in place that has the sufficient capacity and a range of skills to implement all the administrative requirements of the project? Aspects of this framework may include:</p> <ul style="list-style-type: none"> 1.1.1 A legal entity (project coordinator) that is able to enter into sale agreements with multiple producers or producer groups for carbon services 1.1.2 Standard sale agreement templates for the provision of carbon services 1.1.3 Systems for maintaining transparent and audited financial accounts able to the secure receipt, holding and disbursement of payments to producers 1.1.4 All necessary legal permissions to carry out the intended project activities 1.1.5 Mechanisms for participants to discuss issues associated with the design and running of the project 1.1.6 Procedures for addressing any conflicts that may arise 1.1.7 Ability to produce reports required by Plan Vivo on a regular basis and communicate regularly with Plan Vivo
B. Guidance Notes for Validators	<p>Organisational and administrative capacity may be demonstrated through:</p> <ul style="list-style-type: none"> • A record of managing other projects - especially those involving the receipt, safeguarding and management of funds and disbursement of these to smallholders/community groups • Project staff who can explain the legal status of the organisation and its management and financial structure i.e. how funds will be held and transferred – backed up by evidence of setting up bank accounts and record-keeping systems etc. • The views of others who have worked with the organisation in the past (such as government, other project partners or other NGOs) • A visibly efficient and functioning office with all necessary staff
C. Findings (describe)	<p>1.1.1 Under Indonesian law, International NGOs (INGO) operating in Indonesia are not allowed to conduct profit-based activities. As a carbon sale agreement is regarded as a commercial activity, FFI cannot receive direct payments for carbon credits. FFI has set up two potential payment models to effectively overcome this restriction. The buyer can decide on which model to use, depending on individual preference and specific requirements.</p> <p>In the first model, the Lembaga Pengelolaan Hutan Desa (LPHD) or Village Forest Management Body Rio Kemunyang would sign ERPAs directly with buyers, while communities and FFI would enter a</p>

