

## Project Validation Report – Halo Verde

**Name of Reviewers:** Ellyn Damayanti, Marcos Gusmao, Nicholas Berry

**Date of Review:** 10 February to 14 May 2020

**Project Name:** Halo Verde Timor - Community Forest Carbon

**Project Description:** The Halo Verde Timor Community Forest Carbon project is a smallholder reforestation project located in the central mountains of Timor-Leste. The project initiated activities in 2011 since then the reforested area has been increased year-by-year so that it now covers approximately 75 ha in 151 sites.

**List of Principal documents reviewed (including list of sites visited and individuals/groups interviewed):**

**A. Halo Verde Project Design Document and Annexes**

- Halo Verde PDD 181119\_Clean.docx
- HV Annexes 120220

**B. Additional information provided during desk-based review:**

- FCOTI ORG STRUCTURE & Staff Background Table.docx
- 2. 24 025 DARWIN Annual-Report 2018 FINAL.docx
- 2. Anual Report COTI July 2018-June 2019 FINAL for submission.pdf
- 2. CONSOLIDATED FINANCIAL REPORT JULY 2018 TO JUNE 2019.xlsx
- 4. Monitoring Overview 220220.docx
- 5. Equal Opportunity Policy-FCOTI.docx
- 6. CONTRATO\_Lei Trabalhador\_4\_2012 de 21 de feb.pdf
- 6. GTNT Environmental Policy.pdf
- 6. GTNT Human Resources Policy.pdf
- 6. GTNT Workplace Health and Safety Policy.pdf
- 7. Proposed Biodiversity Assessment of the Laclubar-Soibada area JM GG.pdf
- 7. Results Biodiversity Survey JR1.pdf
- 8. Laclubar Carbon Credit Project.doc 2003 word English Version.docx
- 8. VCOP Report with details of process for designing the Project Interventions.docx
- 9. Hengki site 1 digitised example.docx
- 9. PV examples 2018.pdf
- 9. PV planning training 2018.pdf
- Stakeholder table meeting with Validator.docx
- 2) Annex K1 Tree survival monitoring TETUM.pdf
- 2) Annex K2 Soil management monitoring v2 TETUM.pdf
- 3) Annex G4 Baseline estimation.xlsx

**C. Summary of Timor Leste laws and regulations related with forestry, environment, agriculture, land use and land tenure retrieved from FAOLEX website (<http://www.fao.org/faolex/country-profiles/general-profile/en/?iso3=TLS>).**

**D. Revised Project Design Document and Annexes**

- Halo Verde PDD 280420.docx
- Annexes 280420

**Visited sites: 13 project sites in Laclubar and 7 project sites in Soibada**
**Laclubar:**

1. L1 - OR48, OR10 1, OR10 2, OR09
2. L2 - BT17, BT49, BT54
3. L3 - MN02 1, MN01 1, MN03 1
4. L4 - OR17 1 OR17 2 OR13

**Soibada**

5. S1 - SO20, SO05, SO14 1
6. S2 - SO12, SO03 1, SO03 2, SO03 3

**List of individuals interviewed (see attendance lists in Appendix A):**

1. Director General of Environment and National Director of Biodiversity
2. Director General of Forestry, Coffee and Industrial Plants, and 4 Directors under the DG.
3. Secretary of the State for the Environment, and National Designated Authority
4. Manatuto Municipality Director of Land and Property Office
5. World Vision Timor Leste
6. Conservation International
7. Project coordinator (FCOTI director and project staff) and CSU (technical partner)
8. Ai-COM
9. Cooperativa Café Timor (CCT)
10. RAEBA
11. Mercy Corps
12. National University of Timor Lorosa'e Professor, Dr. Adao Soares Barbosa (Senior lecturer and researcher in climate change and Head of Centre for Climate Change and Biodiversity)
13. Project Steering Committee, Chairperson (Laclubar Administrator)
14. Four Farmers Groups from Laclubar: Manelima, Funar, Batara, and Orlalan
15. Individual farmers whose project sites were visited in Laclubar (11 farmers, 13 plots)
16. Project Steering Committee, Co-Chairperson (Soibada Administrator) and Member (Soibada Church Leader)
17. One Farmer Group from Soibada: Soibada
18. Individual farmers whose project sites were visited in Soibada (5 farmers, 7 plots)

**Description of field visit:**

A project visit took place over 13 days from March 1<sup>st</sup> to March 13<sup>th</sup>, 2020. During the visit, meetings with government authorities, NGOs, technical partners, and other stakeholders were held in Dili, capital city of Timor Leste, on 2<sup>nd</sup> and 4<sup>th</sup> March 2020. Kick-off, group interview, and debrief meetings with project coordinator and main technical partner (Charles Strut University, CSU) were held in 1<sup>st</sup>, 3<sup>rd</sup>, and 12<sup>th</sup> March 2020 at COTI's office. Site visits to Laclubar and Soibada Administration Posts were conducted from 5<sup>th</sup> to 11<sup>th</sup> March 2020 and during this time, continuous discussions with project coordinator and CSU were also conducted.

Sites visits to Laclubar and Soibada consisted of two main activities: interview/FGD with project steering committee and project participants, and project site visits (see Visited sites and List of individuals interviewed No. 13 to 18, above). Project sites visits included measurement of sample trees' dbh, and planting area measurement using GPS. During this time, project sites' condition and technical capacity of project staff were observed, and interview with individual farmers were conducted.

**Validation Opinion:**

The Project has many strengths including strong Project Coordinators and good working relationships with the Project Participants. The pilot project has been operational since 2010 and has successfully established plantations at 151 sites, that have generated climate, livelihood and ecosystem benefits.

Based on the review of the version of the PDD submitted to Plan Vivo in November 2019 and the site visit conducted in March 2020, no major corrective actions and 19 minor corrective actions were identified. Further information provided by the project, and minor revisions to the PDD were sufficient to address 12 of the minor corrective actions. The remaining 7 minor corrective actions have been converted to forward actions to be completed within 1-year of registration.

Seven recommendations are also included for consideration by the project coordinators.

*Table 1. Summary of major and minor Corrective Actions (note that some CARs and Observations are included under more than one Theme)*

Theme	Major CARs	Minor CARs	Observations
Governance	0	9	3
Carbon	0	8	4
Ecosystem	0	2	0
Livelihoods	0	5	2

*Table 2 - Report Conformance*

Theme	Draft Report - Conformance	Final Report - Conformance or Forward Actions Required
<b>Governance</b>	No	Yes
<b>Carbon</b>	No	Yes
<b>Ecosystem</b>	No	Yes
<b>Livelihoods</b>	No	Yes

Table 3 – Forward Action Requests

Code	Relevant Plan Vivo Requirement(s)	Description	Validators Comments	Means of Assessment
<b>FAR01 (CAR01)</b>	3.1, 3.5, 3.9	COTI should provide internal training to their staff on procedures for entering into PES agreements, financial monitoring and reporting procedures, and techniques required for monitoring climate benefits. External support will currently be required for socioeconomic monitoring and this should be budgeted for, and/or training should be provided to COTI staff for internalization of socioeconomic monitoring activities into project design and long-term implementation.	We recognise the the challenge of capacity building, and acknowledge the efforts of FCOTI to date in this area. The approach proposed will be sufficient to address this CAR.	Summary and evidence of training to be included in first Annual Report and reviewed by Plan Vivo.
<b>FAR02 (CAR04)</b>	3.6	Strengthen the process for keeping external and indirect stakeholders informed, and receiving input from them.	The approach proposed will be sufficient to address this CAR.	Summary and evidence of contact with external and indirect stakeholders included in first Annual Report and reviewed by Plan Vivo.
<b>FAR03 (CAR05)</b>	3.6, 5.6, 8.1, 8.2, 8.3, 8.7	Prior to signing PES Agreements, provide training to Project Participants on transaction of Plan Vivo Certificates.	The Project Coordinator is in a position to provide the required training.	Evidence of training provided included in first Annual Report and reviewed by Plan Vivo
<b>FAR04 (CAR08)</b>	3.10, 5.1, 5.9, 5.18	Develop an operational budget for all project activities.	The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position	Full operational budget to be submitted with first Annual Report and reviewed by Plan Vivo

<b>FAR05</b> <b>(CAR16)</b>	4.1	<p>Conduct workshops with farmers groups to discuss the suitability of existing Technical Specifications for meeting their needs and priorities and to identify alternative species or planting systems that could be developed into technical specifications; and apply the results of these workshops to update technical specification if necessary.</p>	<p>Plan Vivo Requirement 4.1 applies to the development of technical specifications i.e. identification of the species to be planted. We recognise that the process followed for development of technical specifications took into consideration local livelihood needs, customs, land availability, food security, land tenure, practical implications, and opportunities to enhance biodiversity. The requirement is quite specific on the need for 'participatory planning' in <b>the development of technical specifications</b>, which is defined in the Plan Vivo Standard as 'A process where communities are facilitated and empowered to make decisions and contribute to the selection and design of activities, not passive recipients of information or pre-made decisions'. Sufficient evidence of the level of involvement of Project Participants in development of the technical specifications has not been provided to close this CAR, and workshops with project participants will be needed to generate this evidence. The project is in a good position to conduct these consultations as part of their regular</p>	<p>Evidence of workshops conducted, and a summary of the outcomes included in first Annual Report and reviewed by Plan Vivo.</p>

		activities.	
<b>FAR06</b> <b>(CAR19)</b>	4.14	Strengthen the system for recording all grievances and responses.	The action already taken is noted, evidence that the grievance mechanism is functioning should be provided with the Annual Report.
<b>FAR07</b> <b>(CAR21)</b>	8.8, 8.9, 8.10, 8.11, 8.12, 8.13	Revise and add detail to benefit sharing mechanism, and ensure that this is fully understood by Project Participants and project staff, that details are incorporated into PES Agreements, and that a description of the process for developing and agreeing the mechanism with Project Participants is added to the PDD.	Additional details of the benefit sharing mechanism have been added to the PDD and PES agreement template. The planned training with project participants will be sufficient to close this CAR. We note the challenge here, and applaud the project's efforts in this area. Hopefully once the project is up and running and these concepts become less abstract, things will become easier. The project is in a good position to provide the required training to project participants.

Theme	1. Effective and Transparent Project Governance
<i>Ensuring that the project meets requirements 3.1-3.16 of the Plan Vivo Standard (2013)</i>	
<b>A. Requirement</b>	<p><b>1.1 Administrative capabilities</b></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"> <li>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</li> <li>1.1.2 Standard sale agreement templates for the provision of carbon services</li> <li>1.1.3 Systems for maintaining transparent and audited financial accounts able to the secure receipt, holding and disbursement of payments to producers</li> <li>1.1.4 All necessary legal permissions to carry out the intended project activities</li> <li>1.1.5 Mechanisms for participants to discuss issues associated with the design and running of the project</li> <li>1.1.6 Procedures for addressing any conflicts that may arise</li> <li>1.1.7 Ability to produce reports required by Plan Vivo on a regular basis and communicate regularly with Plan Vivo</li> </ul>
<b>B. Guidance Notes for Validators</b>	<p>Organizational and administrative capacity may be demonstrated through:</p> <ul style="list-style-type: none"> <li>• A record of managing other projects - especially those involving the receipt, safeguarding and management of funds and disbursement of these to smallholders/community groups</li> <li>• 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.</li> <li>• The views of others who have worked with the organisation in the past (such as government, other project partners or other NGOs)</li> <li>• A visibly efficient and functioning office with all necessary staff</li> </ul>
<b>C. Findings (describe)</b>	<p>The Project Coordinators and project staff have good capacity to implement the project, and conduct monitoring and reporting to Plan Vivo. Some additional information on project financial plans and further development of procedures for entering into PES agreements with Project Participants and financial management would help to fully demonstrate administrative capacity in this area. The project has a letter of support from the Secretary of State for the Environment.</p> <p>A summary of conformance with the relevant requirements in the Plan Vivo Standard (PVR) is provided below:</p> <p><b>Project Coordinator [PVR 3.1]</b> – Minor gap, see CAR01</p> <ul style="list-style-type: none"> <li>• There are two Project Coordinators, Group Training Northern Territory (GTNT) – an Australian Private Company, and Carbon Offsets Timor (COTI) – registered as a national foundation in Timor-Leste.</li> </ul>

