

Verification Report


Loru Forest Project

The Nakau Programme

Prepared by Dr Noim Uddin

May 3rd, 2020

(Monitoring Period: 16 January 2017 to 15 January 2020)

Name of Verifier(s): Dr Noim Uddin	Date of Review: Initial desk review April 2020; Field site visit 01 May 2020; Verification and Reporting 2- 3 May 2020
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Lead Auditor	Dr Noim Uddin
Audit Team Member(s)	Mr Sero Isaiah
Internal Verification Code	005-20
Standard Version	2013
Plan Vivo Certificates (PVC) issued	11,435
Buffer Certificates	2,859

Name of Reviewer: Dr Noim Uddin, Senior Consultant, CPMA International Uppsala AB with inputs from Mr Sero Isaiah, Independent On-site Visit Auditor.

Date of Review:

Initial desk review April 2020; Field site visit 01 May 2020; Verification and Reporting 2-3 May 2020

Project Name: Loru Forest Project

An avoided deforestation project at Loru, Santo Vanuatu under the Nakau Program: An Indigenous Forest Conservation Program Through Payments for Ecosystem Services

Project Description:

The Loru Forest Project (with eligible forest area of 200.6 ha made up of 2 land parcels, including Zone A and Zone B) in Luganville, Santo of Vanuatu employs the legal instrument of a Community Conservation Area to protect the tall coastal rainforest within the project boundary. Zone B is included in Eligible Forest Area during 2nd verification. This is in accordance to the Project Description (Loru Forest Project – PD Part 1: D3.2a v1.0, 20151009) as validated in 2015.

The project seeks to manage the area through the implementation of the Loru Area Management Plan, which includes the removal of cattle from the area while also seeking to reduce the impact of invasive weeds within Project Area. The project will establish a tree nursery with the local clan to generate revenue and to promote forest conservation and the planting of productive tree species.

The project is divided into three management zones:

- **Zone A** (165.6 ha) – Avoided Deforestation where secondary forest is to be rehabilitated through the removal of cattle and through the agreement not to clear the area for gardens or copra during the project period.
- **Zone B** (35.7 ha) – Enhanced Forest Regeneration where the thicket is to be weeded of aggressive herbaceous vines and managed sustainably to enhance natural regeneration.
- **Zone C** (91 ha) – Agroforestry Non-Forestland currently infested with invasive vines.

No carbon revenues will be generated from Zone C but income is generated through sale of agroforestry crops.

The Loru Forest Project aims to protect the Loru coastal rainforest (one of the last stands of lowland rainforest on the East Coast of Espiritu Santo) from deforestation and forest degradation. The project also aims to provide livelihood benefits for the Serakar Clan (landowners). The project further aims to provide training in nut processing for women in the whole Khole community as an additional income sources that relies directly on forest protection.

List of Documents Reviewed:

1. Loru Forest Project – Project Description (PD) Part A: General Description (D3.2a v1.0, 20151009)
2. Loru Forest Project – Project Descriptions (PD) Part B: PES Accounting (D3.2b v1.0, 20151009)

3. Technical Specifications Module: (C) AD-DtPF: Avoided Deforestation – Deforestation to Protected Forest V.10 for the Nakau Program (D2.2.1 V1.0, 20150815)
4. Nakau Methodology Framework: General Methodology for the Nakau Program – An Indigenous Forest Conservation Program Through Payments for Ecosystem Services (D2.1 v1.0, 20140428)
5. Loru Forest Project – PES Agreement (D1.3 v1.0, 20151009)
6. Loru Forest Project – Project Coordinator License Agreement between Live & Learn Environmental Education Vanuatu and the Nakau Program Pty Ltd (D1.4 v1.0, 20151009)
7. Loru Forest Project – Program Agreement between the Nakau Program Operator and Serthiac Business (D1.2 v1.0, 20151009)
8. Project Development Agreement between Live & Learn Vanuatu and Serakar Family of Khole, Espiritu Santo (16 January 2013)
9. Certificate of Incorporation of Committee of a Charitable Association, Live & Learn Environmental Education Society Association, Vanuatu Financial Services Commission, Republic of Vanuatu, 17 April 2001
10. Community Conservation Area Registration (CCA) Notice – Loru Protected Area 16 Nov 2015 (via email notification)
 - (a) Loru Protected Area – Certificate of Registration Community Conservation Area (CCA) 12 November 2015
11. Draft Sale and Purchase Agreement
 - (a) Appendices 2 and 4 of Loru forest Project – Project Description /1/
 - (b) Sellers Agreement with various buyers (commercial in confidence)
12. Loru Protected Area Management Plan, 2015
13. Loru Conservation Area – Education Program Report (developed for PD /1/ to show informed decision making)
14. Loru Carbon Budget and Pricing – Loru forest Project Issuance Request 2020
15. Loru Forest and Carbon Inventory Appendix 1 2020 Inventory
16. Serthiac Business Plan (has not been changed since Loru Forest Project PD development)
17. Loru PIN (D3.3 v1.0, 20140606)
18. Ser-Thiac Business Name Registration Certificate, Vanuatu Financial Services Commission (Registration No. 013450, dated 07 Aug 2014)
19. Live & Learn Environmental Education Finance Manual 2014
20. Live & Learn Environmental Education Good Practice Manual 2010
21. Live & Learn Environmental Education Recruitment Policy
22. Annual Audit Report, Live & Learn Environmental Education Society Committee (Inc) Vanuatu Finance Statement 30 June 2014
23. Memorandum of Understanding between Live & Learn Environmental Education (LLEE Vanuatu) and the Vanuatu Department of Forests (2012)
24. Memorandum of Understanding between Live & Learn Environmental Education (LLEE Vanuatu) and Sanma Provincial Government
25. Live & Learn Environmental Education Vanuatu, Field Trip Reports (July, Aug, Sept, Oct 2014)
26. Mandate for Management of Loru Protected Area, Custom Landowners of Loru Protected Area, 20 Sept 2015
27. Climate Change and REDD+ Education Manual 2012
28. Agreement for Serthiac Board to Sign Loru PES Agreement, Custom Landowners of Loru Protected Area, 13 Nov 2015
29. PES Agreement and Program Agreement Participation Report, 13 Nov 2015
30. Agreement for Serthiac Board to Sign Loru PES Agreement and Loru Program Agreement, 12 Nov 2015