	<p>performance-based service agreement. Although FFI would not be a signatory in the ERPA, there are various safeguards included in the text of the ERPA to ensure that FFI provide project coordination support and to ensure adherence to the requirements of the Plan Vivo Standard.</p> <p>In the second model, an association (perkumpulan), called CFES (Community Forest Ecosystem Service), set up by Indonesian staff members of FFI will act as the intermediary between communities and buyers and sign contracts with both communities and buyers. The association was established on 29 August 2014, and is recognized by Notary Act Rosita Rosinauli Sianipar, No 372. The official address of CFES is the same as the FFI Office in Jakarta. CFES fulfils the governmental regulations regarding associations, including having an organizational and management structure as well as regulations. CFES has opened a Bank Account at the Mandiri Bank in Jakarta.</p> <p>The above two options provide solid mechanisms to enter into a carbon sale agreements.</p> <p>Both of these options depend on a village organization, LPHD. The organization was established at village level by the Head of the Village Decree (SK 001/II/DR/2012) regarding the establishment of Village Forest Management Body Rio Kemunyang. The organization is recognized as a legal entity under Indonesian Law. According to the Ministerial regulation P.89/Menhet-II/2014 regarding Village Forest, the LPHD has to establish a cooperative or other form of business entity in order to commercially sell timber. However, the regulation does not stipulate anything in regard to the sales of carbon. Compared to the LPHD in Ketapang (West Kalimantan), the issue in Jambi is that the LPHD is not recognized as a legal entity by the local banks and therefore not able to open an official bank account in the name of LPHD. The establishment of a cooperative or other commercial entity could be a solution to the issue. However, this option is both very lengthy (it could take a number of years) and entails certain risks as business parties might approach the LPHD to purchase timber in the Hutan Desa. Another solution is to obtain a letter of recommendation from the community that gives the mandate to the Head of LPHD to open a bank account on behalf of the LPHD in his name. Durian Rambun society is homogenous and traditional social control mechanisms still play an important role in the daily life of the community. The risk related to having a private bank account instead of a bank account in the name of LPHD is therefore regarded as minimal. However, a long-term solution needs to be sought, since transferring payments to a private account may include risks besides corruption (e.g. what will happen in case the Head of LPHD is sick and cannot retrieve funds?). This issue is elaborated in more detail below (see 6.6).</p>
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	<p>1.1.2 Although templates have not yet been drafted at the time of writing, the project coordinator has guaranteed that these will be drafted as soon as the project is validated. The template will draw on previously developed FFI ERPAs (Siawan Belida REDD+ project) and on elements of already existing PES agreement templates, which have been used for trial payments with communities. In both cases, the sales agreement will ensure that requirements and recommendations of the Plan Vivo Standard are met. Key elements that will feature in sales agreements include:</p> <ul style="list-style-type: none"> - Clear roles and responsibilities of parties involved - Performance monitoring targets, procedures, and timetable - Payment schedule - Details of the link between performance thresholds (100% target met; 50% etc) and payment thresholds - Commitment by project coordinator to market the project and facilitate negotiation of ERPAs between buyers/funders and communities if necessary; - Responsibility by project coordinator for overseeing project MRV and reporting to the Plan Vivo Foundation, and need for it to retain its role in ensuring that certificates are only issued upon performance targets being met. - If buyers want to transfer one or more years of payments upfront, FFI proposes that funds are paid into an Escrow account, and held until targets are met, monitored and reported on. <p>1.1.3 FFI has established two options for maintaining transparent and audited financial accounts based on both legal entities that are able to enter into sales agreement. In both cases, following the signing of an ERPA, the buyer will transfer the funds to a holding account until Plan Vivo certificates are issued.</p> <p>In the case where the ERPA is signed between buyer and CFES, all funds will be transferred to the CFES bank account. In the case where the ERPA is signed between buyer and communities, funds will be transferred directly to the LPHD account.</p> <p>The issue in Durian Rambun is that the LPHD, though established as a governmental organization, is unable to obtain a bank account. The bank account is therefore currently in the name of the Head of the LPHD. Though transferring money directly into a private account may not be ideal long-term, the system can be used in the start-up period. The Head of LPHD has a high-level of trust from the community and he shares his bank account statements openly with the community on a monthly basis. However, a more permanent solution needs to be sought because transferring the payments to a private account includes many risks (e.g. what will happen in case the Head of LPHD is sick or passes away).</p> <p>In both cases, funds will be paid to communities in quarterly instalments, each time following activity and financial reports. At</p>
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	<p>community level, the LPHD will manage the funds and transfer them to community groups. All community groups have received training on financial and narrative reporting. The community groups currently submit their financial report and narrative report after each activity. It is recommended that financial reports and narrative reports are submitted once a month to streamline reporting mechanism at village level. The Head and treasurer of LPHD will check all financial and activity reports before compiling them in three monthly reports and sending them to FFI for further audit and analysis by the administrative and technical staff of FFI Indonesia. If the reports are approved (demonstrate sufficient transparency and accountability and achievement of targets) and upon submission of the following quarterly workplan and budget, the next sum of funds will be transferred to LPHD. Aside from the above, an additional audit will be conducted every six months by FFI administrative staff. Results and feedback from the Audit will be discussed with LDPHD. Additional training might be given to LPHD if financial reporting is regarded as weak.</p> <p>One hundred million (trial payment from grant finance) was disbursed to the communities in May 2014. The communities have already reported the expenses of 95 million. The 95 million has been audited by FFI and no issues were encountered.</p> <p>All necessary legal permissions to carry out the intended project activities have been fulfilled. As the process to obtain the status of Hutan Desa, and thereby the legal permission to carry out the intended process, was very complex and labour intensive, I have listed the most important steps of the process. All following documents and steps are required to obtain the legal permission to carry out the project: 1) In response to a principle permit from the Ministry of Forestry giving an industrial plantation concession to Asian Pulp and Paper (APP), 17 villages came together with support from civil society organizations to reject the License for Industrial Timber Plantation (IUHPHHK-HTI). Together the villages requested that 49, 514 hectares of village land be given local tenure rights and be allocated for village forest designation. Based on the opposition of the local communities, the Minister of Forestry decided to revoke the license to APP (S.746/Menhut-VI/Set/2009, 23-011-200). 2) In 2009, the Bupati/Head of Merangin District submitted a request (522/IIII/PH/DISBUNHUT/2009) to have 49,514 hectares of production and protection forest, located in 17 villages, designated as Hutan Desa (Village Forest). 3) On 18th January 2010, the Head of the Village of Durian Rambun submitted a request to the Bupati of Merangin (525/10/DRMBN/2010), asking that 2,500 hectares of village land be designated as Village Forest. 4) A Verification Team of the Ministry of Forestry visited Durian Rambun village to check whether the following legal documents were available and corresponded to the reality: a) Village profile, b) Public Announcement of Village Agreement of Hutan Desa designation, c) Public Agreement between Durian Rambun and four adjacent villages regarding village boundaries. On October 8, 2010, the Verification Team issued a Public Announcement</p>
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	<p>with the results of the verification (Berita Acara Hasil Verifikasi, 8 Oktober, 2010). 5) Based on the results of the verification, the Minister of Forestry issued a decision (SK 361/MENHUT-II/2011) in 2011 designating 4,484 hectares of existing Production Forest in Durian Rambun as Village Forest. 6) In 2012, the Head of the Village and Village Parliament (Badan Permusyawaratan Desa, BPD) of Durian Rambun made a public announcement that they agreed to establish a management unit for the Hutan Desa Rio Kemuyang, Durian Rambun. 7) In May 2012, the Head of the Village submitted a request (001/V/HD-RK/2012) via the Bupati of Merangin District to the Governor of Jambi Province to obtain a Village Forest Management Right (Hak Pengelolaan Hutan Desa, HPHD). The request included supporting documents, such as Village Regulations, Maps, and Village Head Decision appointing the Head of LPHD (based on village election). 8) In July 2012, the Bupati of Merangin District sent a request to the Governor of Jambi Province to grant the LPHD with the Village Forest Management Right (HPHD). 9) Following up on the letter from the Bupati of Merangin, the Governor of Jambi Province issued a decision (401/KEP.GUB/DISHUT-4.1/2013) requesting a verification team from the Forestry Unit at the Provincial level (Dinas Kehutanan Tingkat I) to assess if all legal obligations were fulfilled to issue a HPHD. 10) After the verification team visited the village and assessed all documents, they issued a Public Announcement in March 2013 (Berita Acara Tim Verifikasi 18 Maret, 2013) stating that all legal requirements were fulfilled. 11) The Bupati of Merangin followed up on the Public Announcement by sending in June 2013 a recommendation (522-1/413.6/DISHUNBUT/2013) to issue the Village Forest Management Right (HPHD). 12) On 31 July 2013, the Governor of Jambi Province issued a decree (82/KEP.GUB/BPHD-PTT4/2013) giving the LPHD Rio Kemunyang, Desa Durian Rambun, and the Village Forest Management Right (HPHD). Obtaining the HPHD was the last necessary legal permission to carry out the project. Though there might be a need to obtain an additional carbon-trading license in the expansion phase of the project, the existing national regulations regarding obtaining carbon trading licenses are currently still unclear. Government regulations on REDD+ projects state that all REDD+ projects in Indonesia need to have a license from Ministry of Forestry for carbon sales (p.36/2009 tentang tata cara perizinan usaha pemanfaatan karbon pada hutan produksi dan hutan lindung, p.20/2012 tentang Penyelenggaraan Karbon Hutan). However there is currently no way for REDD+ projects to formally register and obtain a license. A Government Regulation (Peraturan Pemerintah 12/2014) on non-tax revenue on forestry mentions that a 10% non-revenue tax should be paid on carbon sales. As the project is very small and managed by local communities, government officials have informed the project coordinator that there is no need to pay the 10 % non-tax revenue, as required for large-scale carbon projects. In the case that buyers are not interested in offsetting their emissions, revenues might be considered grant money instead of sales and this would allow the project to channel more of the revenue to communities and</p>
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	<p>forest management activities.</p> <p>1.1.4 Mechanisms for participants to discuss issues associated with the design and running of the project</p> <p>The project used the Free Prior and Informed Consent (FPIC) principle, which provided the community with the right to give or withhold its consent to the project. The communities were involved actively in the design of the project through a broad range of consultation meetings and capacity building workshops. The principle of engaging community members to discuss issues related to the design and running of the project will be applied throughout the project period. The mechanism for participants to discuss issues with the project consists of the traditional Musyuwarah Mufakat, i.e. deliberation and consensus (see 1.3.3). Community members are able to discuss all issues regarding design and running of the project with the Head of the LPHD. When an issue is regarded of particular concern, the Head of LPHD will organize a village meeting where community members get an equal opportunity to express his/her ideas or concerns. The community will discuss the issue until all community members have reached a consensus. The Head of the LPHD will then send the minutes of the meeting to the project coordinator for eventual follow-up. If a concern is raised in the minutes of the meeting, the project coordinator will visit the village and participate on its turn in a Musyuwarah Mufakat with the local community.</p> <p>1.1.5 Procedures for addressing any conflicts that may arise</p> <p>The Project Coordinator has facilitated the establishment of procedures for addressing conflicts at community level. The conflict resolution mechanism is using customary conflict resolution mechanisms, and is therefore regarded as highly appropriate. A grievance mechanism has been established at village level. Mr. Usma, a highly respected community leader with strong knowledge on customary laws and Islam was elected by the community to act as the ombudsman for the project. Communities can talk directly to the ombudsman if they have any complaints regarding the project. The ombudsman will then call a meeting with the Head of the LPHD, the Village Head, and other village leaders. He will then call for a customary deliberation village meeting (Musyawarah Desa) in which he will explain how they addressed the complaint and receive feedback from the communities. A similar mechanism is used in case of conflicts. The Musyawarah Desa or deliberation village meeting is a customary practice of seeking consensus between conflicting parties. It is traditionally used at village level in Malayu communities, such as Durian Rambun, as a basis for democratic decision-making and conflict resolution. The Musyawarah Desa can be regarded as a consensus-based decision-making process that gives each community member, despite his/her socio-economic status, an equal opportunity</p>
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	<p>to express his/her interests. The only downside of the Musyawarah system is that it may take a long time to come to a decision. However, as Durian Rambun is an ethnically homogenous and traditional community, it would be unwise to replace the existing customary mechanisms for conflict resolution with an alien/foreign conflict resolution system.</p> <p>Conflicts with third parties outside the village are not anticipated, as the legal framework for Hutan Desa is very clear and strong. Any third party conflicts could therefore be handled through Indonesia's legal and judiciary system. The project also receives very strong support from the Government, including the Kesatuan Pengelolaan Hutan (Forest Management Unit), responsible for the decentralization the management of forests.</p> <p>1.1.6 Ability to produce reports required by Plan Vivo on a regular basis and communicate regularly with Plan Vivo</p> <p>Both the community and the project coordinator have the capacity to produce reports on a regular basis. The Head of the LPHD receives both financial and narrative reports from the community groups a few days after they have implemented an activity. The Head of LPHD checks and revises the narrative reports before sending them on the Project Coordinator. The Project Coordinator visits the village at least once a week and cross-checks the community reports on the ground. The Project Coordinator drafts quarterly narrative reports, which are compiled in an annual report. As the Project Coordinator receives grant money, they are used to produce qualitative reports on a regular basis. The FFI Office in Bangko produced more than 30 activity reports during the last four years. Here are FFI team profiles describing individual strengths and skillsets of the team supporting this project:</p> <p>Ahmad Kusworo – Community Forest and Climate Advisor (Design, Management & Implementation)</p> <p>Dr Kusworo holds the position of Community Forestry REDD+ Advisor, joining the FFI Indonesia Programme in 2009. He has been involved in activities in Jambi for the past year, providing technical input to REDD+ activities and community forestry. He previously worked for the World Agroforestry Centre/ICRAF and WWF on natural resource management and biodiversity conservation; and more recently for UNDP and AusAID on natural resource governance. He completed his PhD in anthropology, from the Australian National University in 2005, which focussed on issues of forest encroachment in Lampung Province, Sumatra. He is also member of the Senior Management Team of FFI's Indonesia Programme.</p>
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	<p>Ibnu Andrian - Project Leader</p> <p>Since 2010 Ibnu Andrian is the FFI Indonesia Programme Project Leader for the program "Village Forest Conservation Project in Merangin", with the primary task of coordinating the implementation of field programmes to run properly. Born and raised in Berbak National Park buffer area, he is a native son of Jambi, graduated from the Faculty of Economics, University of Jambi in 2003 and has been active in NGO activism since 1999. Before the FFI-IP, he worked in the EC-Indonesia FLEGT Support Project as a Conflict Resolution Specialist. Previously, he has worked and became project leader in several local NGOs/sub-national in Jambi (including, WALHI Jambi, Cakrawala Foundation, Gita Buana Foundation, WALESTRA Foundation, and others) for conservation programmes, community empowerment and advocacy forestry crimes, both in coastal/wetland areas and in the highlands. He was also one of the early initiators of the development of a model village forest in Jambi in 2002 together with Prof. San Afri Awang from the University of Gadjah Mada. He has capability to design and plan using participatory approaches, such as participatory mapping, participatory rural appraisal, participatory action research, etc.</p> <p>Hariyo T. Wibisono - Forest and Biodiversity Advisor - Hariyo "Beebach" Wibisono has been working as a field scientist and a conservation manager since 1993 and joined FFI in 2013. Beebach holds a master degree in Wildlife and Fisheries Conservation from the University of Massachusetts and has worked with several leading conservation institutions, mostly within the Wildlife Conservation Society (WCS) Indonesia Program. He is a nationally recognized expert in large mammal survey techniques and has provided trainings for Indonesian conservationists from various organizations. Beebach led the WCS' Tiger Forever initiative in Sumatra, WCS-IP's island-wide survey for large mammals in Sumatra, and currently chairs the supervisory board of HarimauKita, the Indonesia Tiger Conservation Forum made up of 105 tiger conservationists from 25 major organizations working to save the Sumatran tiger (www.harimaukita.or.id). He is a member of the IUCN Cat Specialist Group since 2010 (www.catsg.org) and has published many scientific papers in international peer-reviewed conservation journals.</p> <p>Sugeng Raharjo – Forest & Land-Use Governance Advisor (Implementation)</p> <p>Sugeng joined the FFI Indonesia Programme as Forest & Land-Use Governance Advisor in 2009. He has 15 years' experience as a natural resource management (NRM) specialist, focussing on participatory approaches and with expertise in spatial planning, community-forestry licensing, and facilitation of Forest Management Units (KPH). Previous employers include Winrock International, USAID Local</p>
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	<p>Governance Support Programme, and IRG International (USAID).</p> <p>Arozawato Zandroto, Operations Support Manager – FFI Indonesia Programme (Finance)</p> <p>Aro brings more than 10 years' experience in auditing, accounting, finance and administration as well as HR expertise to the FFI Indonesia Programme. When working for Plan International he managed a program budget in excess of US \$ 23 Million with more than 20, primarily statutory donors. He has been working with FFI since 2008, initially managing a multi-donor program in Aceh, before moving to Jakarta as Operations Suport Manager for the country program as a whole. Aro has Bachelors' Degree in Economics from Gadjah Mada University.</p> <p>Ricky Hariwibowo - Field Office Manager (Administration and Field Finance)</p> <p>Ricky joined FFI-Indonesia Programme in 2011 to manage Administration & Finance in the program "Village Forest Conservation Project in Merangin", with the primary task of coordinating the office administrative and financial reporting program. Born in Lampung, he completed S1-Economics at the University of Lampung in 2002, he previously worked at one of the major NGOs in Lampung –WATALA Foundation since 2004 to 2010 as the Bookkeeper position, progressing to Finance Manager in 2007.</p> <p>Abdul Hadison - Non-Timber Forest Product (NTFP) Field Manager</p> <p>Didi join FFI-Indonesia Programme in the end of 2012 to help Project Leader as NTFP Field Manager for the program "Village Forest Conservation Project in Merangin", with the primary task of provide technical input specifically to support and build capacity of producer groups, survey potential for production in new areas, develop the supply chain including production, processing and inputs to local, domestic and international marketing, establish business plans. Born in Pulau Kijang, Riau Province, he completed graduated from the Faculty of Agriculture, University of Jambi in 1998 and has been active in the major NGO in Jambi – Gita Buana Foundation since 1996 as village facilitator and mapping specialist and from 2010 – 2012 as a Executive Director in Gita Buana Foundation.</p> <p>Lambok Panjaitan (Senior Field Support)</p> <p>Lambok join FFI-Indonesia Programme in 2011 to help Project Leader as Senior Field Support for the program "Village Forest Conservation Project in Merangin", with the primary task coordinationg implemtation of project activities in the Merangin District. Born in Sidagal, North Sumatra Province, he completed graduated from the</p>
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	<p>Faculty of Agriculture, University of Jambi in 2004 and has been active in the major NGO in Jambi – Gita Buana Foundation since 2000 as village facilitator and mapping specialist, and from 2009 to end of 2010 as a project coordinator in Gita Buana Foundation.</p> <p>Fahrudin - Sarolangun Field Support</p> <p>Fahrudin join FFI-Indonesia Programme in 2012 to help Project Leader and Seior Field Support for the program "Village Forest Conservation Project in Merangin", with the primary task coordinationg implemtation of project activities in the Sarolangun District. Born in Sarolangun, Jambi Province, he completed graduated from the Faculty of Sociology, University of Andalas in 2005 and has been active in the NGO in Jambi – LP3D Foundation since 2010 as researcher.</p> <p>Joseph Adiguna Hutabarat - Solid academic background as teaching assistant in ITB (Indonesia) and Indiana University (USA) on ecology, biology conservation, land use land cover change (LULCC) analyses, and spatial analysis for land feasibility assessment. He has experience in assessing biodiversity and high conservation value (HCV) including forest threats in Sumatra and Kalimantan landscape. He has experience in project management and has been developing community-level projects for accessing payments for ecosystem services (PES) under the Reducing Emissions from Deforestation and forest Degradation (REDD+) framework in Lombok, Kalimantan, and Sumatra.</p> <p>Darmawan Liswanto – Director, Indonesia Program (Design, Management Oversight & Monitoring)</p> <p>Darmawan has over 20 years' experience working in Indonesia on nature conservation, particularly related to protected area management, species conservation, forest governance and law enforcement. He holds a BSc in Wildlife Ecology and Conservation from the Faculty of Biology, National University Jakarta. He joined FFI in 2009 as the Indonesia Programme Director, managing FFI's largest country programme globally which covers projects on forest and biodiversity management, watershed management, REDD+, High Conservation Value Forest assessment and management planning, flagship species conservation and education/awareness initiatives. He participated as a member of the national policy and regulation development team in the forestry sector, and has joined in Indonesian Government delegations to international forestry and climate change fora on several occasions. Previously Darmawan managed the USAID Kalimantan Orangutan Conservation Support Program (OCSP) and was Executive Director for Titian Foundation, a sub-national/local NGO with a focus on conservation, forest policy, governance and social empowerment. Darmawan was a founding member of the Indonesia High Conservation Value (HCV) network and has actively promoted</p>
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	<p>HCVF assessment in timber and mining concession as well as in oil palm plantation as a key tool to develop best management practices to integrate biodiversity conservation as part of the company operations procedure.</p> <p>Samantha Citroen - Senior Forest Carbon Specialist (Project Design and Implementation)</p> <p>Samantha holds a Bachelor of Forestry (First-class Honors), The University of Melbourne, Australia and joined FFI in 2009. Samantha has provided technical support to FFI 'Reducing Emissions from Deforestation and Forest Degradation' (REDD+) projects, including advising on the development, design and implementation of field surveys for the collation of forest carbon field data, undertaking preliminary carbon scenario modelling to assess feasibility and consider design aspects of REDD+ projects; and providing general advice and input into FFI REDD+ activities and developments, based on carbon accounting principles in the Verified Carbon Standard and IPCC Guidelines. As part of this role, assignments to date have included work in Indonesia, Philippines, Vietnam, Cambodia, Liberia and Ecuador. Before joining FFI, Samantha provided input into a range of consultancies, with a focus on assistance to carbon plantation businesses in developing and implementing management practices in accordance with national carbon accounting standards.</p> <p>Dorothea Pio – Biodiversity Finance Specialist (Support to field staff)</p> <p>Dorothea holds PhD in Life Sciences from the University of Lausanne, Switzerland. She joined FFI in 2012 and is involved in various aspects of the development and implementation of REDD+ projects, from liaising with carbon standards and future carbon credit buyers, to developing marketing materials and supporting field (as well as internationally-based) teams to write and submit PDDs. She has been involved in commercial REDD+ project development in Indonesia and Ecuador, but more recently has been focused on community-based REDD+ initiatives validated under the Plan Vivo Standard. Before joining Fauna & Flora International she was based in Indonesia working for UNESCO and supporting protected area management in Sumatra for 3 years. She has a background in tropical forest ecology and conservation and wrote a doctoral thesis on the effects on climate change induced extinctions on the tree of life.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>
D. Corrective Actions (describe)	<p>Minor CAR</p> <ol style="list-style-type: none"> 1. Due to the complexity of REDD+ in Indonesia, it is recommended that a legal analysis is conducted of all existing and draft agreements to 		