	<ul style="list-style-type: none"> <li>GTNT helped secure funding for project development and provides support with financial management. They will also assist with marketing Plan Vivo Certificates.</li> <li>COTI is responsible for implementing the project together with project participants, and coordination with in-country stakeholders.</li> <li>The PDD includes a table describing capacity of key members of staff of GTNT and COTI, which was confirmed during the site visit.</li> <li>The COTI Director has a good understanding of the Plan Vivo system, and COTI staff have the capacity to fulfil their roles in the project. Monitoring and reporting processes and procedures in the PDD and processes for issuing Plan Vivo Certificates are not fully understood by all staff, however.</li> <li>Technical training related with tree measurement and land use recording using GPS has been provided by Charles Strut University (CSU) to COTI field coordinator and staff. The COTI field coordinator demonstrated good understanding of this, but some field staff would benefit from further training.</li> <li>The socioeconomic baseline survey was conducted by Charles Strut University (CSU) and socioeconomic indicators in the PDD are not fully understood by COTI staff.</li> <li>The Project was developed from a pilot that has been running since 2010 and has received and effectively managed donor funding and provided reports that meet donor requirements during this period.</li> </ul>
	<b>MoU</b> [PVR 3.2] – Minor gap, see CAR02
	<ul style="list-style-type: none"> <li>Project coordination functions are shared between GTNT and COTI. There is a service agreement between GTNT and COTI covering a 3-year period.</li> <li>The roles and responsibilities of the two organisations are not clearly defined in the PDD and a project organizational structure is not included.</li> </ul>
	<b>Long-term monitoring</b> [PVR 3.3] – Minor gap, see CAR07
	<ul style="list-style-type: none"> <li>The Project Coordinator plans to monitor the Project Areas planted during the pilot phase (2010 to 2019) for 10-years after registration of the Project (2020 to 2029).</li> <li>Project areas established after registration of the project, will be monitored for 10-years after planting.</li> <li>Long-term monitoring costs of Project Areas established after registration of the project are not included in the business model provided with the PDD.</li> </ul>
	<b>Legal and administrative capacity</b> [PVR 3.5] – Minor gap, see CAR01 and CAR03
	<ul style="list-style-type: none"> <li>The Project Coordinators have not yet entered into PES Agreements with any Project Participants. Project staff and Project Participants currently have limited knowledge of PES Agreements, and arrangement for transaction of Plan Vivo certificates and the provision of performance-based support.</li> <li>A PES Agreement template is included as an Annex to the PDD. This could be simplified to ensure it is fully understood by all Project Participants. The template does not include details of minimum amounts that will be received by Project Participants.</li> </ul>

	<ul style="list-style-type: none"> <li>• COTI have demonstrated potential to disburse payments to Project Participants by making payments for project development support during the pilot period.</li> </ul> <p><b>Legal compliance</b> [PVR 3.7] – Minor gap, see CAR06</p> <ul style="list-style-type: none"> <li>• A list of national and international laws and regulations are available in the PDD (Section I3) with a statement that the project will act in compliance with these.</li> <li>• The Land Law (13/2017) is the key piece of legislation relating to land ownership, but there are currently no Government regulations to guide implementation of the Law. Timor-Leste Government has a long-term plan (2011-2030) for land title certification, however. Since 2011 a National Cadastral System (SNC) program has identified areas eligible for land title and for granting land ownership status. According to the Director of Manatuto Municipality Land and Property Office, the Halo Verde Project Area of Laclubar has no land disputes, and therefore in the future land ownership status can be granted to communities, based on the provision of the Land Law, without each individual farmer submitting application to the Government. SNC has not been conducted for Soibada yet, and is not expected in the near future.</li> <li>• The MoU between Secretary of The State for Environment and COTI states that "Under the project the farmers that plant trees funded by the project, own the trees, own the land, own the carbon generated by the project", and "The farmers own the trees and al funds from the sale of the carbon credits will go to them and to fund the project team in Timor Leste".</li> <li>• Timor-Leste currently has no Government regulation on carbon rights, but ownership of Plan Vivo certificates by the Project Participants is recognised in the letter of support from the Secretary of State for the Environment.</li> <li>• COTI Director informed the Validation team that COTI will monitor for amendments and changes of law and regulations related to the project, and the Project Steering Committee has responsibility for ensuring compliance with relevant laws and regulations.</li> </ul> <p><b>Procedures for PES funds</b> [PVR 3.9] – Minor gap, see CAR01 and REC01</p> <ul style="list-style-type: none"> <li>• The PDD includes details of financial flows for PES funds, and a system for documenting cash flow and auditing project accounts. These systems are yet to be implemented, however, and financial staff would benefit from further training on their implementation and clear standard operating procedures.</li> <li>• The financial procedures implemented during the pilot phase demonstrate that COTI has potential for transparent and efficient processing of funds, with processes that minimise potential for misuse of funds.</li> </ul> <p><b>Budget and financial plan</b> [PVR 3.10] – Minor gap, see CAR07 and CAR08</p> <ul style="list-style-type: none"> <li>• Annex I7 to the PDD shows a business model, but a full budget and financial plan is not provided with the PDD and the business model does not demonstrate how financial flows will enable long-term monitoring and support.</li> </ul>
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	<ul style="list-style-type: none"> <li>The project has secured an expression of interest to purchase Plan Vivo Certificates from an international buyer.</li> </ul> <p><b>Equal opportunities</b> [PVR 3.13] - Conforms</p> <ul style="list-style-type: none"> <li>COTI has an equal opportunities policy for employment that is aligned with the laws and regulations of Timor-Leste.</li> </ul> <p><b>Workers' rights</b> [PVR 3.14] – Conforms</p> <ul style="list-style-type: none"> <li>Project Coordinators demonstrate a good understanding of workers' rights, and the PDD specifies that "the HV project goes beyond the minimum requirements include entitlements to leave, salaries above the stipulated minimum national salary and assistance with the social security coverage"</li> <li>GTNT has a human resources policy that is adopted by the project and provides salary aligned with national salary regulations.</li> </ul> <p><b>Child labour</b> [PVR 3.15] – Conforms</p> <ul style="list-style-type: none"> <li>Both GTNT and COTI have policies to prevent the use of child labour, and the PDD includes a commitment not to provide employment to anyone under the age of 18.</li> <li>No evidence of child labour was observed or reported during the site visit, beyond the normal local practices of children assisting their parents with farming and household activities.</li> </ul> <p><b>Transfer of project coordinator</b> [PVR 3.16] – Minor gap, see CAR02</p> <ul style="list-style-type: none"> <li>The period of Service Agreement between GTNT and COTI is 3 years (see PVR 3.1). There are plans to renew this agreement throughout the 30-year project period, though this is not stated in the PDD.</li> </ul> <p><b>Stakeholder forum</b> [PVR 4.12, 4.13] – Conforms</p> <ul style="list-style-type: none"> <li>The Project Coordinator has regular meetings with Farmers Groups, and the Project Steering Committee that provide a forum for Project Participants to discuss issues relating to the design and running of the project.</li> <li>The frequency of Farmers Group meetings are decided by each group, but most meet 3 or 4 times a year. Project field staff attend these meetings.</li> <li>The Project Steering Committee includes members that are not Project Participants.</li> <li>The Project Steering Committee meets 4 times a year, and this meeting is attended by the COTI Director and field staff.</li> <li>Project Participants reported that they were visited regularly by project field staff, who often visit them, both in the farm (the plot) as well as at home. In a month, they can visit 2 or 3 times. This is possible because there are 3 project staff originally from Laclubar, and 2 project staff originally from Soibada, so, they are neighbours.</li> </ul> <p>Also see findings for <b>Participatory relationships</b> (Section 1.2), and <b>Legal permissions and Grievance mechanism</b> (Section 1.3).</p>
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<b>D. Conformance</b>	Yes <input data-bbox="605 233 668 294" type="checkbox"/>	No <input checked="" data-bbox="917 233 981 294" type="checkbox"/>	N/A <input data-bbox="1197 233 1260 294" type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR01 - COTI should provide internal training to their staff on procedures for entering into PES agreements, financial monitoring and reporting procedures, and techniques required for monitoring climate benefits. External support will currently be required for socioeconomic monitoring and this should be budgeted for, and/or training should be provided to COTI staff for internalization of socioeconomic monitoring activities into project design and long-term implementation.</li> <li>• CAR02 - Add project organisational structure and clear description of the roles of COTI and GTNT as well as additional statement on the long-term collaboration between GTNT and COTI to the PDD.</li> <li>• CAR03 - Revise PES Agreement template to ensure it can be fully understood by all Project Participants, and to include: i) The start and end date for the monitoring period; ii) The minimum price that will be accepted for the sale of PV certificates; iii) The minimum value of support that will be received by the Project Participant if all monitoring targets are met; iv) the timing of when support will be provided; v) the nature of support (i.e. cash payments, in kind support, training, etc.)..</li> <li>• CAR06 - Add the following to the PDD: i) A statement confirming that the project will continue working with the Secretary of State of the Environment to ensure alignment of the project with national legislation and GHG accounting; ii) Clarification of the current situation regarding ownership of carbon rights in Timor-Leste; iii) Confirmation that there is currently no potential for overlap between NDC targets and Plan Vivo Certificates; and iv) Details of measures that will be taken to ensure the project is aware of future developments in national legislation and greenhouse gas accounting and can respond accordingly.</li> <li>• CAR07 Develop financial plan that demonstrates potential for the project to provide long-term monitoring and support in all project areas.</li> <li>• CAR08 Develop an operational budget for all project activities.</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• REC01 - develop SOP for financial processes</li> </ul>		
<b>F. Project Coordinator's Response</b>	<p><b>CAR01:</b></p> <p><i>This is noted for action. Although not formally recorded as formal training, FCOTI has provided training to its office and field staff on procedures for entering into PES agreements, financial monitoring and reporting procedures, and techniques required to monitor climate benefits. FCOTI acknowledges that this is not an easy task to teach staff a concept that is relatively new and that has never been done in the history of Timor-Leste. This difficulty is coupled with the fact that most of the staff do not attain high-level university degrees and that many important terms are only available in a foreign language like English which makes explaining the concepts in the local language even more difficult. However, FCOTI is committed to continue providing the training based on this finding. We request that validator recognize this fact and</i></p>		