31. Acceptance of Loru Forest Project PD Part A D3.2a v1.0 20151009 and Loru Forest Project Part B D3.2b v1.0 20151009, 13 Nov 2015
32. PD Summary Report Signed
33. Nakau Program Management Report 2013
34. Project Owner Entity Participation Report, Loru Forest Project, Nov 2014
35. Nakau Sales and Payment Workbook – 29 June 2020
36. National Forest Act 2001
37. Shareholder Agreement to Conduct a Social Enterprise, The Nakau Program Pty Ltd and the Shareholders (Live & Learn and Ekos), 2015
38. Donna Kalfatak, Loru Protected Area Rapid Biodiversity Assessment Report, 17-18 Nov 2014
39. Khole Agroforestry Plot Design, Live & Learn Community REDD+ Project (draft)
40. Philemon Ala, Loru Conservation Area Terrestrial Biodiversity Assessment Report for REDD Project of Live & Learn 16-19 Nov 2014
41. Loru Forest Project – Monitoring Report 2 D3.3 (1) v1.0 20200704
42. Loru Livelihood Impact Monitoring Guide and Methodology for Socioeconomic Baseline
43. Loru Forest Project, Protected Area Boundary Coordinates
44. Plan Vivo Foundation, Validation of Methodology Elements of the Nakau Program 21 April 2015
45. VCS Monitoring Report Template
46. Director's Certificate – Monitoring 12 Dec 2015
47. Memo dated 12 Aug 2015, Proposed Audit Procedure
48. Loru Protected Area Boundary Marking 2014
49. Contract Amendment, Amendment to Loru Project PES Agreement D1.3 v0.1, 20151009, dated 25 Jan 2016
50. Loru Forest Project, QGIS File
51. Validation Report – Loru Forest Project, 26 May 2016
52. Community, Forest Carbon & Indigeneity: A Case Study of the Loru Project in Espiritu Santo, Vanuatu, 2020, Bridget Hannah Payne
53. Community Livelihoods Assessment, Loru Forest Project, June 2019, Nakau Program
54. Checking Forest Damage after HTC Harold, Loru Community Carbon Project, April 2020 (Report with satellite images)
55. On-site visit plan and report – Loru Forest Project, 1 May 2020
56. Interview with Program Operator and Program Coordinator – interview summary 24 April 2020
57. Monthly Land Management Committee Meeting Report 31 January 2019
58. Loru Biodiversity and Transact Work Assessment Results (Appendix 2) 9 April 2020
59. Loru Annual Report 2019

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

This is the 2nd verification of the Loru Forest Project Monitoring Report during 16th January 2017 to 15th January 2020.

On 1st May 2020, Sero Isaiah, independent on-site visit auditor conducted the field site visit inspection and interviews. The site visit inspection included a field visit into the eligible forest area and the conduction of interviews with the Project Owner (Ser Thiac). The scope of site visit inspection included:

- Check, record and report the project boundaries to determine that the protected forest still exists. This is the forest included in Zone A and Zone B of the Project Area Map (Annex 1)
- Check whether there is any evidence of logging or clearing of forest in the protected forest and in eligible forest areas (Zone A and Zone B)
- Check what activities have been conducted in Zone B during 16 January 2017 to 15 January 2020 and also from the beginning of the project activity
- Check where there have been any changes in project boundaries
- Has the Serakar Clan managed the land in a way that is consistent with the Land Use Map produced by members of the Serakar Clan and included in the Nakau Management Plan Report (Annex 2)

Verification scope and arrangement of on-site inspection were organized as per discussion with Program Coordinator via Skype call. The field visit was conducted as per the on-site visit plan dated 24th April 2020. The field visit started with an inception meeting and interview with the Project Owner on 1st May 2020. Following the inception meeting, on-site inspection was carried out at Loru Forest Project site by walking through Eligible Forest Area (Zone A and Zone B). Lead Auditor conducted a Skype call with site visit auditor before conducting the site visit. A follow up call was conducted in order to resolve any remaining issues after the on-site inspection and receiving on-site audit report and evidence (photo images, list of attendants and notes from on-site visit). Following table provides details of interview.

Date	Name	Position & Department	Topics
01.07.2020, 17.08.2020	Anjali Nelson	Nakau Program via email communications	Responses to Clarification Requests (see Annex 1) and further clarification.
24.04.2020	Anjali Nelson Michael Dyer	Nakau Program (via Skype call) (Conducted by Noim Uddin)	<p>Discussion regarding current status of the project</p> <p>Any impacts on project due to impact of STC Harold in recent month</p> <p>Responsible for monitoring and reporting</p> <p>Changes in project area, any inclusions or exclusions</p> <p>Changes in monitoring plan and monitoring methodology</p> <p>Status of project personnel Collaboration and communication among project owner, project coordinator (Live & Learn) and program coordinator</p>