	<p>ensure that they are conform with Indonesian constitution.</p> <p>STATUS: Closed. The Project Coordinator is currently performing a legal analysis for all the existing and draft agreements to ensure they are compatible with Indonesian Law. The expected timeframe for the completion of the task is February/March 2016. The results of the analysis will be shared with the Plan Vivo Foundation.</p> <p>Minor CAR</p> <ol style="list-style-type: none"> 2. Explore the possibility to establish a cooperative or other entity to enable opening a community, even though this might take several years. <p>Response from FFI: A community bank account in the name of LPHD has now been opened with Mandiri (confirmation below)</p>  <p>STATUS: Closed. A community bank account has been opened as recommended.</p> <p>Minor CAR</p> <ol style="list-style-type: none"> 3. Community groups should submit financial and activity reports on a monthly basis to ensure streamlining of administrative and financial processes. <p>Response from FFI: Monthly reporting practice has now been adopted and from September 2015 onwards reports are being provided in soft copy.</p> <p>STATUS: Closed. The recommendation has been accepted by the Project Coordinator.</p>
A. Requirement	<p>1.2 Technical capabilities</p> <p>Is the project through its staff or partners able to provide timely and good quality technical assistance to producers and/or communities in planning and implementing the productive, sustainable and economically viable forest management, silvicultural and agroforestry actions proposed for the project and for any additional livelihoods activities that are also planned?</p>

B. Guidance Notes for Validators	<p>Technical capabilities may be determined through:</p> <ul style="list-style-type: none"> Discussions with project staff who should be able to define clearly who is responsible for the provision of technical support Interviews with project staff to demonstrate that they are familiar with the content of project technical specifications e.g. species to be planted, spacing requirements, management systems and any potential issues Feedback from farmers/communities who have been supported in the past On-site evidence of project activities (possibly from other projects) that have benefited from technical support
C. Findings (describe)	<p>The Project Coordinator is able to provide timely and qualitative technical assistance to communities to run the activities, as outlined in the PDD. A field visit showed that the community had received appropriate technical assistance, through advice, discussions and capacity building, and were therefore able to a large extent to manage the projects independently. The Project Coordinator or local partner visit the community at least once a week to provide technical assistance. The Project Coordinator has also built a house in the village, which functions as temporary office and base camp for FFI and LTB staff visiting the village. The village nursery is located adjacent to the house and managed by the Project Coordinator.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	<p>No corrective actions required</p>
A. Requirement	<p>1.3 Social capabilities</p> <p>Is the project, through its staff or partners able to demonstrate an understanding of the social conditions of the target groups/communities and likely implications of the project for these? This might include:</p> <ul style="list-style-type: none"> 1.3.1 A demonstrated ability to select appropriate target groups through stakeholder analysis and to understand the implications of the project for specific groups e.g. poor, women, socially disadvantaged etc. 1.3.2 Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services 1.3.3 Local groups/communities that can demonstrate effective self-governance and decision-making 1.3.4 Well-established and effective participatory relationships between producers and the project coordinator 1.3.5 Demonstrated ability to establish land-tenure rights through engaging with producers/communities and other relevant organisations 1.3.6 Ability to consult with and interact with producers/communities on a sustained basis through participatory 'tools' and methods 1.3.7 Established system for conflict resolution