	<p>appreciate this level of difficulty.</p> <p>Based on our Business Model the socio economic and livelihood monitoring of participants will be funded by the proposed 40% coordination budget of carbon payments and this is shown in the management and financial plan.</p> <p>FCOTI staff will also be provided with training on how to monitor socioeconomic and livelihood activities.</p> <p>Clarifications regarding the type of support the val. is suggesting is welcome. Please note that besides financial benefits, the technical assistance provided to participants is on-going even prior targets are met.</p> <p><b>CAR02:</b></p> <p><i>Addressed in PDD, in part “I.1.2 Organisational structure” and “Table I1: Stakeholders’ roles and influence to and by the project” showing the relationship among project participants and other stakeholders. We have also revised the PDD to reflect the relationship between FCOTI and GTNT. We explained during the validation mission, that GTNT is committed to providing financial support to FCOTI and to provide financial incentives to farmers so that farmers can be continually committed to the project. GTNT has been doing this for the past 7 years and has committed for at least 3 additional years if and when no credits is sold. We have also explained during the validation that FCOTI implements the project in the field on behalf of GTNT based on a service agreement signed between the two organizations. GTNT’s role in this project is limited to providing funding support to the project and help in marketing the carbon credits sales. So GTNT in this case is the main donor to FCOTI including providing funding support to parallel activities such as the Scholarships Program. We request this item be considered a recommendation rather than a CAR.</i></p> <p><b>CAR03:</b></p> <p><i>Draft PES has been revised to include the suggested points. Provided with this report.</i></p> <p><b>CAR06:</b></p> <p><i>Addressed in the PDD in sections I.2. Relationships to national organisations and I.3 Legal compliance.</i></p> <p><b>CAR07:</b></p> <p><i>We have developed the financial plan which is basically our business model and also the budget for 10 years showing activities, source of funding and expenditure item and section "I3 Legal compliance"</i></p> <p><b>CAR08:</b></p> <p><i>We have a financial plan for 30 years based on sales of carbon and an operational budget for 10 years. These two items have been added as Annex I.7 in the PDD</i></p>
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<b>G. Status</b>	<p><b>OUTSTANDING:</b> None  <b>CONVERTED TO FORWARD ACTION:</b> CAR01, CAR08  <b>CLOSED:</b> CAR02, CAR03, CAR06, CAR07</p> <table border="1" data-bbox="473 339 1421 1084"> <thead> <tr> <th data-bbox="473 339 616 384">Code</th><th data-bbox="616 339 1251 384">Validator's Comments</th><th data-bbox="1251 339 1421 384">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="473 384 616 563">CAR01</td><td data-bbox="616 384 1251 563">We recognise the challenge of capacity building, and acknowledge the efforts of FCOTI to date in this area. The approach proposed will be sufficient to address this CAR.</td><td data-bbox="1251 384 1421 563">Converted FAR01</td></tr> <tr> <td data-bbox="473 563 616 676">CAR02</td><td data-bbox="616 563 1251 676">The description of the relationship between FCOTI and GTNT added to the PDD is sufficient to close this CAR.</td><td data-bbox="1251 563 1421 676">Closed</td></tr> <tr> <td data-bbox="473 676 616 743">CAR03</td><td data-bbox="616 676 1251 743">The revision of the PES agreement template is sufficient to close this CAR.</td><td data-bbox="1251 676 1421 743">Closed</td></tr> <tr> <td data-bbox="473 743 616 810">CAR06</td><td data-bbox="616 743 1251 810">Additional information added to the PDD is sufficient to close this CAR.</td><td data-bbox="1251 743 1421 810">Closed</td></tr> <tr> <td data-bbox="473 810 616 934">CAR07</td><td data-bbox="616 810 1251 934">The revised financial plan demonstrates potential for the project to provide long-term support, if the expected income is realised.</td><td data-bbox="1251 810 1421 934">Closed</td></tr> <tr> <td data-bbox="473 934 616 1084">CAR08</td><td data-bbox="616 934 1251 1084">The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.</td><td data-bbox="1251 934 1421 1084">Converted to FAR04</td></tr> </tbody> </table>	Code	Validator's Comments	Status	CAR01	We recognise the challenge of capacity building, and acknowledge the efforts of FCOTI to date in this area. The approach proposed will be sufficient to address this CAR.	Converted FAR01	CAR02	The description of the relationship between FCOTI and GTNT added to the PDD is sufficient to close this CAR.	Closed	CAR03	The revision of the PES agreement template is sufficient to close this CAR.	Closed	CAR06	Additional information added to the PDD is sufficient to close this CAR.	Closed	CAR07	The revised financial plan demonstrates potential for the project to provide long-term support, if the expected income is realised.	Closed	CAR08	The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.	Converted to FAR04
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CAR07	The revised financial plan demonstrates potential for the project to provide long-term support, if the expected income is realised.	Closed																				
CAR08	The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.	Converted to FAR04																				
<b>A. Requirement</b>	<p><b>1.2 Technical capabilities</b>            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>B. Guidance Notes for Validators</b>	<p>Technical capabilities may be determined through:</p> <ul style="list-style-type: none"> <li>• Discussions with project staff who should be able to define clearly who is responsible for the provision of technical support</li> <li>• 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</li> <li>• Feedback from farmers/communities who have been supported in the past</li> <li>• On-site evidence of project activities (possibly from other projects) that have benefited from technical support</li> </ul>																					
<b>C. Findings (describe)</b>	<p>The Project Coordinator has excellent working relations with the Project Participants and has the technical expertise to support the Project Interventions.</p> <p>A summary of conformance with the relevant requirements in the Plan Vivo Standard (PVR), is provided below:</p>																					

	<p><b>Participatory relationships [PVR 3.4] – Conforms</b></p> <ul style="list-style-type: none"> <li>• The project has been running since 2011 and has demonstrated good ability to engage project participants and provide on-going support.</li> <li>• Evidence from the site visit shows that COTI staff have a record of selecting project participants, based on their eligibility criteria, and the capacity to provide support to implement Project Interventions.</li> <li>• COTI field staff has deep understanding of the local context, because they are originally and residents of the project area (Laclubar and Soibada), and all of them are also Project Participants. The COTI Director is originally from Soibada.</li> <li>• COTI staff are eager and willing to be part of the project. They are role models for other Project Participants and have excellent working relationships with them.</li> <li>• Evidence from visits to project sites established since 2011 show good potential for the Technical Specification to be successfully implemented.</li> </ul>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	None
<b>F. Project Coordinator's Response</b>	<i>(To be filled out by the Project Coordinator)</i>
<b>G. Status</b>	N/A
<b>A. Requirement</b>	<p><b>1.3 Social capabilities</b></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"> <li>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.</li> <li>1.3.2 Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services</li> <li>1.3.3 Local groups/communities that can demonstrate effective self-governance and decision-making</li> <li>1.3.4 Well-established and effective participatory relationships between producers and the project coordinator</li> <li>1.3.5 Demonstrated ability to establish land-tenure rights through engaging with producers/communities and other relevant organisations</li> <li>1.3.6 Ability to consult with and interact with producers/communities on a sustained basis through participatory ‘tools’ and methods</li> <li>1.3.7 Established system for conflict resolution</li> </ul>

<b>B. Guidance Notes for Validators</b>	<p>Social capabilities may be determined through:</p> <ul style="list-style-type: none"> <li>Records/minutes/photographs of community meetings and training workshops etc.</li> <li>Project staff able to explain (in line with PDD) how land tenure is checked by the project</li> <li>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</li> <li>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</li> <li>Meetings held with specific target groups e.g. women, socially disadvantaged etc.</li> </ul>
<b>C. Findings (describe)</b>	<p>The Project Coordinator and project staff have an excellent understanding of the social conditions of the Project Participants and have demonstrated the potential to engage and mobilise farmers in the project area. Obtaining legal recognition of land ownership is a challenge, but the Project has taken all reasonable measures to ensure that Project Participants' claims for the Project Areas will be legally recognized. The project has not entered into PES Agreements with Project Participants yet, and this process will require further sensitization of the Project Participants to enable Free, Prior and Informed Consent.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Stakeholder engagement</b> [PVR 3.6] – Minor gaps, see CAR04 and CAR05</p> <ul style="list-style-type: none"> <li>The project has identified key stakeholders and has good engagement with Project Participants and a Letter of Support and Memorandum of Understanding with the Secretary of State for the Environment.</li> <li>Project Participants have provided consent to be involved in the project based on an understanding of a 30-year commitment. This consent is not yet formalised in PES Agreements, however, and not all Project Participants fully understand the process for sale of Plan Vivo Certificates.</li> <li>Other NGOs have been informed of the project, but so far have received limited additional information.</li> <li>One of the three organisations listed as technical partners (RAEBIA only demonstrated limited understanding of the project, but an interview with the main focal point for this organisation was not possible during the site visit.</li> </ul> <p><b>Legal permissions</b> [PVR 3.8, 1.1, 1.2] – Minor gap, see CAR06</p> <ul style="list-style-type: none"> <li>The process for smallholders to obtain land ownership certificates in Timor Leste is currently being consolidated under Land Law 13/2017. Most land in Timor-Leste is currently managed under traditional/customary law and with land being under traditional or communal ownership. The project has employed a process of Land Ownership Declaration, which is signed by Project Participants, hamlet chief, village chief and administrator and witnessed by all neighbouring</li> </ul>

	<p>land holders. It is assumed that these declarations will be upheld during the Land Property Registration process that is underway. Interviews with local authorities confirmed that this is likely to be the case (see PVR 3.7), but this must be closely monitored to ensure that current rights are legally recognised.</p> <ul style="list-style-type: none"> <li>There is no legislation assigning ownership of carbon rights to landowners, although this is recognised in the Memorandum of Understanding with the Secretary of State for the Environment (see PVR 3.7).</li> </ul> <p><b>Grievance mechanism [PVR 4.14] – Minor gap see CAR19</b></p> <ul style="list-style-type: none"> <li>The project has established a mechanism of recording grievances through suggestion boxes or direct contact with COTI staff.</li> <li>The mechanism for grievance redressal depends on the subject matter. Farmers Groups will work to resolve conflicts and grievances internally, with support from the hamlet chief or village chief if necessary. COTI will be involved in the grievance redressal if these existing systems fail to provide a resolution.</li> <li>A database and logbook system for recording grievances and resolutions has been developed but is not yet fully operational.</li> </ul> <p>Also see findings for <b>Project Coordinator</b> (Section 1.1) and <b>Participatory relationships</b> (Section 1.2).</p>						
<b>D. Conformance</b>	<table border="1" data-bbox="463 999 1270 1118"> <tr> <td data-bbox="463 999 632 1118">Yes</td> <td data-bbox="632 999 790 1118"><input type="checkbox"/></td> <td data-bbox="790 999 952 1118">No</td> <td data-bbox="952 999 952 1118"><input checked="" type="checkbox"/></td> <td data-bbox="952 999 1111 1118">N/A</td> <td data-bbox="1111 999 1270 1118"><input type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>		
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>CAR04 - Strengthen the process for keeping external and indirect stakeholders informed, and receiving input from them.</li> <li>CAR05 - Prior to signing PES Agreements, provide training to Project Participants on transaction of Plan Vivo Certificates</li> <li>CAR06 - Add the following to the PDD: i) A statement confirming that the project will continue working with the Secretary of State of the Environment to ensure alignment of the project with national legislation and GHG accounting; ii) Clarification of the current situation regarding ownership of carbon rights in Timor-Leste; iii) Confirmation that there is currently no potential for overlap between NDC targets and Plan Vivo Certificates; and iv) Details of measures that will be taken to ensure the project is aware of future developments in national legislation and greenhouse gas accounting and can respond accordingly.</li> <li>CAR19 - Strengthen the system for recording all grievances and responses</li> </ul>						
<b>F. Project Coordinator's Response</b>	<p><b>CAR04:</b></p> <p><i>The project coordinator will strengthen this system within one year through issuance of quarterly updates (electronic format and hard copy where required) which will be sent to the relevant stakeholders including external and / or indirect stakeholders. This update (in the form of information sheet or a newsletter) will be published in Facebook and hard copies may be distributed to stakeholders when deemed necessary. It is expected this communication will facilitate provision of a two-way</i></p>						

	<p><i>feedback exchange. Currently the project has in place a feedback and communication mechanism with stakeholders facilitated through e-mails and phone calls. This communication is also facilitated through an account on social media (Facebook). Wooden boxes were placed at the administration office of Soibada and Laclubar so that feedback and comments can be received from the communities and other stakeholders. We have been posting information in local languages and English with videos and photos in our Facebook Page. We have also, on several occasions, received national media coverage with two leading national television networks. At the community level, we have been holding annual general community meetings to disseminate information about the project and receive opinions and inputs. FCOTI is a member of Climate Change Working Group at national level and FCOTI is always providing updates to and receiving relevant information from national level stakeholders.</i></p> <p><i>CAR05:</i>  <i>This is noted for action.</i></p> <p><b>CAR06:</b> as in Section F, page 9</p> <p><i>CAR 19:</i>  <i>We have now two log notebooks located in Laclubar and Soibada respectively to register feedback and comments (verbal but also written i.e from the complaints wooden box available to the public) and to record our corresponding responses and actions for resolution. All this information is stored in an access database designed by the project which is currently up and running as shown to the validation team during the validation visit. Section E3 of the PDD has been modified and now includes additional information regarding the db and log books.</i></p>															
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None</p> <p><b>CONVERTED TO FORWARD ACTION:</b> CAR04, CAR05, CAR 19</p> <p><b>CLOSED:</b> CAR06</p> <table border="1" data-bbox="468 1403 1421 1785"> <thead> <tr> <th><b>Code</b></th><th><b>Validator's Comments</b></th><th><b>Status</b></th></tr> </thead> <tbody> <tr> <td>CAR04</td><td>The approach proposed will be sufficient to address this CAR.</td><td>Converted to FAR02</td></tr> <tr> <td>CAR05</td><td>The Project Coordinator is in a position to provide the required training.</td><td>Converted to FAR03</td></tr> <tr> <td>CAR06</td><td>Additional information added to the PDD is sufficient to close this CAR.</td><td>Closed</td></tr> <tr> <td>CAR19</td><td>The action already taken is noted, evidence that the grievance mechanism is functioning should be provided with the Annual Report.</td><td>Converted to FAR06</td></tr> </tbody> </table>	<b>Code</b>	<b>Validator's Comments</b>	<b>Status</b>	CAR04	The approach proposed will be sufficient to address this CAR.	Converted to FAR02	CAR05	The Project Coordinator is in a position to provide the required training.	Converted to FAR03	CAR06	Additional information added to the PDD is sufficient to close this CAR.	Closed	CAR19	The action already taken is noted, evidence that the grievance mechanism is functioning should be provided with the Annual Report.	Converted to FAR06
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CAR06	Additional information added to the PDD is sufficient to close this CAR.	Closed														
CAR19	The action already taken is noted, evidence that the grievance mechanism is functioning should be provided with the Annual Report.	Converted to FAR06														