			<p>Project reporting responsible and whether there have been any changes</p> <p>Status of income and disbursement from project Quantification of GHG emissions reductions and removals, who has performed all calculations Quantification of habitat hectare units, quantification of community impacts and quantification of Biodiversity Impacts</p> <p>Confirmation of amount of buffer Field monitoring and data transcription</p> <p>Improvement in field data measurement, monitoring and reporting</p> <p>Monitoring report preparation Who checks all data and reporting? Any other matters or issues?</p>
30.04.2020	Glarinda Andre Serge Warakar	Live & Learn Vanuatu, Project Coordinator (Skype Call) (Conducted by Noim Uddin)	<p>Project brief (Project objectives, location, governance and management, and provision of PES)</p> <p>Discussion about project activities</p> <p>Discussion about other activities inside project area and protected area</p> <p>Discussion about any additional finances/grants into the community and project</p> <p>Discussion about on-site audit logistics</p> <p>Assisting in monitoring and reporting of Loru Forest Project</p> <p>Discussion about any other reporting to Government departments</p> <p>Any other relevant activities (works by other NGOs)</p> <p>Reports and assessment STC Harold</p>
01.05.2020	Sero Isaiah, Independent on-site auditor	Interview conducted by Sero Isaiah during on-site visit and inspection.	You as a landowner, what are some project activities you have been involved in during 16 January 2017 to 15 January 2020
	Warakar Ser	Board Secretary	
	Lasario	Community Member	

	Steve Ser	Chairman	<p>What is your understanding about the bank account you and the Serakar Clan have been receiving on the sales of carbon?</p> <p>Have you ever made any regular visit to Loru Conservation Area and checked whether any activities such as logging is operating inside?</p> <p>Have you also participated in any of the agroforestry activities or any Management Activities that are associated with the Loru Forest Carbon Project?</p>
	Kaltabang Fred	Ranger	
	Kalsakau Ser	Chairman Land Management	
	Lorah Kenery	Committee	
	Rhonda Ser	Member	
	Ananeth	Member	
	Roy Ser	Member	
	Tony	Community Member	

Certification Statement:

This verification refers to the reported Emission Reductions (ERs) for the Loru Forest Project as described in the "Loru Forest Project – Monitoring Report 16th January 2017 to 15th January 2020. In the opinion of the Verifier, the GHG emissions reductions for the project in the monitoring report are fairly stated. The GHG emission reductions were calculated correctly on the basis of the approved monitoring methodology and of the monitoring plan contained in the PD. The Verifier is able to certify that the Emission Reductions (ERs) for the Loru Forest Project during the period 16th January 2017 to 16th January 2020 is **11,435 tCO₂** equivalent.

Table 1. Summary of major and minor Corrective Actions – NONE, all Clarification Requests are documented as Annex.

Theme	Major CARs	Minor CARs	FAR (Forward Action Request)	Observations
Project Implementation	0	0	0	Annex 1
Monitoring Plan	0	0	0	Annex 1
Parameters monitored	0	0	0	Annex 1
Risk management and quality assurance	0	0	0	Annex 1

Table 2 - Report Conformance

Theme	Conformance of Draft Report	Conformance of Final Report
Project Implementation	Yes	Yes
Monitoring Plan	Yes	Yes

Parameters Monitored	Yes	Yes
Risk Management	Yes	Yes

Theme	1. Project Implementation Status
<i>Ensuring that the project is implemented in accordance with Project Description as per Plan Vivo Standard (2013) and meets requirements of 1, 2, 3, and 4 of Plan Vivo Standard (2013)</i>	
A. Requirement	1.1 Project is implemented in accordance with Project Description
B. Standard Criteria	<p>1.2 Applicable Standard Requirements</p> <p>1. Project Eligibility</p> <p>1.1 Project interventions are still taking on land where smallholders and/or community groups have clear land tenure (1.1)</p> <p>1.2 Land that is not owned by or subject to use rights has included in the project area because (1.2):</p> <ul style="list-style-type: none"> • It represents less than a third of the project areas at all times • No part of the area was acquired by a third party from smallholders or community groups for the purpose of inclusion in the project • Its inclusion will have clear benefits to the project by creating landscape level ecosystem benefits such as biodiversity corridors. There is an executed agreement between owners/managers of such land and participants regarding the management of the area consistent with these requirements <p>2. Ecosystem Benefits</p> <p>2.1 Project interventions are maintaining or enhancing biodiversity (2.2)</p> <p>2.2 Project interventions have not led to any negative environmental impacts (2.3)</p> <p>2.3 Any trees being planted to generate ecosystem services are native or naturalised species and are not invasive (2.4)</p> <p>3. Project Management</p> <p>3.1 The project coordinator still has the capacity to support participants in the design of the project interventions, select appropriate participants for inclusion in the project, and develop effective participatory relationships including providing on-going support to sustain the project (3.4)</p> <p>3.2 The project coordinator still has the legal and administrative capacity to enter into PES Agreements with participants and to manage the disbursement of payments for ecosystem services (3.5)</p> <p>3.3 A transparent mechanism and procedures for the receipt, holding and disbursement of PES funds is applied, with funds intended for PES earmarked and managed through an account established for this sole purpose, separate to the project coordinator's operational finances. (3.9). The project coordinator has accurately described the progress, achievements and problems encountered by the project in the Annual Reports. The Annual Reports transparently report sales figures and</p>