B. Guidance Notes for Validators	<p>Social capabilities may be determined through:</p> <ul style="list-style-type: none"> Records/minutes/photographs of community meetings and training workshops etc. Project staff able to explain (in line with PDD) how land tenure is checked by the project Project staff and communities able to explain how communities/target groups were selected and involved in the development of the project and in the choice of activities Project staff able to demonstrate that they are familiar with the communities/target groups and able to interact with them easily through meetings facilitated during the validation Meetings held with specific target groups e.g. women, socially disadvantaged etc.
C. Findings (describe)	<p>1.3.1 A demonstrated ability to select appropriate target groups through stakeholder analysis and to understand the implications of the project for specific groups e.g. poor, women, socially disadvantaged etc.</p> <p>The Project Coordinator has conducted several appraisals at village level, including village profile, PRA, conceptual model, household census (to assess household assets, income and expenses). The Project Coordinator organized FGDs with specific groups in the community to identify local wealth indicators. A separate FGD with the women of the village was organized to discuss the same topic. As a result of the FGDs the Project Coordinator and communities were able to identify socially disadvantaged groups in the village based on the wellbeing assessment. The community agreed to include the socially disadvantaged groups as well as women in the benefit sharing mechanism.</p> <p>1.3.2 Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services</p> <p>The communities were well informed on the Plan Vivo scheme and do fully understand their responsibility in protecting the project site (Hutan Desa) to avoid deforestation. The communities received extensive training on the Plan Vivo Scheme, carbon and ecosystem services. Capacity building activities for communities included two REDD+ and Climate Change training activities (Training by RMI, November and December 2011), Plan Vivo Scheme (Training by Bioclimate, June 2012), Training to prepare a long-term village forest management plan for village forest management groups in Durian Rambun village, (L-TB, June 2013); Training on Strengthening Organizational Management For Village</p>

	<p>Forest Management Association in Merangin, (Training by FFI, September 2013); Comparative Study on Six (6) CFMG for the Development of Community Based Forest Management Model in the Durian Rambun Village Forest, (Training by FFI, March 2014). A pilot scheme providing the community grant funding has been implemented during the last year. As part of the pilot scheme, a PES agreement was established between the CFES and LPHD for the sum of 100 million Rupiah. Following the contract, LPHD established an Agreement Benefit Sharing and Use of PES Fund between LPHD and five activity groups.</p> <p>1.3.3 Local groups/communities that can demonstrate effective self-governance and decision-making</p> <p>The local community has demonstrated strong capacities in effective self-governance and decision-making. This strong capacity is related to the fact that traditional social systems still play an important role in the daily life of the community. The customary Malayu decision and governance system is based on deliberation and consensus or called Musyawarah and Mufakat. The Musyawarah and Mufakat Desa or deliberation and consensus at village level is organized through a public meeting that gives each community member, despite his/her socio-economic status, an equal opportunity to express his/her interests. Although it may sometimes take a long time to make a decision, the system represents a truly democratic decision-making process. The process of deliberation and consensus ensures that once the decision is made, the whole of the community will fully support the decision.</p> <p>1.3.4 Well-established and effective participatory relationships between producers and the project coordinator</p> <p>During my visit to the village, I was able to observe that the Project Coordinator had very close and genuine relationship with the local communities. The FFI staff members were welcomed very warmly by the communities when we arrived in the village. Many community members invited the FFI staff in their houses for lunch or dinner. Prior to the completion of the FFI basecamp, FFI staff members used to stay overnight in houses of community members. The frequent visits to the village of FFI staff members (at least once a week) have led to a well-established relationship. Another indication of strong community support was confirmed by the high attendance of community members at the village meeting. Nearly all community members attended the meeting, including the head of the village, the religious leaders, and customary leaders. During the meeting the communities made several statements that they were very happy with the relationship they had with FFI. The strong support from all social groups within the community indicates that the project coordinator has been able to establish a strong and genuine relationship with the local communities.</p>
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	<p>1.3.5 Demonstrated ability to establish land-tenure rights through engaging with producers/communities and other relevant organisations</p> <p>The land-tenure rights have been fully secured by obtaining the Decision of the Minister of Forestry (SK 361/MENHUT-II/2011) in 2011 designating 4,484 hectares of existing Production Forest in Durian Rambun as Village Forest. During the process of establishing the Hutan Desa, as described in 1.1.4, the FFI team assisted the local communities in mapping the land, as well as in the discussions and negotiations with adjacent villages and governmental verification teams. The rights have been secured for a period of 35 years and can be renewed after this period.</p> <p>1.3.6 Ability to consult with and interact with producers/communities on a sustained basis through participatory 'tools' and methods</p> <p>The Project Coordinator uses the 'Free prior and informed consent' (FPIC) principle in its interaction with the community. The community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. As a wider framework, the Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects was used to design the social engagement strategy. This framework provides excellent guidance in implementing conceptual modelling and theory of change approaches.</p> <p>1.3.7 Established system for conflict resolution</p> <p>As explained in 1.1.6, a conflict resolution mechanism has been established by setting up a grievance system at village level, as well as by using traditional systems for conflict resolution (Musyawarah and Mufakat). Mr. Usma, a highly respected community leader with strong knowledge on customary laws and Islam was elected by the community to act as the ombudsman for the project. Communities can talk directly to the ombudsman if they have any complaints regarding the project. The ombudsman will then call a meeting with the Head of the LPHD, the Village Head, and other village leaders. He will then call for a customary deliberation village meeting (Musyawarah Desa) in which he will explain how they addressed the complaint and receive feedback and inputs from the communities. If a decision cannot be reached through Musyawarah and Mufakat, the Head of LPHD will contact the project coordinator for further assistance. The existing conflict resolution system, using Musyawarah and Mufakat, was effectively applied by the local community in addressing encroachment on the western side of the project site.</p>		
D. Conformance	Yes <input data-bbox="588 1873 652 1949" type="checkbox"/>	No <input data-bbox="906 1873 969 1949" type="checkbox"/>	N/A <input data-bbox="1191 1873 1255 1949" type="checkbox"/>

E. Corrective Actions (describe)	There are no corrective actions needed.
A. Requirement	<p>1.4 Monitoring and Reporting capabilities</p> <p>Does the project have an effective monitoring and reporting system in place that can regularly monitor progress and provide annual reports to the Plan Vivo Foundation according to the reporting schedule outlined in the PDD?</p> <p>1.4.1 Accurately report progress, achievements and problems experienced</p> <p>1.4.2 Transparently report sales figures and demonstrate resource allocation in the interest of target groups</p>
B. Guidance Notes for Validators	<p>Monitoring and reporting systems and capabilities may be determined through:</p> <ul style="list-style-type: none"> • Staff and participating communities able to explain the monitoring system (how each of the indicators in the PDD will be monitored) • Records of any monitoring already undertaken e.g. baselines or other information • Project staff showing an understanding of the importance of annual reporting to Plan Vivo as a requirement for issuance of certificates • Demonstrated ability to produce simple reports (e.g. for other projects)
C. Findings (describe)	<p>1.4.1 Accurately report progress, achievements and problems experienced</p> <p>The Project Coordinator and community have shown that they are able to accurately report progress, achievements and problems experienced. A project trial has been implemented in 2014, using the exact same monitoring and reporting mechanisms, as proposed in the PDD. The communities have received a grant of hundred million Rupiah. For both the current grant money, as well as for the future project, a solid monitoring and reporting system is in place, including a socio-economic monitoring plan (including wellbeing indicators), an environmental and biodiversity plan. Monitoring is currently being conducted on a regular basis. A socio-economic baseline measuring assets, income and expenses was also developed, using a village census covering all households in the village. A well-being assessment, using community indicators, show that 55.88% of the community was classified as poor, 32.35% as middle-income, and 11.76 % as wealthy. Both the project coordinator as well as the communities have the capacities to accurately report progress, and have produced qualitative reports within the trial period. However, some of the proposed monitoring activities under the socio-economic monitoring plan are most likely overly complex and too time-consuming for local communities. Some indicators are also too vague and</p>

	<p>need to be more specific to obtain the right information.</p> <p>1.4.2 Transparently report sales figures and demonstrate resource allocation in the interest of target groups</p> <p>There is currently a transparent reporting mechanism in place at community level for the trial period. The future project will use the same approach that was used during the trial period. The PES agreement, which includes the sales figures, will be made public by LPHD. A village meeting will be organized to communicate the sales figures to the communities. During my visit all community members whom I interviewed knew the exact figures of the trial payments as well as the allocation to the specific target groups (using the grant money for the trial period). The PES agreement is a public document and can be accessed by all community members. The benefit sharing and resource allocation for target groups is discussed during a village meeting and agreed through consensus. As Durian Rambun is still completely ethnically homogenous and relatively traditional, the community is inclusive and has mechanisms to reach out to socially disadvantaged. The community features bilateral kinship systems and matrilocal residence patterns, ensuring that gender issues are addressed through traditional mechanisms.</p>
2 Conformance	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
3 Corrective Actions (describe)	<p>Minor CAR</p> <p>1. Simplify and improve socio-economic monitoring plan to ensure that local communities are able to collect data.</p> <p>FFI Response: Please find a slightly revised monitoring plan in the final version of the PDD (Section K, page 41 to 45).</p> <p>STATUS: Closed. The socio-economic monitoring plan has been modified in order to include the recommendation of the validator. It was revised as follows:</p> <p>"K2 Socio-economic impacts</p> <p>A participatory well-being assessment (PWA) will be completed in the 1st year of the crediting period. PWA will be repeated every 5 years. The result of the assessment is locally defined well-being categories and indicators (Table K2-2). The number of households belonging to each well-being categories was subsequently assessed. The monitoring will focus on the change in number of households falling into the most vulnerable category (poor). The project is expected to improve community well-being by contributing to reduction in the number of poor households. The results of the monitoring will be used to inform improvement of project design (e.g. project activities, benefit sharing, grievance mechanism).</p> <p>Household surveys conducted at the beginning of the project will be repeated every 5 years. These surveys assess household assets, income, and spending and are followed by an assessment on how change is affecting and affected by project activities. The result of household surveys will complement the results of PWA to</p>