<b>A. Requirement</b>	<p><b>1.4 Monitoring and Reporting capabilities</b></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>B. Guidance Notes for Validators</b>	<p>Monitoring and reporting systems and capabilities may be determined through:</p> <ul style="list-style-type: none"> <li>• Staff and participating communities able to explain the monitoring system (how each of the indicators in the PDD will be monitored)</li> <li>• Records of any monitoring already undertaken e.g. baselines or other information</li> <li>• Project staff showing an understanding of the importance of annual reporting to Plan Vivo as a requirement for issuance of certificates</li> <li>• Demonstrated ability to produce simple reports (e.g. for other projects)</li> </ul>
<b>C. Findings (describe)</b>	<p>The project has a monitoring plan that will enable them to monitor Climate Benefits. Monitoring has not been initiated yet, and prior to this the Project should ensure that project staff have the capacity to collect accurate data.</p> <p><b>Record keeping</b> [PVR 3.11] – Conforms, see REC02</p> <ul style="list-style-type: none"> <li>• Sketches maps drawn by the project participants (or with help from field staff) are kept in COTI's office.</li> <li>• Boundaries of project areas are digitally mapped and stored in COTI's office, and copies are provided to Project Participants.</li> <li>• PES Agreements have not been signed yet, and monitoring data for the project areas has not been collected.</li> <li>• Project Participants do not hold copies of sketch maps, contracts with COTI or Land Ownership Declarations.</li> </ul> <p><b>Record storage</b> [PVR 3.12] – Conforms, see REC03</p> <ul style="list-style-type: none"> <li>• Financial records are kept in COTI's office and copies are held by GTNT</li> <li>• Records for technical activities are kept in COTI's office and copies are held by technical partner (CSU). In COTI's office, there are 3 laptops that store these records, but no regular back up implemented, e.g. into cloud storage.</li> </ul> <p>Also see findings for <b>Project Coordinator</b> (Section 1.1)</p>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	<p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• REC02 - provide copies of all sketch maps, agreements and ownership documents to Project Participants</li> </ul>

	<ul style="list-style-type: none"> <li>REC03 - back up all project records to an online server e.g. Google Drive or Dropbox.</li> </ul>
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To filled out by the Project Coordinator)</i>
<b>G. Status</b>	NA

Theme	<b>2. Carbon Benefits</b>
<i>Ensuring that the project meets requirements 5.1-5.20 of the Plan Vivo Standard (2013)</i>	
<b>A. Requirement</b>	<p><b>2.1 Accounting methodology</b></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>B. Guidance Notes for Validators</b>	<p>Check the carbon accounting methodology used including:</p> <ul style="list-style-type: none"> <li>The level of understanding of the methodology used amongst technical project staff</li> <li>Whether all references and sources of information are available (include copies with the validation report if possible)</li> <li>Whether the carbon accounting models are clear and transparent i.e. are the spreadsheets available and readily understandable? Can project staff answer and explain any technical questions about these?</li> <li>Are local experts able to comment on the accounting methodology and on the sources of information used?</li> </ul>
<b>C. Findings (describe)</b>	<p>Carbon benefits are estimated using the SHAMBA tool, which is an approved approach for the project type. A rapid assessment of tree density and diameter at 21 planting sites did not identify any substantial deviation from the values adopted for modelling expected climate benefits. Risks of reversals and leakage may be underestimated, however (see Sections 2.4 and 2.5).</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Technical specifications</b> [PVR 5.1, 5.18] – Minor gap, see CAR08</p> <ul style="list-style-type: none"> <li>The project includes a technical specifications for nine project interventions: <i>Casuarina angustifolia</i> (woodlots); <i>Casuarina angustifolia</i> (agroforestry); <i>Swietenia macrophylla</i> (woodlots); <i>Swietenia macrophylla</i> (agroforestry); <i>Gmelina arborea</i> (woodlots); <i>Gmelina arborea</i> (agroforestry); Living fences (<i>Gliricidia sepium</i>); <i>Tectona grandis</i> (woodlots); and <i>Paraserianthes falcataria</i> (agroforestry). All are described as applicable to project areas that are deforested and that are not expected to regenerate without project interventions. Soil types suitable for each species are specified. Details for seedling cultivation and planting, pruning and thinning are provided in a Plantation Management Handbook. Details of the costs and inputs required are not provided, however. Carbon benefits from increases in biomass, soil carbon and harvested wood products relative to the</li> </ul>

	<p>baseline scenario are estimated for each intervention using the SHAMBA model.</p> <ul style="list-style-type: none"> <li>Planting sites visited were mostly bare land, with a few remnant trees and bushes. There was no evidence of clearance of remnant trees prior to planting.</li> <li>Project Participants interviewed demonstrated good understanding of the tasks described in the Plantation Management Handbook, although some were not aware of the thinning requirements.</li> <li>Soil conditions at the planting sites were not assessed by the Validation team.</li> </ul> <p><b>Sources of data</b> [PVR 5.2] – Minor gap, see CAR22</p> <ul style="list-style-type: none"> <li>Sources of data used as inputs to the SHAMBA model are provided as an Annex to the PDD and were approved in the Technical Review by Plan Vivo. Further assessment of all data sources was not carried out by the Validation team, but key parameters were checked in a sample of 20 project sites (13% of the initial 151 sites).</li> <li>Of the planting sites sampled, eight had an average tree density that was more than 20% lower than expected based on the parameters reported in the PDD, and of these 4 planting sites were more than 50% lower than expected. This sample was based on a rapid survey methodology of a relatively small sample, however, so results may not be representative of broader patterns in the project.</li> <li>Visits to the planting sites also showed that in many cases planting was carried out with mixed species, while single species models were used for the carbon models.</li> <li>Tree size was assessed for two species that were represented in more than 5 of the planting sites sampled. For mahogany (<i>Swietenia macrophylla</i>), which was measured in six planting areas with age from 2 to 9 years, average tree diameter (based on measurement of 10 trees per site) was either higher than expected (1 site) or within 1.5 cm of the expected diameter. For <i>Casuarina angustifolia</i>, which was measured in nine planting areas with an age from 6 to 9 years, average diameter was higher than expected in five sites, and within 1cm of the expected value at a further two sites. The sample size for this rapid assessment is small, but the general indication is that the planted species are growing at rates close to or above those used for the estimated climate benefits. Future monitoring by the project will confirm whether this is the case across all sites.</li> </ul> <p><b>Update of technical specifications</b> [PVR 5.3] – Minor gap, see CAR09</p> <ul style="list-style-type: none"> <li>The PDD does not provide detailed plans for updating technical specifications.</li> </ul> <p><b>Quantification period</b> [PVR 5.5, 5.17] – Conforms</p> <ul style="list-style-type: none"> <li>Climate Benefits are assessed over a 30-year period and include a full harvest in Year 30. The average carbon stocks throughout the 30-year period therefore represent a full harvesting cycle.</li> </ul> <p><b>Quantification period</b> [PVR 5.6] – Minor gap, see CAR05</p> <ul style="list-style-type: none"> <li>Draft PES Agreement includes clauses that state the Project Participants commit to managing planted trees throughout the 30-year period, and to</li> </ul>
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	<p>replanting after harvesting. Carbon payments will only be made over a 10-year period, however.</p> <ul style="list-style-type: none"> <li>• Project Participants interviewed were mostly unaware of the change from the agreements made during the pilot period to a full PES agreement or the 10-year payment period.</li> <li>• Project Participants confirmed their commitment to maintain the trees and conduct required management for 30-years and beyond.</li> <li>• Training on PES agreements and the Benefit Sharing Mechanism has not yet been provided to Project Participants.</li> </ul> <p><b>Approved approach</b> [PVR 5.7] – Conforms</p> <ul style="list-style-type: none"> <li>• The SHAMBA approved approach is used to estimate climate benefits from biomass and soil carbon stocks, by comparing baseline and project scenarios. A separate methodology is provided for expected carbon stocks in harvested wood products that was approved by the Plan Vivo Technical Review. Further assessment of the methods was not carried out by the Validation team.</li> </ul> <p><b>Negative alterations</b> [PVR 5.8, 5.16] – Conforms</p> <ul style="list-style-type: none"> <li>• The PDD describes a systematic approach to determine that land has not been cleared for the purpose of gaining access to PES, by examining satellite imagery from 2017 to determine land cover prior to the start of the project. This approach is not appropriate for planting sites established prior to 2017, but until recently there has been no awareness of potential for PES from the project in the Project Region so clearance of land for this purpose is highly unlikely.</li> </ul> <p><b>Monitoring by project participants</b> [PVR 5.10] – Conforms</p> <ul style="list-style-type: none"> <li>• The PDD suggests that 10% of areas monitored by Project Participants will be checked by Project staff.</li> <li>• All monitoring by Project Participants is currently carried out with direct supervision of project field staff. If monitoring by Project Participants is carried out in the future without direct supervision, it is expected that the stipulation for checking described in the PDD will be followed.</li> </ul> <p><b>Uncertainty</b> [PVR 5.11] – Conforms</p> <ul style="list-style-type: none"> <li>• Key sources of uncertainty are identified in the PDD which states that conservative assumptions have been applied. This was assessed during the Plan Vivo Technical Review and was not explored further by the Validation team.</li> </ul>								
<b>D. Conformance</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;">Yes</td> <td style="width: 33%;"><input type="checkbox"/></td> <td style="width: 33%;">No</td> <td style="width: 33%;"><input checked="" type="checkbox"/></td> </tr> <tr> <td colspan="2"></td> <td colspan="2">N/A <input type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>			N/A <input type="checkbox"/>	
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		N/A <input type="checkbox"/>							
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR08 - Develop an operational budget for all project activities.</li> <li>• CAR05 - Prior to signing PES Agreements, provide training to Project Participants on transaction of Plan Vivo Certificates</li> <li>• CAR09 - Add details to the PDD of how monitoring data will be used to periodically update technical specifications</li> </ul>								

	<ul style="list-style-type: none"> <li>• CAR22 Prior to signing PES Agreement of Project Areas established during the pilot period, ensure that planting and performance are aligned with the technical specifications used to estimate climate benefits, and where this is not the case e.g. because of differences in tree density, size or species appropriate adjustments to the estimated climate benefits should be made or new technical specifications developed</li> </ul>															
<b>F. Project Coordinator's Response</b>	<p><i>CAR05: as in Section F, page 13</i></p> <p><i>CAR08: as in Section F, page 9</i></p> <p><i>CAR09: K1.3.2 Tree growth (diameter at breast height -dbh- and tree height)</i></p> <p><i>CAR 22 : Addressed in section "G5.9 Total climate benefits summary" under table G17.</i></p>															
<b>G. Status</b>	<p><i>OUTSTANDING: None</i></p> <p><i>CONVERTED TO FORWARD ACTION: CAR05, CAR08,</i></p> <p><i>CLOSED: CAR09, CAR 22</i></p> <table border="1" data-bbox="482 900 1432 1426"> <thead> <tr> <th>Code</th><th>Validator's Comments</th><th>Status</th></tr> </thead> <tbody> <tr> <td>CAR05</td><td>The Project Coordinator is in a position to provide the required training.</td><td>Converted to FAR03</td></tr> <tr> <td>CAR08</td><td>The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.</td><td>Converted to FAR04</td></tr> <tr> <td>CAR09</td><td>Information added to the PDD describes how tree growth data will be used to revise the PDD.</td><td>Closed</td></tr> <tr> <td>CAR22</td><td>Information added to the PDD clarifies that the certificates claimed for the initial project areas will be based on the monitoring that took place in 2019.</td><td>Closed</td></tr> </tbody> </table>	Code	Validator's Comments	Status	CAR05	The Project Coordinator is in a position to provide the required training.	Converted to FAR03	CAR08	The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.	Converted to FAR04	CAR09	Information added to the PDD describes how tree growth data will be used to revise the PDD.	Closed	CAR22	Information added to the PDD clarifies that the certificates claimed for the initial project areas will be based on the monitoring that took place in 2019.	Closed
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<b>A. Requirement</b>	<p><b>2.2 Baseline</b></p> <p>Are the carbon benefits of the project measured against a clear and credible carbon baseline (for each project intervention)?</p>															
<b>B. Guidance Notes for Validators</b>	<p>Check the baseline scenario in the technical specifications of the PDD:</p> <ul style="list-style-type: none"> <li>• Check that baseline measurements have been carried out and information properly recorded</li> <li>• 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)</li> </ul>															