	<p>demonstrate resource allocation in the interest of target groups (3.10; 3.11)</p> <p>4. Community Benefit</p> <p>4.1 A voluntary and participatory planning that address local needs and inform the development of technical specification is taking place (4.1; 4.6; 7.1.). Barriers to participation are being identified and measures taken to encourage participation (4.3)</p> <p>4.2 Smallholders or communities are not being excluded from participation in the project on the basis of gender, age, income or social status, ethnicity or religion, or any other discriminatory basis (4.2)</p> <p>4.3 The project is not undermining the livelihood needs and priorities or reduce the food security of the participants (4.7; 7.1; 7.5)</p> <p>4.4 There exists a system for accurately recording and verifying location, boundary and size of each plan vivo (4.8). Participants have access to their <i>plan vivos</i> in an appropriate language and format (4.9)</p> <p>4.5 Participants are being provided with a forum to periodically discuss the design and running of the project with other participants and raise any issuance or grievances with the project coordinator (4.12). A robust grievance redressal system is in place (4.14)</p>
C. Findings (describe)	<p>The Loru Forest Project (with an eligible forest area of 200.6 ha made up of 2 land parcels including Zone A and Zone B) in Luganville, Santo of Vanuatu employs the legal instrument of a Community Conservation Area to protect the tall coastal rainforest within the project boundary. Zone B (35 ha) is included in Eligible Forest Area during 2nd verification. This is in accordance with the Project Description (Loru Forest Project – PD Part 1: D3.2a v1.0, 20151009) as validated in 2015 /51/.</p> <p>A Community Conservation Area notice was verified via email communication /10/ and via Certificate of Registration ‘Loru Protected Area – Community Conservation Area’ /10(a)/. The project seeks to manage the area through the implementation of the Loru Protected Area Management Plan /12/, which includes the removal of cattle from the area, and to reduce the impact of invasive weeds within the Project Area. The project has established a tree nursery with the local clan to generate revenue and to promote forest conservation while also increasing the planting of productive tree species, which was verified during on-site inspection on 1 May 2020 /55/.</p> <p>The project is divided into three management zones:</p> <p>Zone A - Avoided Deforestation, where secondary forest is to be rehabilitated through the removal of cattle and through the agreement not to clear the area for gardens or copra during project period.</p> <p>Zone B - Enhanced Forest Regeneration, where thicket is to be weeded of aggressive herbaceous vines and managed sustainably to enhance natural regeneration.</p> <p>Zone C - Agroforestry Non-forestland currently infested with invasive vines.</p> <p>The three management zones of the project are in accordance with PD /1/ and a further on-site inspection during 1 May 2020 /55/. Loru was</p>

	<p>surveyed and recognised as owned by the Serakar Clan through Vanuatu Department of Lands in 1994. The Chief of the family at the time of the court's decision, Chief Caleb Ser, has since passed and as local custom determines, his five children now manage the land. Customary law in this part of Vanuatu works through a patrilineal system. As such the male descendants of Chief Caleb Ser are the landowners of Loru Area.</p> <p>A further boundary marking was undertaken in 2014 with Government representatives present to witness the agreement between the Serakar and neighbouring landowners to confirm customary land ownership of the Loru Project Area /48/. Ownership of the Loru Project Area by the Serakar Clan is not disputed. Statements were taken and witnessed to agree to the boundary of the Loru Project Area being within Serakar clan land /43/.</p> <p>The constitution of Vanuatu places land in the hands of the customary owners of Vanuatu. Customary land is the dominant form of land tenure in Vanuatu with 90% being un-leased and 9% being leased. The Loru Protected Area has been legally registered as a nationally recognised community conservation area under the subsection 37 (3) of the EPC Act /10/.</p> <p>The Loru Forest Project generate ecosystem service benefits as the project falls under the 'carbon' Activity Class and is an Avoided Deforestation, Deforestation to Protected Forest (AD-DtPF) project. The Loru Forest Project also delivers co-benefits including maintaining biodiversity. /1//2//3//4/.</p> <p>Live & Learn Environmental Education Society Committee is a Legal Entity /49//9/ and acts as the Project Coordinator for the Loru Forest Project /6/. Live & Learn Vanuatu as Project Coordinator of the Loru Forest Project ensured that individuals with resource user rights and people living or reliant on the project sites including customary landowner were appropriately informed about the project and were engaged in the planning, the maintaining and the monitoring of the Loru Forest Project /8/.</p> <p>Program Operator: the Nakau Program /4/.</p> <p>Project Coordinator: Live & Learn Environmental Education Society Committee (Legal Entity) /49//9/</p> <p>Project Owner: Ser-Thiac (Landowner Business Entity) /18//16//7/</p> <p>Project's Sectoral Scope: AFOLU – Avoided Deforestation – Deforestation to Protected Forest (AD-DtPF)</p> <p>Project start date: 16th January 2013 /8/</p> <p>Project's crediting period: 30 years from 16th January 2013 to 15th January 2044</p> <p>Period verified in this verification: 16th January 2017 to 15th January 2020 (2nd Verification) /41/.</p> <p>Adopted methodology: the Loru Forest Project has adopted two Nakau Program methodology elements</p>
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	<ul style="list-style-type: none"> Nakau Methodology Framework: General Methodology for the Nakau Program – An Indigenous Forest Conservation Program Through Payments for Ecosystem Services (D2.1 v1.0, 20140428) /4/ Technical Specifications Module: (C) AD-DtPF: Avoided Deforestation – Deforestation to Protected Forest V.10 for the Nakau Program (D2.2.1 V1.0, 20150815) /3/ <p>Annexure C of Loru Project PES Agreement includes Dispute Resolution Framework /5/. Confirmed with Nakau Program (via email) that no comments were reported during the morning period /56/.</p> <p>Disbursement of Payment is made to Project Owner in accordance with Loru Project PES Agreement /5/. Loru Annual Report 2019 /59/ shows payment made to Project Owner during 16 Jan 2019 to 15 Jan 2020. Payment to Project Owner during the morning period is also confirmed Loru Sales and Payment Workbook/35/.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		

Theme	2. Monitoring plan and monitoring methodology
<i>Ensuring that the project meets requirements of monitoring methodology in accordance with Project Description as per Plan Vivo Standard (2013) and meets requirement of 5, 6 of Plan Vivo Standard (2013)</i>	
Requirement	2.1 Compliance of monitoring plan with monitoring methodology Monitoring plan contained in the Project Description and in Technical Specification is in accordance with approved methodology as adopted by the project
Standard Criteria	Applicable Standard Requirements 5. Quantification of ecosystem services 5.1. Sources of data used to quantify ecosystem services, including all assumptions and default factors, have been specified and updated when possible, with a justification why they are appropriate (5.1; 5.2) 5.2. The project coordinator has been conducting ground-truthing activities in order to collect real data and field measurements from the project sites that have been or will be used to update the project's PDD and technical specifications, including the quantification of climate benefits (5.3) 5.3. A clear and consistent Standard Operating Procedure (SOP), or equivalent, for remote sensing analysis has been elaborated by the project coordinator.