	inform overall project design improvement.						
TABLE K2-1. SOCIO-ECONOMIC MONITORING PLAN							
Type of monitoring	Indicator	Methods	Indicator unit	Frequency	Intensity	Responsibilities	
Socio-economic	Women's enterprise viability	Data is recorded periodically	Kilos of coffee processed / Number of IDR earned (profits earned are divided equally)	3 months	The women's activity group	Head of the women's enterprise group	
Social	Strengthening of village level forest management institution (LDPHD)/law enforcement	Keeping a record of village meeting attendance and minutes in which forest management is discussed	Number of problems encountered and number of problems solved	Annual	Community-wide	Chairman of the LDPHD	
Social	Increased access for poor and marginalised community members to healthcare and social services	A log of people receiving healthcare and social services is kept	Number of women-headed and poorest households receiving healthcare and social services as a proportion of all recipients	Annual	Community-wide	Head of Human Resources	
Socio-economic	PES funds spent on or by the poorest quartile of the community as agreed in management plan and PES agreement	Book keeping and financial reporting	Number of Indonesian rupiah (IDR) spent on poorest quartile of community (as a proportion of the total)	Annual	Focus on the marginalised groups	LDPHD	
Socio-economic	Household survey	Questionnaire survey	Assets, income and expenditure and participation in activity groups	Every 3 to 5 years	Across the whole community	Project coordinator	
Socio-economic	Well-being assessment	Participatory approach	Based on criteria identified by the communities themselves	Every 3 to 5 years	Across the whole community	Project coordinator	
Leakage mitigation	Awareness raising and capacity building activities	Training and awareness raising events	Number of participants with attention to representation from all activity groups and when possible members from adjacent communities and local authorities		Community-wide and when possible including neighbouring communities	Project coordinator, local partners and local authorities	
TABLE K2-2. EXAMPLES OF WELL-BEING INDICATORS THAT MAY BE USED AS PART OF THE SOCIO-ECONOMIC MONITORING PLAN							

Criteria	Poor	Medium	Rich
House	Bamboo or board/wooden plank walls, roof leaves, floor board/plank, average size of building 4x6. Comprises kitchen, living room, bedroom.	Metal or tile roof, plank/board walls, plank/board floor. Building dimension 6x9. Comprises kitchen, living room, 2-3 bedrooms.	Metal roof, cement walls, ceramic floor. Building dimension 6x12. Comprises kitchen, living room, dining room, 3-4 bedrooms. 1-2 floors.
Electricity	Rent/link with electricity supply of neighbour; use oil lamp when power cut.	450w electricity supply to house. Use candles when power cut.	900w electricity supply to house. Can provide electricity to neighbours. Own generator (for when power cut)
Electronics & Vehicles	Radio; bicycle	TV, bicycle, motorbike	Fridge, TV, bicycle, motorbike, car
Land ownership	Max. Sha / household head	5-10 ha/ household head	10+ha
Agroforestry gardens	Max 2ha fruit trees and rubber	2-7ha fruit trees and rubber	7+ha fruit trees, rubber and gaharu (resin trees)
Work	Unskilled labourer, farmer, stone miner, hunter/poacher	Daily or permanent labourer/employee, teacher / civil servant, oil palm labour)	Permanently employed worker; businessman
Income	Less than IDR 1.2 million / month	IDR 1.2 – 5 million / month	IDR 5+ million / month
Sanitation facilities	No toilet in the home	Toilet in the home, with board/plank walls	Toilet with ceramic floor

Minor CAR

- Establish an information billboard in the center of the village that allows for information to be posted for communities, including sales figures, allocation to target groups, etc.

FFI Response: Under recommendation of the auditor 3 information billboards have been put up. One has been placed in the LPHD cottage, one has been placed in the patrol basecamp and one in the centre of the village

STATUS: Closed. The validator's request has been accepted and implemented.

Theme	4 Carbon Benefits
<i>Ensuring that the project meets requirements 5.1-5.20 of the Plan Vivo Standard (2013)</i>	
A. Requirement	<p>4.4 Accounting methodology</p> <p>Have the carbon benefits been calculated using recognised carbon accounting methodologies and/or approved approaches and are the estimates of carbon uptake/storage conservative enough to take into account risks of leakage and reversibility?</p>
B. Guidance Notes for Validators	<p>Check the carbon accounting methodology used including:</p> <ul style="list-style-type: none"> • The level of understanding of the methodology used amongst technical project staff • Whether all references and sources of information are available (include copies with the validation report if possible) • Whether the carbon accounting models are clear and transparent i.e. are the spread sheets available and readily understandable? Can project staff answer and explain any technical questions about these? • Are local experts able to comment on the accounting methodology and on the sources of information used?
C. Findings (describe)	<p>The Biodiversity & Forest Carbon Specialist of FFI has an excellent understanding of the methodology used and was able to explain the accounting methodology and on the sources of information used very clearly. He was able to explain in detail the carbon accounting models, using the spread sheets prepared for the Technical Specification. The forest definition and classification follows the Indonesian National Standard (SNI7645, 2010). The SNI forest classification is based on canopy density where 10-40% is classified as sparse forest, 41-70% as medium forest, and >70% as dense forest. The canopy density equates to the carbon stock distribution in Durian Rambun. The Ketterings (2001) allometric equation was used in estimating carbon stock. Dense forest in the project site is regarded to contain a carbon stock of 265.07 tonnes C/ha, medium forest contains 139.28 tonnes C/ha, and sparse forest contains 76.37 tonnes C/ha.</p> <p>The WinRock International (2006) online tool was used, which was based on Avery & Burkhart (1994) approach regarding the estimation of number of sampling units by using actual field data (mean and standard deviation), desired confidence interval, and allowable error. The number of plots surveyed in each forest strata (15 in total, five in dense forest, five in medium forest, five in sparse forest) are more than enough to satisfy the requirement for 95% confidence level and 10% allowable error (which is three in dense forest, three in medium forest and one in sparse forest). The carbon calculations are regarded as conservative because the lower-bound 95% confidence interval was used to calculate tree density. In addition, soil carbon pools, leaf litter and dead biomass and forest growth were not included in the calculations, leading to very conservative carbon stocks estimates.</p>

D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	No corrective actions required		
A. Requirement	<p>4.5 Baseline</p> <p>Are the carbon benefits of the project measured against a clear and credible carbon baseline (for each project intervention)?</p>		
B. Guidance Notes for Validators	<p>Check the baseline scenario in the technical specifications of the PDD:</p> <ul style="list-style-type: none"> • Check that baseline measurements have been carried out and information properly recorded • Check that the information from the baseline matches that in the PDD/Technical specifications and corresponds to the situation on the ground (by discussing with local experts and others) 		
C. Findings (describe)	<p>The project area is located in a landscape where coffee plantations have become dominant during the last decade. Encroachers coming from other provinces, including Lampung, Bengkulu and South Sumatra, have deforested both production and conservation forests in Lampung and replaced them with coffee plantations. The wave of encroachment is coming from the southwest and moving rapidly towards the project area. An area located on the western border of the project area has already been encroached. I visited the surrounding areas of the project site and was able to assess the seriousness of the problem; coffee plantations now extend into the Kerinci Seblat National Park. The baseline calculation for Durian Rambun used the VCS approved methodology <i>VM0015 (Methodology for Avoided Unplanned Deforestation)</i>, based on deforestation rates in the landscape during the last ten years. The baseline was calculated by analyzing the forest and non-forest cover changes between times. The satellite images used for analysis are Landsat 5 for 2000 and SPOT 5 for 2011.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	No corrective actions needed		
A. Requirement	<p>4.6 Additionality</p> <p>Are the carbon benefits additional? Would they be generated in the absence of the project? Will activities supported by the project happen without the availability of carbon finance?</p> <p>In the absence of project development funding and carbon finance, financial,</p>		

B. Guidance Notes for Validators	<p>Assess whether the project simply owes its existence to legislative decrees or to commercial land-use initiatives that are likely to be economically viable in their own right i.e. without payments for ecosystem services.</p> <p>Also, assess whether without project funding there are social, cultural, technical, ecological or institutional barriers that would prevent project activities from taking place.</p>												
C. Findings (describe)	<p>Hutan Desa in immediately adjacent villages which are not participating in the PES project have been heavily encroached, namely Lubuk Birah and Lubuk Biringin villages. One area in the southwestern part of the project site has already been encroached, indicating that in absence of the project, the area would have faced major encroachment and deforestation. Taking into account the severity of the threats to the project site, the project coordinator has already implemented a one-year payment trial for the communities. This initial payment to the communities has ensured they effectively protect their Hutan Desa from further encroachment. There is no other financial mechanism in place and the communities depend on this carbon finance scheme to protect their forest through activities such as patrolling, establishing regulations to protect their forest and meeting with key stakeholders.</p>												
D. Conformance	<table border="0" style="width: 100%;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="width: 25%;">No</td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td style="width: 25%;">N/A</td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input type="checkbox"/></td> <td style="width: 25%; text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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No	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>										
N/A	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>										
E. Corrective Actions (describe)	<p>No corrective action needed</p>												
A. Requirement	<p>4.7 Permanence</p> <p>Are potential risks to the permanence of carbon stocks identified in the project technical specifications and are effective and feasible mitigation measures included in the project design?</p>												
B. Guidance Notes for Validators	<p>Assess whether members of the community/producers are aware that they will enter into formal sale agreements with the project coordinator and that they therefore need to comply with the monitoring and mitigation requirements of the project.</p> <p>Check whether the risk buffer proposed in the PDD and technical specifications for each intervention (that will be deducted from the saleable carbon of each producer) conforms to the recommended percentages in the Plan Vivo Standard or other Plan Vivo documentation. Check with Plan Vivo if this is unclear.</p>												
C. Findings (describe)	<p>The communities are fully aware that they will enter into formal sale agreements as a one-year trial period has already been established. The community members were nervous during my visit to the village, as they wanted to ensure that they had fully complied with the monitoring requirements of the project. This shows that the communities are fully aware</p>												