<b>C. Findings (describe)</b>	<p>The carbon baseline is clear and credible and is consistent with observations of the project areas. Some missing details should be added to the PDD, however.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Carbon pools and emission sources [PVR 5.15] – Minor gap, see CAR12</b></p> <ul style="list-style-type: none"> <li>Carbon pools and emission sources included in the baseline scenario are listed in table G10, there is not a full list of excluded pools and sources, however. It is assumed that carbon stocks in litter, dead wood, and wood products, and gaseous emissions other than from biomass loss are conservatively excluded. Wood products are also excluded from the baseline scenario.</li> <li>Carbon stocks in litter, dead wood and wood products are unlikely to be a significant component of the baseline scenario, however.</li> <li>The project does not use any fertilizer or compost from animal dung, and instead rely on mulch derived from vegetation.</li> </ul>						
<b>Also see Tehcnical specifications (Section 2.1)</b>							
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>						
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>CAR12 - Add full justification for all exluded carbon pools and emission sources to the PDD</li> </ul>						
<b>F. Project Coordinator's Response</b>	<p><i>CAR12 is now addressed in the PDD in Section G4, “Table G5: Carbon pools and emissions in the baseline” and “Table G9: Carbon pools and emissions in the estimation of the project’s climate benefits”.</i></p>						
<b>G. Status</b>	<p><i>OUTSTANDING:</i> None  <i>CLOSED:</i> CAR12</p> <table border="1" data-bbox="482 1439 1432 1664"> <thead> <tr> <th data-bbox="482 1439 616 1484">Code</th><th data-bbox="616 1439 1267 1484">Validator's Comments</th><th data-bbox="1267 1439 1432 1484">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="482 1484 616 1664">CAR12</td><td data-bbox="616 1484 1267 1664">Information added to the PDD includes further details of carbon pools and emissions in the baseline scenario (Table G5) and carbon pools and emissions in the estimation of the project’s climate benefits (Table G9).</td><td data-bbox="1267 1484 1432 1664">Closed</td></tr> </tbody> </table>	Code	Validator's Comments	Status	CAR12	Information added to the PDD includes further details of carbon pools and emissions in the baseline scenario (Table G5) and carbon pools and emissions in the estimation of the project’s climate benefits (Table G9).	Closed
Code	Validator's Comments	Status					
CAR12	Information added to the PDD includes further details of carbon pools and emissions in the baseline scenario (Table G5) and carbon pools and emissions in the estimation of the project’s climate benefits (Table G9).	Closed					
<b>A. Requirement</b>	<p><b>2.3 Additionality</b>            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>						
<b>B. Guidance Notes for Validators</b>	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						

	<p>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>
<b>C. Findings (describe)</b>	<p>Although project activities started in 2010, the promise of future income from the sale of Plan Vivo Certificates has always been a motivating factor when Project Participants have joined the programme. Tree planting outside the project sites is practiced by the Project Participants, but the project activities have enabled the extension of these activities to new sites. The carbon benefits claimed by the project can therefore be considered additional.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Additionality [PVR 5.4] – Conforms</b></p> <ul style="list-style-type: none"> <li>• The PDD states that project interventions are additional to the General Forest Regime (Law 14/2017) requirements; and provides a barriers analysis describing financial, technical, ecological and social barriers that prevent the project interventions being carried out by Project Participants, and the measures the project will take to overcome these.</li> <li>• Interviews and field observations demonstrate that while tree planting is commonly practiced in the Project Region, commitment to long-term management is generally lacking. Furthermore, seedlings for some valuable timber species are not available locally and would not have been sourced without support of the project.</li> <li>• Through the project, Project Participants have gained awareness and understood the importance of planting trees and have been encouraged to implement Project Intervention because of continuous monitoring and support from the project coordinator.</li> <li>• Incentives for tree planting have also helped to attract more farmers to join the project.</li> </ul>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	None
<b>F. Project Coordinator's Response</b>	<i>(To be filled out by the Project Coordinator)</i>
<b>G. Status</b>	NA
<b>A. Requirement</b>	<p><b>2.4 Permanence</b></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>B. Guidance Notes for Validators</b>	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

	<p>mitigation requirements of the project. 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>								
<b>C. Findings (describe)</b>	<p>Risks to permanence are assessed and used to define a risk buffer of 15%. Not all risks seem to have been included in the assessment however.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Sustainability</b> [PVR 6.1] Minor gap, see CAR14</p> <ul style="list-style-type: none"> <li>• Potential risks to the permanence of carbon stocks in planted trees and mitigation measures are identified in the PDD (Section H1), and are factored into the risk buffer.</li> <li>• Additional risks to PES agreements are identified in section J1, but these are not factored into the risk buffer.</li> <li>• Risks included in the risk buffer should include the risk that Project Participants will not replant after harvesting, and the risk that Project Participants will not be motivated to maintain plantations after the payment period.</li> </ul> <p><b>Review of risk assessment</b> [PVR 6.2] – Conforms, see REC07</p> <ul style="list-style-type: none"> <li>• The PDD includes plans to update the risk assessment every 5-years, and to maintain a risk register, although the risk register is not established yet.</li> </ul> <p><b>Risk buffer</b> [PVR 6.3, 6.4] Minor gap, see CAR14</p> <ul style="list-style-type: none"> <li>• The project has a 15% risk buffer and the Project Coordinator is aware that these cannot be sold. The risk buffer calculation does not include all relevant risks however (see <b>Sustainability</b>)</li> <li>• The approach used has been approved by the Plan Vivo technical review.</li> </ul>								
<b>D. Conformance</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">Yes</td> <td style="width: 25%;"><input checked="" type="checkbox"/></td> <td style="width: 25%;">No</td> <td style="width: 25%;"><input type="checkbox"/></td> </tr> <tr> <td>N/A</td> <td></td> <td>N/A</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A		N/A	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>						
N/A		N/A	<input type="checkbox"/>						
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR14 - Incorporate missing risks into risk assessment and risk buffer</li> </ul> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• REC07 - Establish a risk register</li> </ul>								
<b>F. Project Coordinator's Response</b>	<i>CAR14 Addressed in section H2 of revised PDD {tables H1 and H2}.</i>								
<b>G. Status</b>	<b>OUTSTANDING:</b> None <b>CLOSED:</b> CAR14								

	<table border="1"> <thead> <tr> <th>Code</th><th>Validator's Comments</th><th>Status</th></tr> </thead> <tbody> <tr> <td>CAR14</td><td>Additional risks added in PDD Tables H1 and H2.</td><td>Closed</td></tr> </tbody> </table>	Code	Validator's Comments	Status	CAR14	Additional risks added in PDD Tables H1 and H2.	Closed	
Code	Validator's Comments	Status						
CAR14	Additional risks added in PDD Tables H1 and H2.	Closed						
<b>A. Requirement</b>	<p><b>2.5 Leakage</b></p> <p>Have potential sources of leakage been identified and are effective and feasible mitigation measures in place for implementation</p>							
<b>B. Guidance Notes for Validators</b>	<p>Check the sources of leakage and the effectiveness of mitigation measures:</p> <ul style="list-style-type: none"> <li>• By discussions with local experts, the project coordinator and others.</li> <li>• Assess whether there is a good understanding of the importance of addressing leakage amongst project participants</li> <li>• Assess whether the mitigation measures proposed are really effective and likely to be implemented. Have they already started?</li> </ul>							
<b>C. Findings (describe)</b>	<p>The risk of leakage is low, but a conservative approach requires a proportion of climate benefits to be allocated to a leakage buffer.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Leakage [PVR 5.19, 5.20] – Conforms</b></p> <ul style="list-style-type: none"> <li>• The PDD describes the risk of leakage as negligible</li> <li>• Focus group discussion and interviews with Project Participants confirmed that potential for displacement of agricultural production is prevented by the application of agroforestry systems by Project Participants that do not have sufficient land for food production. The degraded state of project areas under the baseline scenario, means there is little potential for displacement of fuelwood collection, and those Project Participants that keep livestock typically graze these far from settlements, and not in the project sites.</li> <li>• No monitoring for leakage will be carried out, and there is no deduction of climate benefits to account for potential leakage, but this is consistent with other Plan Vivo projects where the risk of leakage is negligible.</li> </ul>							
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>							
<b>E. Corrective Actions (describe)</b>	None							
<b>F. Project Coordinator's Response</b>								
<b>G. Status</b>	NA							
<b>A. Requirement</b>	<p><b>2.6 Traceability and double-counting</b></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</p>							

	initiatives (including regional or national initiatives)? Are there formal mechanisms in place to avoid double counting?								
<b>B. Guidance Notes for Validators</b>	<p>Check the possibility of double counting and whether the carbon sales are traceable by:</p> <ul style="list-style-type: none"> <li>• By discussions with local experts, the project coordinator and other projects (including any national or regional level GHG coordination unit)</li> <li>• 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)</li> </ul>								
<b>C. Findings (describe)</b>	<p>The project has not made any carbon sales, but there are plans to record these in Markit Environmental registry in line with Plan Vivo requirements. The project does not currently overlap with other projects or national schemes.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Double counting [PVR 5.14] Minor gap, see CAR06</b></p> <ul style="list-style-type: none"> <li>• The PDD states that there are no other carbon projects in the Project Region (Manatuto Municipality), this was confirmed through stakeholder interviews</li> <li>• The project has a simple database template for recording carbon sales.</li> <li>• The Government of Timor Leste currently has no national emission reduction target under the Paris Agreement, but there is interest in developing bilateral agreements to finance emission reduction activities.</li> </ul>								
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>						
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR06 - Add the following to the PDD: i) A statement confirming that the project will continue working with the Secretary of State of the Environment to ensure alignment of the project with national legislation and GHG accounting; ii) Clarification of the current situation regarding ownership of carbon rights in Timor-Leste; iii) Confirmation that there is currently no potential for overlap between NDC targets and Plan Vivo Certificates; and iv) Details of measures that will be taken to ensure the project is aware of future developments in national legislation and greenhouse gas accounting and can respond accordingly.</li> </ul>								
<b>F. Project Coordinator's Response</b>	<p><i>CAR06: as in Section F, page 9</i></p>								
<b>G. Status</b>	<p><i>OUTSTANDING: None</i>  <i>CLOSED: CAR06</i></p> <table border="1"> <thead> <tr> <th>Code</th> <th>Validator's Comments</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>CAR06</td> <td>Additional information added to the PDD is sufficient to close this CAR.</td> <td>Closed</td> </tr> </tbody> </table>			Code	Validator's Comments	Status	CAR06	Additional information added to the PDD is sufficient to close this CAR.	Closed
Code	Validator's Comments	Status							
CAR06	Additional information added to the PDD is sufficient to close this CAR.	Closed							

<b>A. Requirement</b>	<p><b>2.7 Monitoring</b></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>B. Guidance Notes for Validators</b>	<p>Check whether the monitoring plan is effective and likely to be fully implemented:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Are the selected indicators (covering all aspects of monitoring) SMART? I.e. Specific, Measurable, Achievable, Relevant and Time-bound?</li> <li>• Do the selected indicators properly measure impacts of the project or are they only able to measure inputs/activities?</li> <li>• Are communities effectively involved in monitoring and do they understand their role?</li> </ul>
<b>C. Findings (describe)</b>	<p>The project has a monitoring plan with appropriate indicators, a few key details should be added, however as described in the corrective actions required.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Monitoring plan [PVR 5.9]</b> – Minor gap, see CAR08, CAR09 and CAR10</p> <ul style="list-style-type: none"> <li>• The PDD describes a plan for monitoring key parameters used in the SHAMBA model and HWP methodology: stocking density of planted trees in Y1 and Y3, tree growth in Y5 and Y10, and soil management, and use of harvested wood products.</li> <li>• An SOP is provided for Forest Inventory (PDD Annex G3), Tree Survival Monitoring (PDD Annex K1) and Soil Management Monitoring (PDD Annex K2), and key staff demonstrated the capacity to implement these.</li> <li>• Performance targets are included in the draft PES Agreement.</li> <li>• The monitoring period is not defined in the PDD, but the COTI director explained that monitoring will take place during the 10-year crediting period.</li> <li>• Monitoring data can be used to test the key assumptions in the carbon models, e.g. growth rates and survival, but there are not details of how frequently this will take place.</li> <li>• A full breakdown of monitoring costs is not provided.</li> <li>• The PDD does not describe how monitoring results will be shared with Project Participants.</li> <li>• It is not clear from the PDD how initial sites established since 2010 will be incorporated into the monitoring.</li> </ul>