	<p>5.4. Ecosystem services forming the basis of the Plan Vivo project are still additional (5.4).</p> <p>5.5. To avoid double counting of ecosystem services, the project interventions are not being used for any other project or initiative (5.14)</p> <p>5.6. A monitoring plan has been correctly implemented and a system for checking its robustness is in place, where (5.9; 7.2.; 7.3):</p> <p>5.7. Corrective actions and contingency plans are described when performance targets have not been met</p> <p>5.8. The validity and assumptions of the technical specifications have been correctly tested</p> <p>5.9. Communities have been actively participating in monitoring activities. Monitoring has been regularly shared and discussed it with the participants</p> <p>6. Leakage</p> <p>6.1. Where leakage is likely to be significant, i.e. likely to reduce climate services by more than 5%, an approved approach has been used to monitor leakage and subtract actual leakage from climate services claimed, or as a minimum, a conservative estimation of likely leakage has been made and subsequently deducted from the climate services claimed (6.1; 6.2)</p> <p>6.2. The level of risk buffer that has determined using an approved approach is adequate and is a minimum of 10% of climate services expected (6.3)</p> <p>6.3. Does the project maintain a buffer account and is the cumulative total of credits deposited in the account equal to the total reported in the latest annual report? (6.3)</p>
Findings (describe)	<p>This project applies two Nakau Programme methodology elements as demonstrated in the PD /1/:</p> <p>1. Nakau Methodology Framework D2.1 v1.0, 20140428/4/ 2. Technical Specifications Module (C) 2.1 (AD-DtPF): D2.2.1 v1.0, 20150815 /3/</p> <p>The Nakau Methodology Framework has been validated to the Plan Vivo Standard on 21st April 2015 /44/</p> <p>The Technical Specifications Module completed its first independent validation to the Plan Vivo Standard on 5th Dec 2015) (Memo on combined validation and verification audit dated 12th Aug 2015) /47/. A Director's Certificate dated 12th Dec 2015 /46/ confirms that the project started on 16th January 2013 and implemented according to the requirements of Nakau Methodology Framework and Technical Specification Module (C) 2.1 (AD-DtPF).</p> <p>Part A of the PD outlines how the project will be monitored. Part B of the PD specifies a detailed monitoring plan and monitoring approaches (monitoring during first project monitoring and subsequent periodic monitoring). The monitoring plan and monitoring approaches appear to be appropriate and as required by the adopted methodology elements. This is the Second Project Monitoring for Loru Forest Project. Nakau Program confirmed that there are no methodology deviations in this monitoring report /56/. In this second verification the project has</p>

	<p>applied the Technical Specifications Module outlined above to Zone B. A forest inventory has been undertaken in Zone B.</p> <p>According to the requirement of 8.1 of Technical Specifications Module (C) 2.1 (AD-DtPF) /3/, the simplified Project Monitoring Report has adopted appropriate components of the latest VCS monitoring Report Template /45/.</p> <p>Zone B (35.7 ha) is included in Eligible Forest Area during 2nd verification. This is in accordance with the Project Description (Loru Forest Project – PD Part 1: D3.2a v1.0, 20151009) as validated in 2015 /51/.</p> <p>This monitoring report covers the period from 16th January 2017 to 15th January 2020 /41/.</p>														
Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>												
Corrective Actions (describe)	None														
A. Requirement	2.2 Compliance of monitoring with the monitoring plan Monitoring has been carried out in accordance with the monitoring plan in the Project Description														
B. Findings (describe)	<p>Loru Forest Project Monitoring Plan has been developed and demonstrated in Part B of the PD /2/. Roles and responsibilities in regard to project monitoring has been demonstrated in Part B of the PD Table 8.1.6 /2/, which is consistent with the monitoring guidelines as per Technical Specification Module (C) 2.1 (AD-DtPF) /3/.</p> <p>Responsibility for monitoring tasks and required resources availability were cross-checked with the Project Coordinator and Program Operator during the interview /56/, and the Project Owner during the on-site inspection /55/ and appeared appropriate as required by adopted methodologies.</p> <p>According to the Nakau Methodology Framework (validated to the Plan Vivo Standard, 2013), all projects in the Nakau Program are required to prepare a Project Monitoring Plan as part of the Project Description in accordance with requirements of 5.4 of Nakau Methodology Framework and elements required in the relevant Technical Specifications Module/s applied. The adopted monitoring plan for the Loru Forest Project is detailed in Part B of the PD (section 8.1.6).</p> <p>According to Table 8.1.6 of the Part B of the PD following parameters will be monitored:</p> <table border="1"> <tr> <th colspan="4">Carbon</th></tr> <tr> <th>Activity</th><th>Frequency</th><th>Responsibility</th><th>Human Resources</th></tr> <tr> <td>Eligible Forest Area</td><td>6-monthly inspection</td><td>Landowner (rangers); Project Coordinator</td><td>Rangers employed by the project from the landowner community; Project Coordinator staff</td></tr> </table>			Carbon				Activity	Frequency	Responsibility	Human Resources	Eligible Forest Area	6-monthly inspection	Landowner (rangers); Project Coordinator	Rangers employed by the project from the landowner community; Project Coordinator staff
Carbon															
Activity	Frequency	Responsibility	Human Resources												
Eligible Forest Area	6-monthly inspection	Landowner (rangers); Project Coordinator	Rangers employed by the project from the landowner community; Project Coordinator staff												