	<p>of the responsibilities they have under the sale agreement.</p> <p>The VCS Non-permanence risk tool (V.3, 2012) was used to identify risks and quantify the risk bracket based on three risk factors; 1) internal risk (including capacity, mitigation plan, and project longevity), 2) external risk (land and resource tenure, community engagement, political context) and 3) natural risk (forest fires, natural disasters, geological events). A risk buffer of 20% was identified by the project coordinator. This is quite conservative and conforms with Plan Vivo Standards (minimum 10%). However, a mitigation strategy to address the identified risks lacks in the PDD, especially in regard to the leakage in the rehabilitation zone and in the surrounding landscape (encroachers moving into other areas).</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>Minor CAR</p> <p>1. Include a risk mitigation strategy in PDD, especially in regard to the leakage in the rehabilitation zone and in the surrounding landscape (encroachers moving into other areas).</p> <p>FFI Response: The PDD has been modified in order to include a mitigation strategy for leakage in the rehabilitation zone.</p> <p>STATUS: Closed. A risk mitigation strategy has now been included in the PDD. Page 30 of the document has been amended as follows:</p> <p><i>“Population growth, enforcement of laws and regulations, change in commodity prices, and expansion of infrastructure are variables (underlying causes) that drive deforestation and degradation in the project and adjacent landscape.”</i></p> <p><i>Leakage is defined as such when forest encroachment/forest conversion is shifted outside the project area due to project interventions and deforestation rates outside the project area increase, without significant changes to underlying causes (population, spatial plans, economic context). Leakage risk might come from upland rice field and cash crop activities by the community that lives close to the HD Rio Kemunyang and which has management rights of the nearby areas. In this case, leakage will be deemed significant if the rate of forest clearing surrounding the protection zone is higher than estimated baseline deforestation rates.</i></p> <p><i>Focus Group Discussions (FGD) with communities reveal that communities have no plans to further open the area which puts the land clearing rate at less than the current baseline deforestation rate. Thus, the ex-ante leakage risk is zero. However, an ‘ex-post’ (2 1/2 years after project start) leakage monitoring will be conducted to measure the leakage quantity. Baseline deforestation rate will also be re-quantified every 2 1/2 years (VCS, 2012d).</i></p> <p><i>Other leakage agents in HD Rio Kemunyang may include in-migrant farmers,</i></p>			

	<p><i>from neighboring districts and provinces clearing forest for coffee gardens. Efforts will be made in the broader landscape to involve neighbouring communities and share skills relative to patrolling regimes, sustainable forest management, better agricultural practices and economic diversification.”</i></p> <p>Moreover, page 31 has been modified to include the following section:</p> <p><i>“The risk of leakage will be minimized as follows:</i></p> <ol style="list-style-type: none"> 1) <i>Regular inter-village meetings (Durian Rambun with adjacent villages such as Lubuk Bira and Lubuk Biringin) ensure village authorities can share information about present and future encroachment threats, how to coordinate efforts to resolve potential conflicts and how to liaise with local authorities to resist these threats in the broader landscape including on the border between village forests and the Kerinci Seblat National Park buffer zone. Knowledge from awareness-raising and patrolling activities can also be shared more broadly amongst neighbouring communities. Durian Rambun villagers will communicate with FFI field staff and with local authorities directly if a threat of leakage is identified.</i> 2) <i>Training on sustainable NTFP collection and agriculture intensification reduce the pressure to opening new farmland</i> 3) <i>Tree planting and agroforestry create positive leakage by enhancing carbon stocks particularly in the rehabilitation zone. Tree planting and agroforestry activities are in fact mandatory based on the HD regulation (P.49/Mehut-II/2008), supporting the Ministry of Forestry programme (P.20/Mehut-II/2009), and participating in the President of Republic Indonesia decree on National Tree Planting Programme (Presidential Decree No 24-2008)</i> <p><i>By implementing the above activities, we are confident the project will succeed in minimizing the risk of leakage and possibly in creating positive leakage.”</i></p> <p>STATUS: Closed. A leakage mitigation strategy has been elaborated by the Project Coordinator and the PDD has been corrected accordingly. In addition, the Project Coordinator will conduct monitoring of leakage ex-post, which will allow the Emissions Reductions to be reduced if leakage activities are present in the project area. The 20% risk buffer is deemed sufficient for this ex-post project.</p>
A. Requirement	<p>4.8 Leakage</p> <p>Have potential sources of leakage been identified and are effective and feasible mitigation measures in place for implementation</p>

B. Guidance Notes for Validators	<p>Check the sources of leakage and the effectiveness of mitigation measures:</p> <ul style="list-style-type: none"> • By discussions with local experts, the project coordinator and others. • Assess whether there is a good understanding of the importance of addressing leakage amongst project participants • Assess whether the mitigation measures proposed are really effective and likely to be implemented. Have they already started?
C. Findings (describe)	<p>The leakage is calculated by monitoring forested areas surrounding the project area, which have at least the same carbon stock density (tonnes C/ha) as the project area as well as other forested areas which are susceptible to leakage from project activities (VCS, 2012d). It is proposed that such areas - the leakage zone - have to have the same land status (Production Forest, Convertible Production Forest, Other Land Use, etc.), similar biophysical and socio-economic conditions, and have to be outside of the project area. The identified leakage zone is the rehabilitation zone (even though the carbon stock density is slightly lower, but still considerable as it is mainly composed of old growth fallow). The village regulations regarding opening new agricultural areas in the rehabilitation zone state that only shrub land and fallow land can be used. Primary forest in rehabilitation zone with the same carbon stock density as the project area cannot be converted under the village regulation. It is therefore assumed that the project will not cause any leakage. Leakage is going to be monitored every five years. The team considered monitoring leakage more frequently in order to follow recommendations by Plan Vivo Foundation, but the level of work is too substantial and costly. Therefore the FFI field team prefers to raise the risk buffer to 20% instead as suggested by Plan Vivo Foundation.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	<p>No corrective actions needed</p>
A. Requirement	<p>4.9 Traceability and double-counting</p> <p>Are carbon sales from the project traceable and recorded in a database?</p> <p>Are the project intervention areas covered by any other projects or initiatives (including regional or national initiatives)? Are there formal mechanisms in place to avoid double counting?</p>
B. Guidance Notes for Validators	<p>Check the possibility of double counting and whether the carbon sales are traceable by:</p> <ul style="list-style-type: none"> • By discussions with local experts, the project coordinator and other projects (including any national or regional level GHG coordination unit) • Understanding the project system for maintaining records of carbon sales and keeping records and determining whether this is sufficiently robust and transparent (through discussions with project staff and local

	participants)
C. Findings (describe)	<p>Project certificates will be recorded in a database upon issuance and held in a Markit Environmental Registry account, which converts a verified carbon reduction into a saleable emission unit and enables the transfer of credits between sellers and buyers. From issuance to transfer and retirement, each certificate will be associated with a unique identifier, ensuring double-counting and double selling does not occur.</p> <p>The project intervention area is not covered by any other initiative (regional or national). FFI staff (Joseph Hutabarat, Kusworo Ahmad and Ibnu Andrian) are all part of the Provincial REDD+ Taskforce and therefore well informed on REDD+ related developments all over Jambi Province.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	No corrective measures required
A. Requirement	<p>4.10 Monitoring</p> <p>Does the project have a monitoring plan in place? Is it being implemented and does it seem to be an effective system for monitoring the continued delivery of the ecosystem services?</p> <p>Does the project coordinator prescribe and record corrective actions where monitoring targets are not met and are these effectively followed up in subsequent monitoring?</p>
B. Guidance Notes for Validators	<p>Check whether the monitoring plan is effective and likely to be fully implemented:</p> <ul style="list-style-type: none"> • Assess the level of understanding of project staff and participating communities of the monitoring system and ensure that there are responsibilities for monitoring are matched by sufficient capacity • Are the selected indicators (covering all aspects of monitoring) SMART? I.e. Specific, Measurable, Achievable, Relevant and Time-bound? • Do the selected indicators properly measure impacts of the project or are they only able to measure inputs/activities? • Are communities effectively involved in monitoring and do they understand their role?
C. Findings (describe)	Does the project have a monitoring plan in place? Is it being implemented and does it seem to be an effective system for monitoring the continued delivery