<b>D. Conformance</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>												
<b>E. Corrective Actions (describe)</b>	<b>Minor corrective actions:</b> <ul style="list-style-type: none"> <li>• CAR08 - Develop an operational budget for all project activities.</li> <li>• CAR09 - Add details to the PDD of how monitoring data will be used to periodically update technical specifications</li> <li>• CAR10 - Add details of the monitoring period to the monitoring plan in the PDD, a description of the monitoring schedule for sites established since 2010, and details of how monitoring results will be shared with Project Participants and other stakeholders.</li> </ul>														
<b>F. Project Coordinator's Response</b>	<p>CAR08: as in Section F, page 9</p> <p>CAR09: as in Section F, page 18</p> <p>CAR10: <i>Addressed in Sections K1.3.2 Tree growth and K1.4 Payments to farmers and managing underperformance</i></p>														
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None</p> <p><b>CONVERTED TO FORWARD ACTION:</b> CAR08</p> <p><b>CLOSED:</b> CAR09, CAR10</p> <table border="1" data-bbox="482 1006 1430 1417"> <thead> <tr> <th data-bbox="482 1006 605 1051">Code</th><th data-bbox="605 1006 1267 1051">Validator's Comments</th><th data-bbox="1267 1006 1430 1051">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="482 1051 605 1192">CAR08</td><td data-bbox="605 1051 1267 1192">The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.</td><td data-bbox="1267 1051 1430 1192">Converted to FAR04</td></tr> <tr> <td data-bbox="482 1192 605 1311">CAR09</td><td data-bbox="605 1192 1267 1311">Information added to the PDD describes how tree growth data will be used to revise the PDD.</td><td data-bbox="1267 1192 1430 1311">Closed</td></tr> <tr> <td data-bbox="482 1311 605 1417">CAR10</td><td data-bbox="605 1311 1267 1417">Details of monitoring period, monitoring schedule and sharing of monitoring data have been added to the PDD.</td><td data-bbox="1267 1311 1430 1417">Closed</td></tr> </tbody> </table>			Code	Validator's Comments	Status	CAR08	The operational budget requires further detail, including itemised costs for providing technical support and monitoring. The project is in a position to provide this information.	Converted to FAR04	CAR09	Information added to the PDD describes how tree growth data will be used to revise the PDD.	Closed	CAR10	Details of monitoring period, monitoring schedule and sharing of monitoring data have been added to the PDD.	Closed
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<b>A. Requirement</b>	<p><b>2.8 Plan Vivos</b></p> <p>Are the <i>plan vivos</i> (or land management plans) clear, appropriate and consistent with approved technical specifications for the project? Will the implementation of the plans cause producers' overall agricultural production or revenue potential to become unsustainable or unviable?</p>														
<b>B. Guidance Notes for Validators</b>	<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</p>														

	<p>future impacts have been discussed and agreed.</p>
<b>C. Findings (describe)</b>	<p>Sketch maps combined with a database of Project Areas and digital maps of Project Area boundaries are sufficient to enable expected climate benefits to be estimated. Details recorded for initial project areas should be checked prior to signing PES agreements, however, and evidence of participatory methods used to develop land management plans should be included in the PDD.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Plan vivos</b> [PVR 4.5, 4.6] –Conforms, see REC09</p> <ul style="list-style-type: none"> <li>• Example sketch maps for some of the project sites are included in the PDD Annex. These do not include sufficient information to estimate expected climate benefits, they therefore need to be used in conjunction with the PES Agreement that details the area under each Technical Specification.</li> <li>• Project Participants confirmed that they were able to choose whether to establish woodlots or agroforestry systems in their project areas.</li> <li>• Visits to the project areas already established showed that the records held by the Project Coordinator did not always match the systems and areas established. For example, some planting areas recorded as woodlots were established with agroforestry systems and vice versa; and a rapid assessment of the extent of planting areas suggested that actual areas planted did not always correspond to the project's records.</li> </ul> <p><b>Project area boundaries</b> [PVR4.8, 4.11] –Conforms, see REC09</p> <ul style="list-style-type: none"> <li>• The Project Coordinator has digitally mapped the locations and boundaries of all project sites and has a database of the areas under each Project Intervention.</li> <li>• Measurements of planting areas made by the validation team did not always match the project's records, either because of differences in the boundaries walked by the validation team and during project mapping, or because of GPS signal or user errors.</li> </ul> <p><b>Access to plan vivos</b> [PVR 4.9] – Conforms, see REC02</p> <ul style="list-style-type: none"> <li>• Project Participants participated a workshop to develop their Plan Vivos, then they made a sketch on a piece of paper, and finally the project staff took GPS points of the perimeter of the project site. Project Participants have the printed map of digitally mapped sites, but the sketch is kept in FCOTI's office. The printed map is in English, with tree species in the legend provided in local language.</li> </ul> <p><b>Participatory methods</b> [PVR 4.10] –Conforms, see REC08</p> <ul style="list-style-type: none"> <li>• The plan vivo development process described in the PDD and confirmed through interviews with Project Participants suggests that participatory methods are used when working with famers to determine the Project Interventions they wish to implement. The PDD does not include evidence of participatory methods used to assist Project Proponents to develop their plan vivos, however.</li> </ul>

<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<b>Recommendations:</b> <ul style="list-style-type: none"> <li>REC02 - provide copies of all sketch maps, agreements and ownership documents to Project Participants</li> <li>REC08 - In the PDD, add evidence of participatory methods used to develop plan vivos for initial Project Areas</li> <li>REC09 - Prior to signing PES Agreements with Project Participants ensure that the areas under each Project Intervention are accurately mapped, and that in planting sites that are already planted, the Project Interventions have been implemented as described in the technical specifications.</li> </ul>		
<b>F. Project Coordinator's Response</b>			
<b>G. Status</b>	NA		

Theme	3. Ecosystem benefits
<i>Ensuring that the project meets requirements 2.1-2.4 of the Plan Vivo Standard (2013)</i>	
<b>A. Requirement</b>	<p><b>3.1 Planting native and naturalised species</b>            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>B. Guidance Notes for Validators</b>	<p>Check this using a number of sources:</p> <ul style="list-style-type: none"> <li>Visual observations of local tree-growing practices</li> <li>Discussions with communities and project staff</li> <li>Discussions with local experts (forestry and biodiversity experts)</li> <li>Published information (refer to this in the validation report if used)</li> </ul>
<b>C. Findings (describe)</b>	<p>The PDD states that all species planted are native or naturalised, but some species are potentially invasive and this risk is not discussed in the PDD.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Project interventions [PVR 2.1] – Conforms</b></p> <ul style="list-style-type: none"> <li>The project interventions are (1) ecosystem rehabilitation through tree planting and (2) improved land management through application of compost and mulching and terracing.</li> </ul> <p><b>Biodiversity benefits [PVR 2.2] – Conforms</b></p> <ul style="list-style-type: none"> <li>Project interventions are expected to have a positive impact on biodiversity through habitat creation for local fauna.</li> <li>This was confirmed by all stakeholders interviewed.</li> </ul> <p><b>Native species [PVR 2.4] – Minor gap, see CAR15</b></p>

	<ul style="list-style-type: none"> <li>• Trees planted for Project Interventions are a mixture of native and naturalised species. The naturalised species planted were selected because of their economic value and suitability to soil conditions in the Project Region.</li> <li>• Although two of the species planted (<i>Gmelina arborea</i> and <i>Gliricidia sepium</i>) are listed in the CABI Invasive Species Compendium<sup>1</sup>, they are not identified as invasive in Timor-Leste in the IUCN Global Invasive Species Database<sup>2</sup>. Risk that these species will become invasive is low, but details of how the risk will be managed, are not described in the PDD.</li> </ul>								
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>						
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR15 - In the PDD, add an explanation of how the risk of planted species becoming invasive is assessed and managed.</li> </ul>								
<b>F. Project Coordinator's Response</b>	<i>CAR15 Addressed in section D3 of the PDD as per conversation/clarification by the validator (on 14/04/20), advising that inclusion of the comment -now in the PDD- would satisfy this CAR.</i>								
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None  <b>CLOSED:</b> CAR15</p> <table border="1" data-bbox="462 1035 1414 1185"> <thead> <tr> <th data-bbox="462 1035 616 1073">Code</th><th data-bbox="616 1035 1251 1073">Validator's Comments</th><th data-bbox="1251 1035 1414 1073">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="462 1073 616 1185">CAR15</td><td data-bbox="616 1073 1251 1185">Details of how risks of planted species becoming invasive will be managed have been added to the PDD.</td><td data-bbox="1251 1073 1414 1185">Closed</td></tr> </tbody> </table>			Code	Validator's Comments	Status	CAR15	Details of how risks of planted species becoming invasive will be managed have been added to the PDD.	Closed
Code	Validator's Comments	Status							
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<b>A. Requirement</b>	<p><b>3.2 Ecological impacts</b>            Have the wider ecological impacts of the project been identified and considered including impacts on local and regional biodiversity and impacts on watersheds?</p>								
<b>B. Guidance Notes for Validators</b>	<p>Check this using a number of sources:</p> <ul style="list-style-type: none"> <li>• Visual observations of the environment in the project area</li> <li>• Discussions with communities and project staff</li> <li>• Discussions with local experts (environmental experts)</li> <li>• Published information (refer to this in the validation report if used)</li> </ul>								
<b>C. Findings (describe)</b>	<p>The wider ecological impacts of the project (beyond potential negative impacts from invasive species identified in Section 3.1) are expected to be positive.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p>								

<sup>1</sup> <https://www.cabi.org/isc/>
<sup>2</sup> [http://issg.org/database/species/search.asp?st=sss&sn=&rn=Timor-Leste%20\(East%20Timor\)&ri=18888&hci=-1&ei=-1&fr=1&sts=&lang=EN](http://issg.org/database/species/search.asp?st=sss&sn=&rn=Timor-Leste%20(East%20Timor)&ri=18888&hci=-1&ei=-1&fr=1&sts=&lang=EN)

	<p><b>Negative environmental impacts</b> [PVR 2.3] – Conforms</p> <ul style="list-style-type: none"> <li>Project intervention are designed to mitigate poor soil and land conditions, e.g. to reduce erosion and landslide through tree planting, that in turn will be beneficial for hydrological condition watershed management, and wildfire. This potential was confirmed in stakeholder interviews.</li> <li>No potential negative environmental impacts are mentioned in the PDD and none (other than a potential risk from invasive species) were identified by the Validation team.</li> </ul> <p><b>Habitat types and species present</b> [PVR 5.13] – Minor gap, see CAR11</p> <ul style="list-style-type: none"> <li>A biodiversity baseline study was conducted in 2019, but details have not been added to the PDD.</li> </ul>								
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>						
<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>CAR11 Add details of biodiversity survey to the PDD</li> </ul>								
<b>F. Project Coordinator's Response</b>	CAR11 <i>Addressed in section D3 in a revised version of the PDD.</i>								
<b>G. Status</b>	<p><i>OUTSTANDING:</i> None  <i>CLOSED:</i> CAR11</p> <table border="1" data-bbox="462 1102 1426 1215"> <thead> <tr> <th data-bbox="462 1102 616 1147">Code</th><th data-bbox="616 1102 1267 1147">Validator's Comments</th><th data-bbox="1267 1102 1426 1147">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="462 1147 616 1215">CAR11</td><td data-bbox="616 1147 1267 1215">Details of the biodiversity survey have been added to the PDD.</td><td data-bbox="1267 1147 1426 1215">Closed</td></tr> </tbody> </table>			Code	Validator's Comments	Status	CAR11	Details of the biodiversity survey have been added to the PDD.	Closed
Code	Validator's Comments	Status							
CAR11	Details of the biodiversity survey have been added to the PDD.	Closed							