		3-yearly aerial imagery		
	Eligible Forest Boundary	6-monthly inspection 3-yearly aerial imagery	Landowner (rangers); Project Coordinator	Rangers employed by the project from the landowner community; Project Coordinator staff
	<i>De minimis</i> timber harvesting inspections	6-monthly inspection 3-yearly aerial imagery	Landowner (rangers); Project Coordinator	Rangers employed by the project from the landowner community; Project Coordinator staff
	Activity Shifting Leakage	Annual inspection 3-yearly calculation	Project Coordinator and Landowner	Rangers employed by the project from the landowner community; Project Coordinator staff
	Community			
	Activity	Frequency	Responsibility	Human Resources
	Food, consumption, agriculture	3-yearly	Project Coordinator	Project Coordinator staff
	Water accessibility	3-yearly	Project Coordinator	Project Coordinator staff
	Household income	3-yearly	Project Coordinator	Project Coordinator staff
	Participation	3-yearly	Project Coordinator	Project Coordinator staff
	Biodiversity			
	Activity	Frequency	Responsibility	Human Resources
	Presence of significant species	Continuous ranger activity with 3-yearly collation of data	Landowner (rangers); Project Coordinator	Rangers
	As per Standard Operating Procedure (SOP), parameters are reported as per adopted monitoring procedures. Assessments of monitored parameters are given in the following table:			
	Carbon			
	Parameter	Adopted monitoring procedure	Assessment/Observation	
	Eligible Forest Area	Eligible Forest Area Inspections were undertaken by the Project Coordinator during transact walks undertaken three times in the monitoring period and described in Appendix 2 /58/. The SOP was not followed precisely due to an error in the interpretation of the SOP by	Nakau discussed eligible forest area inspections during interview /56/. Nakau confirmed that Forest Area inspections were undertaken by Project Coordinator during transact walks /58/. Nakau confirmed that monitoring will be improved with additional monitoring measures such as	

		the Project Coordinator. Forest Area inspections by pure observation were conducted monthly by the Project Owner Entity and are evidenced by Appendix 4 LMC /57/ Report example. Nakau has sought finances to improve monitoring to ensure it is in line with the SOP for the next verification event.	hiring specialised trained professional /56/.
	Eligible Forest Boundary	Forest Boundary inspections have been undertaken by the Project Owner entity and reported in monthly LMC reports /57/. They will become part of the 6-monthly reporting in line with the SOP in the next verification period.	Nakau discussed eligible forest area inspections during interview /56/. Nakau confirmed that Forest Area inspections were undertaken by Project Coordinator during transact walks /59/. Nakau confirmed that monitoring will be improved with additional monitoring measures such as hiring specialised trained professional /56/. Nakau confirmed forest boundary inspections by the Project Owner entity. Nakau is planning for 6 monthly report during next verification. This appears reasonable.
	Activity Shifting Leakage	Inspections undertaken during PD development and the forest inventory survey. Activity Shifting not possible due to all forest land owned by landowners is contained within the Project Area and would amount to a reversal if reduced.	This approach is verified from validated Technical Specification /3/, Forest Inventory /15/. Activity Shifting Leakage under this methodology refers activities shifting within lands owned/controlled by the Project Owner. Because all indigenous forest owned by the Project Owner is contained within the Project Area, which in turn is protected as a Community Conservation Area /10(a)/, then no Activity Shifting can occur.
	Community		
	Parameters	Adopted monitoring procedure	Assessment/Observation
	Food, consumption, agriculture	Community Impact Monitoring baseline survey undertaken in 2019.	This approach is consistent with the Loru Livelihood Impact Monitoring Guide and Methodology for Socioeconomic Baseline /42/. Community
	Water accessibility		

	Household income		Livelihood Assessment was carried out in 2019 and verified by respective report /52/, /53/.
	Participation		
	Biodiversity		
	Parameter	Adopted monitoring procedure	Assessment/Observation
	Presence of significant species	Loru biodiversity and Transact Work Assessment was carried out in 2020.	This approach is consistent with procedure as detailed in Validated Technical Specification /3/ and PD Part B /2/.
<p>Nakau discussed adoption of SOP during an interview on 24 April 2020 /56/.</p> <p>Nakau discussed challenges in regard to adoption of SOP as well as challenges and the way forward. Nakau confirmed challenges in regard to adoption of SOP in the MR /41/. Nakau also discussed monitoring carried out as included in the Management Committee Report /57/. However, Nakau has confirmed measures in regard to appropriate adoption of SOP by engaging additional skilled professional. This was confirmed during interview with Nakau /56/.</p> <p>This approach appears reasonable considering appropriate measures as suggested by Nakau and from during next verification.</p> <p>Project Coordinator confirmed that Technical Specifications Module: (C) AD-DtPF: Avoided Deforestation – Deforestation to Protected Forest V.10 for the Nakau Program (D2.2.1 V1.0, 20150815) /3/ has been adopted and remains valid during current monitoring period.</p> <p>Loru Forest Project remains additional as ecosystem services forming the basis of the Loru Forest Project and additionality of Loru Forest Project has been demonstrated adequately during validation of the project activity /51/.</p> <p>During interview with Program Coordinator /56/ and Project Owner /55/, it was confirmed that Loru Forest Project has not been used for any other project or initiative. Hence, the risk of double counting is not likely to occur.</p>			
C. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		