	<p>of the ecosystem services?</p> <p>A solid monitoring system has been put in place, and is currently being trialled under the pilot project. Besides the monthly threat and biodiversity focused forest patrols by the community patrol teams, the project also follows an annual carbon monitoring plan. This monitoring plan is based on surveying 20% of the Permanent Sampling Plots (PSP) a year. Over a period of five years, all PSPs will have been monitored. Furthermore, Landsat 8 and SPOT 5 satellite imagery will be analysed annually and every 5 years respectively to track changes in forest cover. As the monitoring system was only running in its first year, the communities still faced some minor capacity issues in executing the monitoring scheme. More specifically, they seemed to have some trouble executing the annual monitoring of PSPs. Though the PDD clarifies that annual carbon monitoring will be carried out in a participatory manner with FFI, it is of some importance that the communities should be able to monitor the plots autonomously. It is therefore recommended that a refreshment training/course on annual monitoring be conducted for the communities.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>Minor CAR</p> <ol style="list-style-type: none"> 1. Organize refreshment training on conducting annual monitoring of Permanent Sampling Plots (PSPs). <p>FFI Response: The refreshment training on conducting annual monitoring of Permanent Sampling Plots (PSPs) was completed April – July 2015</p> <p>STATUS: Closed. The suggested refreshment trainings have been conducted and further training sessions are scheduled throughout the duration of the project.</p>			
A. Requirement	<p>4.11 Plan Vivos</p> <p>Are the <i>plan vivos</i> (or land management plans) clear, appropriate and consistent with approved technical specifications for the project? Will implementation of the plans cause producers' overall agricultural production or revenue potential to become unsustainable or unviable?</p>			
B. Guidance Notes for Validators	<p>Where small-holder farmers have prepared individual <i>plan vivos</i>, check a sample of these on the ground (in the company of the farmer) to determine whether they have really been prepared by the farmer and what the farmer expects to be the results of implementation.</p> <p>For community-projects managing a common (forest) resource, check the management plan for the forest area and assess the extent to which target groups within the community have been involved in preparing it (especially women and disadvantaged groups) and the extent to which its future impacts</p>			

	have been discussed and agreed.			
C. Findings (describe)	<p>The zoning plan of the Hutan Desa (3,616 ha) uses a community-based traditional qualification of forest utilization, and has, therefore, full community support. The project area (2,516 ha) within the Hutan Desa is called Rimbo (or Wilderness) and is communally owned. Rimbo does not have any individual tenure claims. There are two sets of regulations, which control the use and management of the Hutan Desa. One is a formally recognized Village Regulation (Peraturan Desa Durian Rambun No 02/2012) and one is a Customary Law (Peraturan Masyarakat Adat Desa Durian Rambun di dalam Kawasan Hutan Desa Rio Kemunyang). Though the latter is not legally recognized under Indonesian Law, the Customary Law is highly respected by local communities (since the local community is ethnically homogenous and traditional). Both regulations have been discussed at length by the community and were established through a Musyuwarah Mufakat mechanism. The communities assessed the available land in their village, the amount of hectares needed to support their livelihoods, as well as the locations of ancestral fallow land, before establishing the zoning, as well as its regulations.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>➤ No corrective action needed.</p>			

Theme	5 Ecosystem benefits
Ensuring that the project meets requirements 2.1-2.4 of the Plan Vivo Standard (2013)	
A. Requirement	<p>5.4 Planting native and naturalised species</p> <p>Are the planting activities of the project restricted to native and naturalised species? If naturalised species are being used are they invasive and what effects will they have on biodiversity? Have the species been selected because they will have clear livelihoods benefits?</p>
B. Guidance Notes for Validators	<p>Check this using a number of sources:</p> <ul style="list-style-type: none"> Visual observations of local tree-growing practices Discussions with communities and project staff Discussions with local experts (forestry and biodiversity experts) Published information (refer to this in the validation report if used)
C. Findings (describe)	<p>The only planting occurs in the rehabilitation zone (1,100 ha) and village zone, which are located outside the project area (2,516). In collaboration with the Durian Rambun community, FFI has established a village nursery of the following tree species:</p> <ul style="list-style-type: none"> ➤ <i>Hevea brasiliensis</i> (Pohon karet), naturalized, 23,500 seedlings ➤ <i>Toona sureni</i> (Surian), native, 760 seedlings ➤ <i>Shorea spp.</i> (Meranti bawang), native, 215 seedlings ➤ <i>Shorea spp.</i> (Meranti kunyit), native, 159 seedlings ➤ <i>Shorea spp.</i> (Temalun), native, 62 seedlings ➤ <i>Palaquium walsurifolium</i> (Balam), native, 146 seedlings ➤ <i>Daemonorops draco</i> (Rotan Jemang), native, 283 seedlings ➤ <i>Durio spp.</i> (Durian), native, 307 seedlings ➤ <i>Pometia pinnata</i> (Matoa), native, 15 seedlings ➤ <i>Archidendron pauciflorum</i> (Jengkol), native, 4,459 seedlings ➤ <i>Hylocereus undatus</i> (Naga), naturalized, 64 seedlings <p>The naturalized species are not invasive and will not cause any negative impact on the environment. The rubber tree was introduced in Indonesia in 1883. The Naga tree (<i>Hylocereus undatus</i>) is original from South America and was introduced during colonial times in Indonesia. They are sometimes regarded as invasive. However, since they are cacti, they do not fare well in wet tropical climate, such as Sumatra, and can therefore not be regarded as a threat.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>N/A <input type="checkbox"/> <input checked="" type="checkbox"/></p>
E. Corrective Actions (describe)	No corrective actions needed
A. Requirement	5.5 Ecological impacts

	Have the wider ecological impacts of the project been identified and considered including impacts on local and regional biodiversity and impacts on watersheds?
B. Guidance Notes for Validators	<p>Check this using a number of sources:</p> <ul style="list-style-type: none"> • Visual observations of the environment in the project area • Discussions with communities and project staff • Discussions with local experts (environmental experts) • Published information (refer to this in the validation report if used)
C. Findings (describe)	<p>The project area consists of primary forest of very high ecological integrity. As the project area borders with the Kerinci Seblat National Park, it can be regarded as an extension of the park. Together with Leuser National Park and Bukit Barisan National Park, the Kerinci Seblat National Park constitutes the World Heritage Property called the Sumatran Tropical Rainforest of Sumatra.</p> <p>Yes, the wider ecological impacts of the project have been considered. Supporting the community to protect their forest is having extraordinarily positive effects on local ecosystems. This forest is in excellent condition and both valuable in itself and as a buffer to the Kerinci National Park. FFI field staff were able to demonstrate occurrence of a range of threatened wildlife (camera trap photos) including critically endangered Sumatran tiger (<i>Panthera tigris spp sumatrae</i>) and endangered Asiatic wild dog (<i>Canis lupus alpinus</i>), Malayan tapir (<i>Tapirus indicus</i>), gibbons (<i>Hylobates agilis</i>), siamangs (<i>Sympalangus syndactylus</i>), and sun bears (<i>Helarctos malayanus</i>) amongst others. Given the condition and size of this forest, it undoubtedly contributes to essential ecosystem services, such as water provision, drought prevention, and pollination.</p> <p>Project staff should however pay attention to supporting the local community in disposing of waste appropriately. At the moment, it looks as if the community could benefit from help in managing waste properly.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>N/A <input type="checkbox"/> <input checked="" type="checkbox"/></p>
E. Corrective Actions (describe)	No corrective actions required.

Theme	6 Livelihood Benefits
<i>Ensuring that the project meets requirements 4.1-4.14, 7.1-7.5 and 8.1-8.10 of the Plan Vivo Standard (2013)</i>	
A. Requirement	<p>6.4 Community-led planning</p> <p>Has the project has undergone a producer/community-led planning process aimed at identifying and defining sustainable land-use activities that serve the community's needs and priorities?</p>
B. Guidance Notes for Validators	<p>Assess this by discussions with project staff and communities and by looking at any records of the planning process. It may be useful to conduct a time-line exercise with communities to understand the planning process that has taken place.</p>
C. Findings (describe)	<p>The project used the Free Prior and Informed Consent (FPIC) principle, which facilitating the community in reaching a decision about giving or withhold its consent to the project. FFI assessed and analyzed historical community-based agricultural practices through remote sensing and field visits. FFI looked at the annual size of land the community needed to support their livelihoods as well as identifying areas that were or would be used for agricultural practices. FFI also analyzed existing crop preference, annual yield/hectare and minimum income communities expected from their crops. All above data was analyzed in collaboration with the communities and based on the analysis, the community and FFI decided that 13 hectares/year of shrubland or fallow land could be cleared for agricultural practices. The community did not reach the maximum allocated amount of 13 hectares/year and only cleared 6 hectares/year during the last two years. Both the village and customary law, which were drafted by the community using Musyawarah and Mufakat approach, provide effective control mechanisms for ensuring that land use is sustainable. The community decided that no primary forest (the project area) could be converted for agricultural practices and that in the rehabilitation zone only fallow land or shrubland, which has clear ancestral tenure rights, could be converted for agricultural practices. The community selected agroforestry and hardwood species that they wanted to plant in their fields, based on preference and technical knowledge. The number and selection of seedlings depended on the choice of each individual farmer. It is expected that the planting of 29,970 seedlings in the village landscape will help it to gain and maintain a permanent forest character.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	<p>No corrective actions needed</p>
A. Requirement	<p>6.5 Socio-economic impact assessment/monitoring plan</p> <p>Is there are robust socio-economic impact assessment and monitoring plan in</p>