<b>Theme</b>	<b>4. Livelihood Benefits</b>
<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>	
<b>A. Requirement</b>	<p><b>4.1 Community-led planning</b>      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>B. Guidance Notes for Validators</b>	<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>
<b>C. Findings (describe)</b>	<p>Development of technical specifications was led by the Project Coordinator and technical partners, so was not community-led. The process was based on a good understanding of local conditions and priorities, however.</p> <p>A summary of conformance with the relevant requirements of the Plan</p>

	<p>Vivo Standard (PVR), is provided below:</p> <p><b>Participatory planning</b> [PVR 4.1], Minor gap, see CAR16</p> <ul style="list-style-type: none"> <li>Project interventions were developed by the Project Coordinator with input from the project partners, and were designed to address the livelihood needs of Project Participants and to be suited to local environmental and social conditions. Project Participants were not fully involved in this process, however.</li> </ul> <p><b>Equal opportunities</b> [PVR 4.2] – Conforms</p> <ul style="list-style-type: none"> <li>Project Interventions target smallholders and community groups in 9 villages who met the eligibility criteria. Participation of women is encouraged and women's participation increased through training</li> <li>Land size between farmers varies, suggesting no discrimination in social status or income.</li> <li>Farmers Groups confirmed that everyone who has land and wants to plant trees are eligible to join the project.</li> <li>Landless farmers can also participate in the project by entering a separate agreement with the land owner.</li> </ul> <p><b>Barriers to participation</b> [PVR 4.3] – Conforms</p> <ul style="list-style-type: none"> <li>The project has no barriers to participation, beyond the eligibility criteria.</li> </ul> <p><b>Governance structure</b> [PVR 4.4] – N/A</p> <ul style="list-style-type: none"> <li>The project participants are grouped into farmer groups, but PES agreements are entered into by individuals.</li> </ul> <p><b>Livelihood needs</b> [PVR 4.7] – Conforms</p> <ul style="list-style-type: none"> <li>A process for assessing plan vivos is described in the PDD (Section E.2.3) but this does not include any details of how potential impacts on livelihoods will be assessed.</li> <li>Interviews with Project Participants suggest that farmers only join the project if they have sufficient land outside their project sites to meet their livelihood needs.</li> </ul> <p><b>Negative impacts</b> [PVR 7.5] – Conforms</p> <ul style="list-style-type: none"> <li>PDD (Section F2, Table F2, F3) describes potential negative impacts on non-participants and Project Participants and plans for mitigation.</li> <li>The most vulnerable members of the local communities are the landless farmers, who can be incorporated into the project through agreements with land holders.</li> <li>Discussions with farmers groups did not identify other vulnerable groups that could be negatively affected by the project.</li> </ul>
<b>D. Conformance</b>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>

<b>E. Corrective Actions (describe)</b>	<b>Minor corrective actions:</b> <ul style="list-style-type: none"> <li>• CAR16 - Conduct workshops with farmers groups to discuss the suitability of existing Technical Specifications for meeting their needs and priorities and to identify alternative species or planting systems that could be developed into technical specifications; and apply the results of these workshops to update technical specification if necessary.</li> </ul>						
<b>F. Project Coordinator's Response</b>	<p>CAR16:</p> <p><i>We strongly believe the project has applied the participatory principles that underpin Plan Vivo's principle 4.1 and that farmers have been empowered to make decisions relating to the technical specifications of the project, including the decision of farmers on what species to plant. The need to eliminate slash and burning was also articulated by farmers as evidenced during the validation visit where it was possible to observe good ground cover inside project sites. However, we also recognize that perhaps the role of farmers on tech. specifications has perhaps not been clearly explained to the validators, hoping, that the explanation below and additional documents provided with this report could address this information gap. It's worth mentioning that the first consultation took place in 2010 where activities and species were discussed and suggested by farmers, followed by other regular yearly meetings up to 2015. These early consultations were followed by two major LSCs (Local Stakeholders Consultations) in September of 2017 and September of 2018 and again in 2019 aimed to refine Technical Specifications of the project and additions and modifications (including planning actions) to project activities. During the 2017 consultation the project facilitated discussions between farmers without project staff intervention (see photos and notes in "Input to project tech specifications by farmers"). Key outputs of these discussions included modifications to tree nursery production, delivery of trees for disadvantaged community members, potential for community work, etc. These were articulated by farmers themselves and implemented where possible by the project (see doc. "Farmers input LSC"). A follow up took place in 2018 and 2019 (as mentioned above) to confirm these directions and continue refinement of the project. In our opinion, these time lapses (also considering on-going consultation since 2010) has given farmers plenty of time to consider and decide on project actions. A list of participants during these discussions was provided together with the PDD in Annex J2 PSC MEETINGS. Based on the new examples of farmers directly providing input to the design of the project (in Annex E1) and clarification in the PDD (section E1), we would like to request CAR16 to be considered closed.</i></p>						
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None</p> <p><b>CONVERTED TO FORWARD ACTION:</b> CAR16</p> <p><b>CLOSED:</b> None</p> <table border="1" data-bbox="482 1866 1430 1989"> <thead> <tr> <th data-bbox="482 1866 627 1911">Code</th> <th data-bbox="627 1866 1276 1911">Validator's Comments</th> <th data-bbox="1276 1866 1430 1911">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="482 1911 627 1989">CAR16</td> <td data-bbox="627 1911 1276 1989">Plan Vivo Requirement 4.1 applies to the development of technical specifications i.e.</td> <td data-bbox="1276 1911 1430 1989">Converted to FAR05</td> </tr> </tbody> </table>	Code	Validator's Comments	Status	CAR16	Plan Vivo Requirement 4.1 applies to the development of technical specifications i.e.	Converted to FAR05
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		<p>identification of the species to be planted. We recognise that the process followed for development of technical specifications took into consideration local livelihood needs, customs, land availability, food security, land tenure, practical implications, and opportunities to enhance biodiversity. The requirement is quite specific on the need for 'participatory planning' in <b>the development of technical specifications</b>, which is defined in the Plan Vivo Standard as 'A process where communities are facilitated and empowered to make decisions and contribute to the selection and design of activities, not passive recipients of information or pre-made decisions'. Sufficient evidence of the level of involvement of Project Participants in development of the technical specifications has not been provided to close this CAR, and workshops with project participants will be needed to generate this evidence. The project is in a good position to conduct these consultations as part of their regular activities.</p>			
<b>A. Requirement</b>	<p><b>4.2 Socio-economic impact assessment/monitoring plan</b>            Is there a robust socio-economic impact assessment and monitoring plan in place that can measure changes against the baseline scenario?</p>				
<b>B. Guidance Notes for Validators</b>	<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"> <li>• Whether the livelihoods indicators can effectively monitoring socio-economic changes takeing place</li> <li>• 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</li> <li>• 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</li> </ul>				
<b>C. Findings (describe)</b>	<p>The project has a robust socioeconomic monitoring plan in place. There may be opportunities to reduce monitoring costs, however.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Socioeconomic baseline [PVR 7.2] – Conforms</b></p>				

	<ul style="list-style-type: none"> <li>A socioeconomic baseline survey based on a random stratified sample of 40 households was conducted in 2017 by the project technical partners (CSU).</li> </ul> <p><b>Socioeconomic monitoring [PRV 7.4]</b> – Conforms, see REC06</p> <ul style="list-style-type: none"> <li>The PDD includes a socioeconomic monitoring plan developed by the project's technical partner (CSU) that conducted the socioeconomic baseline survey.</li> <li>The Project Coordinator plans to contract CSU to carry out socioeconomic monitoring following this plan.</li> </ul>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	<p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>REC06 - Consider training project staff for socioeconomic monitoring, to reduce the need to contract CSU, to improve project staff capacity, and minimise monitoring costs.</li> </ul>
<b>F. Project Coordinator's Response</b>	
<b>G. Status</b>	NA
<b>A. Requirement</b>	<p><b>4.3 Sale agreements and payments</b>      Does the project have clear procedures for entering into sale agreements with producers/communities based on saleable carbon from <i>plan vivos</i>? Does the project have an effective and transparent process for the timely administration and recording of payments to producers?</p>
<b>B. Guidance Notes for Validators</b>	<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>
<b>C. Findings (describe)</b>	<p>An initial PES Agreement template has been developed, but this can be further refined, and Project Participants will require further sensitization prior to signing. A simple database is available for recording payments to Project Participants, once there is income from the sale of Plan Vivo Certificates.</p> <p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>PES Agreements [PVR 8.1, 8.2]</b> – Minor gaps, see CAR03, CAR05</p> <ul style="list-style-type: none"> <li>A PES Agreement template is included as an Annex to the PDD. This could be simplified to ensure it is fully understood by all Project Participants. The template does not include details of minimum amounts that will be received by Project Participants.</li> </ul>

	<ul style="list-style-type: none"> <li>PES agreements have not yet been signed by Project Participant, and most Project Participants are currently unaware of the details of the PES agreements, although some training has been provided.</li> </ul> <p><b>FPIC</b> [PVR 8.3] – Minor gap, see CAR05</p> <ul style="list-style-type: none"> <li>The project has processes in place to enable free, prior and informed consent, for example Project Participants are recruited after they submit an expression of interest to join the project, and usually after they have received information about the project from their neighbours.</li> <li>Consent was demonstrated in the pilot phase by signing Planting Agreements. These will be replaced with PES Agreements when the Plan Vivo project is operational.</li> <li>Project Participants are well informed about the Project Interventions and the requirements for long-term management and replanting after any harvesting, further sensitization relating to the PES Agreements is required, however.</li> </ul> <p><b>Land tenure</b> [PVR 8.4] – Conforms</p> <ul style="list-style-type: none"> <li>The Project Coordinator has a good understanding of land tenure issues and risks in the project region, and has put in place measures that will strengthen land tenure claims by Project Participants, including signing of Land Ownership Declaration as proof of their ownership of the land (traditional ownership), validated by the hamlet chief, village chief, and Administrator and witnessed by bordering neighbours.</li> </ul> <p><b>Financial capacity</b> [PVR 8.5] – Conforms</p> <ul style="list-style-type: none"> <li>During the pilot phase, the Project Coordinator has secured grant funding to initiate project activities, and there are plans to continue applications for donor funding to support parallel activities in the Project Region, and to cover some of the Project Coordinator's costs.</li> <li>The project has identified certificate buyers, and plans to enter into PES Agreements as commitments to purchase are secured, limiting the risk that obligations to Project Participants cannot be met.</li> <li>GTNT has also committed to providing funds for project development until 2022, if certificate buyers are not found immediately.</li> </ul> <p><b>Selecting participants</b> [PVR 8.6] – Conforms</p> <ul style="list-style-type: none"> <li>Eligibility criteria and participant candidate assessment have been used to screen and select participants. According to the Farmers Groups, the process has been done fairly and has not led to any disputes.</li> </ul> <p><b>Risks of non-payment</b> [PVR 8.7] – Minor gap, see CAR05</p> <ul style="list-style-type: none"> <li>The dependence of payments to farmers on donor finance received is a condition of the planting agreements signed during the pilot phase of the project, and Project Participants understand that similar arrangements are likely to be incorporated into PES Agreements. Full details of the PES Agreements are not yet fully understood by all Project Participants, however.</li> </ul>
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<b>D. Conformance</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>									
<b>E. Corrective Actions (describe)</b>	<b>Minor corrective actions:</b> <ul style="list-style-type: none"> <li>CAR03 - Revise PES Agreement template to ensure it can be fully understood by all Project Participants, and to include: i) The start and end date for the monitoring period; ii) The minimum price that will be accepted for the sale of PV certificates; iii) The minimum value of support that will be received by the Project Participant if all monitoring targets are met; iv) the timing of when support will be provided; v) the nature of support (i.e. cash payments, in kind support, training, etc.)..</li> <li>CAR05 - Prior to signing PES Agreements, provide training to Project Participants on transaction of Plan Vivo Certificates</li> </ul>											
<b>F. Project Coordinator's Response</b>	<p><i>CAR03: as in Section F, page 9.</i></p> <p><i>CAR05: as in Section F, page 13.</i></p>											
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None</p> <p><b>CONVERTED TO FORWARD ACTION:</b> CAR05</p> <p><b>CLOSED:</b> CAR03</p> <table border="1" data-bbox="477 983 1414 1170"> <thead> <tr> <th data-bbox="477 983 636 1028">Code</th><th data-bbox="636 983 1256 1028">Validator's Comments</th><th data-bbox="1256 983 1414 1028">Status</th></tr> </thead> <tbody> <tr> <td data-bbox="477 1028 636 1102">CAR03</td><td data-bbox="636 1028 1256 1102">The revision of the PES agreement template is sufficient to close this CAR.</td><td data-bbox="1256 1028 1414 1102">Closed</td></tr> <tr> <td data-bbox="477 1102 636 1170">CAR05</td><td data-bbox="636 1102 1256 1170">The Project Coordinator is in a position to provide the required training.</td><td data-bbox="1256 1102 1414 1170">Converted to FAR03</td></tr> </tbody> </table>			Code	Validator's Comments	Status	CAR03	The revision of the PES agreement template is sufficient to close this CAR.	Closed	CAR05	The Project Coordinator is in a position to provide the required training.	Converted to FAR03
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<b>A. Requirement</b>	<p><b>4.4 Benefit sharing and equity</b></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>B. Guidance Notes for Validators</b>	<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"> <li>Checking whether a local stakeholder/well-being analysis has been conducted to identify socio-economic groupings in the communities</li> <li>Assessing the level of governance of local groups (are issues of equity and benefit sharing discussed during meetings?)</li> <li>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.</li> </ul>											

<b>C. Findings (describe)</b>	<p>The Project Interventions have potential to provide direct livelihood benefits to the Project Participants and their families. Potential benefits from timber harvesting and PES are poorly understood by the Project Participants, however.</p>						
	<p>A summary of conformance with the relevant requirements of the Plan Vivo Standard (PVR), is provided below:</p> <p><b>Livelihood benefits</b> [PVR 7.1, 7.3] – Minor gaps, see CAR03 and CAR20, see REC05</p> <ul style="list-style-type: none"> <li>• The Project Interventions provide both direct and indirect benefits to the livelihoods of Project Participants. Those implementing agroforestry systems benefit from improved productivity in areas with poor soil conditions, and those with woodlots expect to receive future benefits from timber sales.</li> <li>• Project Participants do not currently have access to timber markets, however, and the costs associated with timber harvest, transport and restocking have not been quantified or communicated with Project Participants.</li> <li>• The PDD includes a number of parallel activities that also have potential to benefit livelihoods, but these are not part of the Plan Vivo Project logic i.e. they are not required for the success of the Project Interventions, and they will not be supported by finance from the sale of Plan Vivo Certificates. It is noted that these are part of the broader activities of the Project Coordinator, and that these activities do play a role in generating support for the Plan Vivo Project, but if these activities are included in the PDD there should be a clear distinction made between those activities that are part of the Plan Vivo Project (and the livelihood and ecosystem benefits they are expected to provide), and the parallel activities.</li> <li>• Benefits from the sale of Plan Vivo Certificates are also expected, but the Project Coordinator has not confirmed a minimum amount that Project Participants can expect to receive, as the price that certificates can be sold for is still uncertain.</li> </ul> <p><b>Benefit sharing mechanism</b> [PVR 8.8, 8.9, 8.10, 8.11, 8.12, 8.13] – Minor gap, see CAR21</p> <ul style="list-style-type: none"> <li>• The project has a basic benefit sharing mechanism that specifies 60% of income from sale of Plan Vivo Certificates will be received by the Project Participants, but details of the nature of the transfer and a budget that demonstrates how the costs of project implementation and monitoring will be met have not been developed.</li> <li>• The benefit sharing mechanism is poorly understood by Project Participants and project staff.</li> </ul>						
<b>D. Conformance</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 5px;">Yes</td> <td style="width: 33%; padding: 5px; text-align: center;"><input type="checkbox"/></td> <td style="width: 33%; padding: 5px;">No</td> <td style="width: 33%; padding: 5px; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 33%; padding: 5px;">N/A</td> <td style="width: 33%; padding: 5px; text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>		

<b>E. Corrective Actions (describe)</b>	<p><b>Minor corrective actions:</b></p> <ul style="list-style-type: none"> <li>• CAR03 - Revise PES Agreement template to ensure it can be fully understood by all Project Participants, , and to include: i) The start and end date for the monitoring period; ii) The minimum price that will be accepted for the sale of PV certificates; iii) The minimum value of support that will be received by the Project Participant if all monitoring targets are met; iv) the timing of when support will be provided; v) the nature of support (i.e. cash payments, in kind support, training, etc.)..</li> <li>• CAR20 - Include costs for restocking planting areas into the financial analysis of expected income from timber harvesting in the PDD.</li> <li>• CAR21 - Revise and add detail to benefit sharing mechanism, and ensure that this is fully understood by Project Participants and project staff, that details are incorporated into PES Agreements, and that a description of the process for developing and agreeing the mechanism with Project Participants is added to the PDD</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• REC05 - Remove parallel activities that are not part of the Plan Vivo project logic from the PDD, or ensure that these activities - and any benefits they are expected to provide are clearly separated from the Plan Vivo Project activities and benefits.</li> </ul>												
<b>F. Project Coordinator's Response</b>	<p><i>CAR03: as in Section F, page 9.</i></p> <p><i>CAR20 This analysis has been completed and it is included together with the validation report Annex J5 "Timber cost benefit estimation v2" re-submitted with this report.</i></p> <p><i>CAR21 The PES has been revised and section J1 in the PDD has been modified to describe the process to develop the PES/ BSM with farmers. Annex I7 includes revised versions of the documents supporting the BSM. Recognising that this still might be a difficult concept for some farmers, the project has planned practical sessions to give the opportunity to project members to address questions and further familiarise themselves with the BSM. Based on the modifications cited and planned additional information sessions, we request this CAR to be reclassified.</i></p>												
<b>G. Status</b>	<p><b>OUTSTANDING:</b> None</p> <p><b>CONVERTED TO FORWARD ACTION:</b> CAR21</p> <p><b>CLOSED:</b> CAR03, CAR20</p> <table border="1" data-bbox="482 1657 1430 1989"> <thead> <tr> <th data-bbox="482 1657 632 1702">Code</th> <th data-bbox="632 1657 1271 1702">Validator's Comments</th> <th data-bbox="1271 1657 1430 1702">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="482 1702 632 1776">CAR03</td> <td data-bbox="632 1702 1271 1776">The revision of the PES agreement template is sufficient to close this CAR.</td> <td data-bbox="1271 1702 1430 1776">Closed</td> </tr> <tr> <td data-bbox="482 1776 632 1850">CAR20</td> <td data-bbox="632 1776 1271 1850">Analysis included in Annex J5 includes costs for restocking.</td> <td data-bbox="1271 1776 1430 1850">Closed</td> </tr> <tr> <td data-bbox="482 1850 632 1989">CAR21</td> <td data-bbox="632 1850 1271 1989">Additional details of the benefit sharing mechanism have been added to the PDD and PES agreement template. The planned training with project participants will be sufficient to</td> <td data-bbox="1271 1850 1430 1989">Converted to FAR07</td> </tr> </tbody> </table>	Code	Validator's Comments	Status	CAR03	The revision of the PES agreement template is sufficient to close this CAR.	Closed	CAR20	Analysis included in Annex J5 includes costs for restocking.	Closed	CAR21	Additional details of the benefit sharing mechanism have been added to the PDD and PES agreement template. The planned training with project participants will be sufficient to	Converted to FAR07
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CAR21	Additional details of the benefit sharing mechanism have been added to the PDD and PES agreement template. The planned training with project participants will be sufficient to	Converted to FAR07											

		<p>close this CAR. We note the challenge here, and applaud the project's efforts in this area. Hopefully once the project is up and running and these concepts become less abstract, things will become easier. The project is in a good position to provide the required training to project participants.</p>	
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Table 3. Site Visit Itinerary

Plan Vivo Validation – Halo Verde Timor Community Forest Carbon Project						
No.	Day	Date	Time	Institution/Organization	Type	Location
1	Sunday	03/01/2020	14:45	Ellyn's travel Bogor - Jakarta - Bali - Dili		
1	Sunday	03/01/2020	16:30	Meeting with FCOTI staff in Dili	Project Coordinator	Dili
2	Monday	03/02/2020	8:30	Director General of Environment and National Director of Biodiversity	Government	Fomento Building Dili
3	Monday	03/02/2020	10:00	Director General of Forestry, Coffee and Industrial Plants	Government	Caicoli
4	Monday	03/02/2020	12:30	World Vision Timor-Leste	Technical Partner	WV office
5	Monday	03/02/2020	14:30	Secretary of State for the Environment and National Designated Authority	Government	Fomento Building Dili
6	Monday	03/02/2020	16:00	Conservation International	Technical Partner	CI Office
7	Tuesday	03/03/2020	8:30	Meeting with FCOTI staff in Dili	Project Coordinator	FCOTI Office Hudi Laran Dili
8	Tuesday	03/03/2020	16:30	Conference call with Ben Bardon (Strategy3) and Nick Berry (TLLG)	Technical Partner, Validation Team	FCOTI Office Hudi Laran Dili
9	Wednesday	03/04/2020	8:00	Ai-Com	NGO	MAFF Comoro
10	Wednesday	03/04/2020	10:00	CCT	NGO	Comoro, New Bridge III
11	Wednesday	03/04/2020	13:30	RAEBIA	Technical Partner	RAEBIA's office Audian Dili
12	Wednesday	03/04/2020	15:00	Mercy Corps	NGO	MC Office Hudi Laran Dili
13	Wednesday	03/04/2020	16:00	Travel Dili to Laclubar		
14	Thursday	03/05/2020	8:30	Meeting with local authorities and chairperson of PSC	Project Steering Committee	Administration Office Laclubar
15	Thursday	03/05/2020	10:30	Meeting with Farmer groups 2 farmer groups	Project participants	Administration Office Laclubar
16	Thursday	03/05/2020	14:30	Meeting with Farmer groups 2 farmer groups	Project participants	Administration Office Laclubar
17	Friday	03/06/2020	16:30	Meeting with School Principal	Project participants	Administration Office Laclubar
18	Friday	03/06/2020	07:30	Site Visits to L1 and L4	Project participants	Sites in Laclubar
19	Saturday	03/07/2020	07:00	Site visits to L2 and L3	Project participants	Sites in Laclubar
20	Sunday	03/08/2020	09:00	Meeting with Laclubar Church Leader	Other stakeholder	Priest's house
21	Sunday	03/08/2020	10:00	Travel Laclubar to Soibada (Afternoon rest)		
22	Monday	03/09/2020	8:30	Meeting with local authorities and co-chairperson of PSC and church leaders	Project Steering Committee	Administration Office in Soibada
23	Monday	03/09/2020	11:30	Meeting with Farmer group	Project participants	Administration Office in Soibada
24	Tuesday	03/10/2020	7:30	Site Visit S1 and S2	Project participants	Sites in Soibada
25	Wednesday	03/11/2020	9:00	Travel Soibada to Dili		
26	Thursday	03/12/2020	10:00	Meeting with UNTL Professor, expert of Timor Leste's Climate Change	Other stakeholder	UNTL
27	Friday	13/3/2020	13:30	Debriefing meeting with FCOTI	Project participants	DILI
28	Friday	13/3/2020	9:00	Land and Property Office in Manatuto	Government	Land and Property Office, Dili
29	Friday	13/3/2020	11:00	Ellyn's travel Dili - Bali - Jakarta - Bogor		
				END		

**The Validators: (Insert Validator's Name)**

**Ellyn Damayanti**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Marcos Gusmao**

**Signature:**  **Date:** 01 June 2020

**Nicholas Berry**

**Signature:**  **Date:** 29 May 2020

## Appendices:

Appendix A – Attendance lists

[https://drive.google.com/open?id=1RG6Hit8hqAuVMg8D2Fhelkclj\\_D3CLzM](https://drive.google.com/open?id=1RG6Hit8hqAuVMg8D2Fhelkclj_D3CLzM)

Appendix B – Site visit photos © Alexander Saramento, Jorge Ramos, and Ellyn Damayanti

<https://drive.google.com/open?id=1gfCRfkAXn4V-QTa2W13OyZ0v6tEBgPtf>