	place that can measure changes against the baseline scenario?							
B. Guidance Notes for Validators	<p>Discuss with project staff and communities to understand how the baseline assessment was conducted and how the socio-economic monitoring plan developed out of this. Assess in particular:</p> <ul style="list-style-type: none"> • Whether the livelihoods indicators can effectively monitoring socio-economic changes takeing place • The extent to which women, disadvantaged people and other social groups have been involved project processes and whether the selected indicators will enable impacts on them to be determined • Whether any groups in the community are likely to be adversely affected by the project and whether there are any mitigation meausures in place to addres this 							
C. Findings (describe)	<p>There is a robust socio-economic monitoring plan in place, which can effectively monitor the socio-economic changes. However, some of the proposed monitoring activities under the socio-economic monitoring plan are most likely overly complex and too time-consuming for local communities. Some indicators are also too vague and need to be more specific to obtain the right information: 1) the activity of small-scale fish farming and vegetables gardens are not advanced enough yet to be monitored; 2) law enforcement should be integrated with strengthening of village forest management, 3) The women's group should shift their monitoring from amount of raw coffee harvested to the amount of processed coffee produced and sold. Although there are monitoring indicators assessing the socio-economic situation of women in the village, there is a need to develop monitoring indicators for other identified socially disadvantaged groups. The baseline consists of a household survey covering all households in the village, measuring household assets, income and expenses. A second assessment on wellbeing, using community indicators, show that 55.88% of the community was classified as poor, 32.35% as middle-income, and 11.76 % as wealthy. Both assessments should become an integral part of the socio-economic monitoring plan. The household survey and well-being assessment will be conducted every three to five years after project initiation and compared with the baseline.</p>							
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>							
E. Corrective Actions (describe)	<p>Minor CAR</p> <ol style="list-style-type: none"> 1. Design a monitoring indicator exclusively for socially disantaged. <p>FFI Response: The following indicator has been generated and inlcuded in the mointoring plan:</p> <table border="1"> <thead> <tr> <th><i>Social</i></th> <th><i>Increased access for poor and marginalise</i></th> <th><i>A log of people receiving healthcare</i></th> <th><i>Number of women-headed and poorest</i></th> <th><i>Annual</i></th> <th><i>Community -Wide</i></th> <th><i>Head of Human Resources</i></th> </tr> </thead> </table>	<i>Social</i>	<i>Increased access for poor and marginalise</i>	<i>A log of people receiving healthcare</i>	<i>Number of women-headed and poorest</i>	<i>Annual</i>	<i>Community -Wide</i>	<i>Head of Human Resources</i>
<i>Social</i>	<i>Increased access for poor and marginalise</i>	<i>A log of people receiving healthcare</i>	<i>Number of women-headed and poorest</i>	<i>Annual</i>	<i>Community -Wide</i>	<i>Head of Human Resources</i>		

		<i>d</i> community members to healthcare and social services	<i>and social services is kept</i>	<i>households receiving healthcare and social services as a proportion of all recipients</i>			
<p>STATUS: Closed. The Project Coordinator has elaborated a monitoring indicator for disadvantaged members of the community and it is now featuring in the monitoring plan on page 42 of the PDD.</p> <p>Minor CAR</p> <p>2. Simplify some of the socio-economic monitoring indicators to ensure that they do not require labour-intensive and time-consuming processes. Communities should be able to collect monitoring data autonomously.</p> <p>STATUS: Closed. A modified version of the monitoring plan has now been included in the PDD on page 42. See also pages 23,24 and 25 of this Validation Report.</p>							
<p>A. Requirement</p> <p>6.6 Sale agreements and payments</p> <p>Does the project have clear procedures for entering into sale agreements with producers/communities based on saleable carbon from <i>plan vivos</i>?</p> <p>Does the project have an effective and transparent process for the timely administration and recording of payments to producers?</p>							
<p>B. Guidance Notes for Validators</p> <p>Check the systems that are being proposed by the project and make an assessment of whether these are fully functional already or whether they can be made functional when required? Are communities/producers aware of the system and do they understand it? Are documents and materials readily available to producers/communities?</p>							
<p>C. Findings (describe)</p> <p>Payments will be based on PES contracts. The PES contract provides a detailed description of the responsibilities of buyers, coordinator and community. It also stipulates the payment mechanisms. The document is the result of discussion between the Project Coordinator and the communities. A trial period has been piloted for a year and all payments have occurred efficiently and transparently. A few minor issues that require improvement have been identified. The issue in Durian Rambun is that the LPHD (though it is an established and recognized governmental organization) is unable to obtain a bank account under the name of the organization. The bank account was therefore opened under the individual name of the Head of the LPHD. Though transferring project money directly into a private account may not be ideal, the system has proven functional during the pilot phase and can therefore be used until a more sustainable solution to this problem has been</p>							

	<p>identified. Durian Rambun Village constitutes of a relative traditional and homogenous society. There are strong traditional social control mechanisms in place, using kinship, customs and religion. The Head of LPHD enjoys a high level of trust from the community to manage the money. He shares his bank account statements openly with the community on a monthly basis. However, a solution needs to be sought because transferring the payments to a private account may also include risks other than corruption (e.g. what will happen in case the Head of LPHD is sick and cannot retrieve funds). If a bank account cannot be opened in the name of the LPHD, it is suggested that a written agreement is established where the community provides the authority to the Head of the LPHD to open a bank account. As during the trial period with the grant, the money from carbon sales will be transferred to the LPHD on a quarterly basis and to communities in quarterly instalments, each time following activity and financial reports. At community level, the LPHD will manage the funds and transfer them to community groups. All community groups have received training on financial and narrative reporting. The community groups currently submit their financial report and narrative report after each activity. It is recommended that financial reports and narrative reports are submitted once a month to streamline reporting mechanism at village level. The Head and treasurer of LPHD will check all financial and activity reports before compiling them in three monthly reports and sending them to FII for further audit and analysis by the administrative and technical staff of FFI Indonesia. If the reports are approved (i.e. they demonstrate sufficient transparency, accountability and achievement of targets) and, upon submission of the following quarterly workplan and budget, the next sum of funds will be transferred to LPHD. Besides the above, an additional audit will be conducted every six months by FFI administrative staff. Results and feedback from the Audit will be discussed with LDPHD. Additional training might be given to LPHD if financial reporting is regarded as weak. One Hundred million (trial payment from grant) has already been disbursed to the communities (May 2014). The communities have already reported the expenses of 60 out of the one hundred million. The 60 million has been audited by FFI and no issues were encountered.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>Minor CAR</p> <ol style="list-style-type: none"> 1. It is recommended that the financial reports and narrative reports from the beneficiary groups be submitted once a month to LPHD. This will help to streamline reporting mechanisms and make it easier for LPHD to process the administration. <p>FFI Response: The project has adopted monthly reporting practice.</p> <p>STATUS: Closed. The monthly reports will be submitted to the LPHD.</p>			

A. Requirement	<p>6.7 Benefit sharing and equity</p> <p>Will the project have livelihoods benefits for the local community? Are these benefits likely to accrue to all community members and/or are benefits targeted at particular groups within the community? What other actions is the project taking to ensure that disadvantaged groups e.g. women, landless households, poor people will benefit from sales of Plan Vivo certificates?</p>
B. Guidance Notes for Validators	<p>Whilst there may be livelihoods benefits resulting from the project aspects of benefit sharing are critical to ensure that benefits are equitably shared. This can be assessed by:</p> <ul style="list-style-type: none"> • Checking whether a local stakeholder/well-being analysis has been conducted to identify socio-economic groupings in the community • Assessing the level of governance of local groups (are issues of equity and benefit sharing discussed during meetings?) • Discuss with a small sample of households from different socio-economic groups to determine their level of understanding of the benefits they are likely to get from the project.
C. Findings (describe)	<p>The community in Durian Rambun is homogenous and still relatively traditional. They refer to themselves as Melayu Kuno or Malayu Jambi, compared to more recent Malay immigrants who are named after the area of their origin (Minangkabau, Palembang, Riau). Durian Rambun constitutes a relatively isolated community, and it can be assumed that the village was beyond the direct rule of the Jambi Kingdom and later even colonial powers. The community follows a bilateral kinship system and a matri-local rule of residence pattern. Kinship relations in Durian Rambun are very tight and play an important role in the traditional mutual help mechanisms. Due to the above factors, disparity between community members is limited. Helping kin is part of the daily life. The existing social structure at village level made it relatively easy for the project coordinator to ensure that benefits are equitably shared. LPHD receives 35%, the village government 40%, the youth organization 5%, the women's group 10% and Customary Law council 5% of the benefits of the carbon sales. The benefit sharing is discussed and agreed by the community on a yearly basis and can change based on social conditions and needs. A well-being analysis has been conducted and the community has identified disadvantaged groups. These include disabled people, orphans, and poor widows and widowers. This consists of 21 people receiving direct financial assistance from the funds allocated to the village government. A positive discrimination mechanism has been established using the funds allocated to the village government (40% of total carbon sales). The families of the disadvantaged groups and families identified as poor during the wellbeing assessment can also access funds allocated under the village government component for health and education. It is recommended that the funds allocated to the village government be also used to pay the premium fee that would allow disadvantaged people to participate in the BPJS health insurance scheme.</p> <p>The governance of local groups is strong as they benefit from the traditional</p>

	<p>Musyuwarah Mufakat decision-making mechanisms and there seems to be very little conflict in regard to benefit sharing mechanism. A good example of the well-functioning groups is the women's group. As the group was too big to be fully functional, the women decided to divide the group in three sub-groups. Each sub-group has a separate head, who all report back to the head of women's group. The sub-groups all process coffee, using the equipment purchased by project funds, on a rotational basis. The coffee is given to the head of the women's group, who is responsible to distribute it and sell it to third parties. The women have agreed to share the profits of their activities in periods when families needed it the most, such as at the end of Ramadan. The profits are shared equally amongst all members of the group.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	No Corrective Actions Required.		