Theme	3. Quantifying and monitoring ecosystem services
<i>Ensuring that the project meets requirements 5 ,6, 7 and 8 of the Plan Vivo Standard (2013)</i>	
A. Requirement	3.1 Quantification of GHG emission reductions and removals Quantification of baseline emissions, project emissions and leakage
B. Standard Criteria	<p>Applicable Standard Requirements</p> <p>5. Quantification of GHG emission reductions</p> <p>5.1. Sources of data used to quantify ecosystem services, including all assumptions and default factors, have been specified and updated when possible, with a justification why they are appropriate (5.1; 5.2)</p> <p>5.2. The project coordinator has been conducting ground-truthing activities in order to collect real data and field measurements from the project sites that have been or will be used to update the project's PDD and technical specifications, including the quantification of climate benefits (5.3)</p> <p>5.3. A clear and consistent Standard Operating Procedure (SOP), or equivalent, for remote sensing analysis has been elaborated by the project coordinator.</p> <p>5.4. Ecosystem services forming the basis of the Plan Vivo project are still additional (5.4).</p> <p>5.5. To avoid double counting of ecosystem services, the project interventions are not being used for any other project or initiative (5.14)</p> <p>5.6. A monitoring plan has been correctly implemented and a system for checking its robustness is in place, where (5.9; 7.2.; 7.3):</p> <p>5.7. Corrective actions and contingency plans are described when performance targets have not been met</p> <p>5.8. The validity and assumptions of the technical specifications have been correctly tested. Communities have been actively participating in monitoring activities Monitoring has been regularly shared and discussed it with the participants</p> <p>6. Risk Management</p> <p>6.1. Where leakage is likely to be significant, i.e. likely to reduce climate services by more than 5%, an approved approach has been used to monitor leakage and subtract actual leakage from climate services claimed, or as a minimum, a conservative estimation of likely leakage has been made and subsequently deducted from the climate services claimed (6.1; 6.2)</p> <p>6.2. The level of risk buffer that has determined using an approved approach is adequate and is a minimum of 10% of climate services expected (6.3)</p> <p>6.3. Does the project maintain a buffer account and is the cumulative total of credits deposited in the account equal to the total reported in the latest annual report? (6.3)</p> <p>7. Livelihood Impacts</p> <p>7.1. The project demonstrates clear benefits for the project participants (7.1)</p> <p>7.2. The project is monitoring against a socio-economic baseline which is relevant and cost effective (7.2- 7.4)</p> <p>7.3. The project has no negative impacts on project participants (7.5)</p> <p>8. PES Agreements</p>

	<p>8.1. Procedures for entering into a PES Agreement with participants are being applied correctly (8.2)</p> <p>8.2. Participants are entering into PES agreement voluntarily and according to the principle of free, prior, informed consent, in an appropriate language and format (8.3)</p> <p>8.3. PES Agreements are not removing, diminishing or threatening participant's land tenure (8.4)</p> <p>8.4. A fair and equitable benefit-sharing mechanism is in place and has been agreed with the participation of communities involved, identifying how PES funding will be distributed among participants (8.8; 8.9; 8.10)</p> <p>8.5. The project has committed to deliver at least 60% on average of the proceeds of the sales of Plan Vivo Certificates. Where less than 60% has been delivered, the project has justified why this was not possible (8.12)</p>
C. Findings (describe)	<p>Emission Reductions (ERs) from the Loru Forest Project (AD-DtPF) have been considered for the specific monitoring period from 16th January 2017 to 15th January 2020. These have been calculated in accordance with the adopted Nakau Methodology Framework and Technical Specification Module.</p> <p>Data and information presented in the Loru Carbon Budget and Pricing /14/ were assessed and cross-checked by reviewing all the relevant references, by conducting interviews with personnel and checking source documents. No significant reporting risks have been identified for the information and data reported. This has enabled the verifier to assess the accuracy and the completeness of reported monitoring results and to verify the correct application of the adopted methodology.</p> <p>During PD drafting, Zone B had not had an inventory undertaken so calculations were unavailable from the project start date (2013) during first verification however the inclusion of Zone B for crediting was stated in the validated PD. As of 2013, Zone B fell under the protection regime and therefore was managed for protection from that time onwards. In 2018 an inventory of Zone B occurred. Crediting for Zone B is therefore backdated to the project start date of 2013 as this is when the changed land management began.</p> <p>Baseline Emissions Avoided during current monitoring 16th January 2017 to 15th January 2020 and covering both Zone A and Zone B: 11,437 tCO₂e /14/.</p> <p>Buffer (Net Baseline Emission Avoided): 2,859 tCO₂e</p> <p>There has been no activity shifting leakage in this monitoring period. There has been no market leakage in this monitoring period (due to the insignificant volume of baseline timber harvesting in relation to the national domestic timber market). Leakage for this monitoring period is 0 tCO₂e.</p>

D. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
A. Requirement	8.6. Quantification of habitat hectare units Quantification of baseline habitat hectares, project habitat hectares, hectare leakage		
B. Findings (describe)	During current monitoring 16 th January 2017 to 15 th January 2020 and covering Zone A and Zone B, no habitat hectare unit has been considered.		
C. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		
A. Requirement	8.7. Quantification of Community Impacts Quantification of baseline community impacts, project community impacts and net community impacts enhancement		
B. Standard Requirments			
C. Findings (describe)	<p>As per PD, community impacts are to be monitored against the baseline every 3 years. A community Livelihoods Assessment was undertaken in June 2019 /56/. The interviewer followed the guidelines developed by Nakau for the baseline in the PD and replicated the survey. The document titled <i>Loru Livelihoods Assessment 2019</i> /53/ provides an overview of the method applied. A Master's thesis was written as a result and has also been provided /52/.</p> <p>Community impact assessment confirmed 35% of the community now has access to water year round; The community eats 7% more often from their gardens and 147 % more from the forest; Income has increased by 64% and 38% for women; Community trust has remained at 100% and access to financial information has increased by 10% /53/.</p> <p>Project Owner, Serthiac received less than 50% of proceeds overall and by yearly during the monitoring period /35/. Nakau has confirmed that being the Loru Forest Project is small and as per PES Agreement, Project Owner Serthiac agreed a payment less than 60%. Nakau also confirmed that since the verification cost has increased and thus Project Coordinator sought additional funds. This is also justify not increasing percentage of payment to Project Owner (see Annex 1).</p>		

D. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
A. Requirement	8.8. Quantification of Biodiversity Impacts Quantification of baseline biodiversity impacts and project biodiversity impacts		
B. Findings (describe)	Biodiversity data was monitored by Live & Learn Vanuatu and the Project Owner entity. Measuring the impact of the Loru Forest Project on biodiversity requires a comparison between a biodiversity baseline survey and a biodiversity project survey. This report was provided by Serge Warakar of Live & Learn Vanuatu /58/. Nakau confirmed that GIS specialist provided QA/QC /56/.		
C. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		
Theme	9. Climate services, risks management and quality assurance		
<i>Ensuring that the project meets requirements 6 and 7 of the Plan Vivo Standard (2013)</i>			
A. Requirement	9.1. Calculation of emission reductions (climate services) and assessment of data Spreadsheet formulas, conversion, aggregations, consistent use of factors in line with the monitoring plan, transcription errors between datasets, sources of data.		
B. Findings (describe)	<p>The Emission Reductions (ERs) for the Loru Forest Project (AD-DtPF) have been considered for the monitoring period 16th January 2017 to 15th January 2020. These have been calculated in accordance with the adopted Nakau Methodology Framework and Technical Specification Module.</p> <p>The data and information presented in the Loru Carbon Budget and Pricing /14/ were assessed and cross-checked by reviewing relevant references, interviewing with personnel and checking all the source documents. No significant reporting risks have been identified for the</p>		

	<p>information and data reported. This has enabled the verification team to assess the accuracy and completeness of the reported monitoring results and to verify the correct application of the adopted methodology.</p> <p>All relevant formulas and factors used to calculate the net anthropogenic GHG emissions and removals in the Baseline Scenario, and to calculate the net anthropogenic GHG emissions and removals in the Project Scenario are in accordance with Technical Specification (AD-DfPF) and as demonstrated in PD Part B.</p> <p>All the factors used and sources of data are appropriately cited in both Part B of the PDD and in the Loru Carbon Budget and Pricing /14/. For the current verification, all data transcription was performed by responsible monitoring personnel and was carried out appropriately.</p>		
C. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		
A. Requirement	9.2.Assessment of buffer		
	Has the project has allocated a proportion of climate services in a risk buffer?		
B. Findings (describe)	<p>The Project Buffer Rating (PBR) is used to calculate the Buffer for the baseline timeline.</p> <p>The Project Buffer Rating (PBR) is equal to 0.2 in this Technical Specification Module. This is in accordance with Technical Specification and the adopted methodology elements.</p> <p>20% buffer is higher than minimum buffer (10%) as recommended by the Plan Vivo Standard (2013).</p>		
C. Conformance	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		
A. Requirement	9.3.Quality of evidence to determine emission reductions and climate services		
	The discussion, findings and conclusion related to that the evidence is off sufficient quantity and appropriate quality, the reliability of evidence and nature of evidence		

B. Findings (describe)	<p>The data presented in the monitoring report and in the Loru Forest Carbon Inventory & Budget were assessed by reviewing all project documentation in detail, by interviewing the Project Coordinator and the Program Operator /56/ as well as by direct observations of established monitoring and reporting practices during field visit inspection and interviewing Project Owner /55/ .</p> <p>This has enabled the verification team to assess the accuracy and the completeness of the reported monitoring results and to verify the correct application of adopted methodology elements and Technical Specifications. All necessary documentation has been appropriately collected, referenced and aggregated and is easily accessible in electronic format as well as hard copies.</p> <p>Monitoring and reporting of data is in accordance with the adopted methodology elements and Technical Specification and as demonstrated in Part B of the PDD. The Verifier has been able to confirm that that complete set of data is available for the purpose of calculating the of Emission Reduction units for the current monitoring period.</p>		
C. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		
A. Requirement	9.4. Management system and quality assurance <p>The discussion, findings and conclusions in regard to the suitability of the management system for monitoring and reporting.</p>		
B. Findings (describe)	<p>The Loru Forest Project has developed a Standard Operating Procedure (SOP) for Monitoring Carbon benefits as demonstrated in Part B of the PD and in the Monitoring Report. The demonstrated SOP is in accordance with adopted methodology elements and Technical Specification.</p> <p>Against each activity to be monitored (under carbon, community and biodiversity) relevant frequency, responsibility, human resources and financial resources have been demonstrated under SOP as detailed in Part B of the PD.</p> <p>The Verifier can confirm that the responsibilities and the authorities for the monitoring and the reporting are in accordance with the responsibilities and authorities as stated in Part B of the PD.</p> <p>The Loru Forest Project's monitoring management includes data management systems, Standard Operating Procedure (including monitoring and reporting tools, templates, appropriate training to monitoring personnel dispatched in the forest) and Quality Assurance (accessibility of data by nominated personnel and storage of data in multiple sites). The Nakau Program has developed an Information</p>		

	<p>Management Systems where the Loru Forest Project data are stored electronically. Hard copies of the data are stored at the Project Coordinator's Office and at the Project Owner's field office. The implementation of the data management systems was verified during the field visit inspection and interviews with the Program Operator, the Project Coordinator and the Project Owner.</p> <p>During interview /56/ Nakau has confirmed that QA/QC has now been provided by Nakau's GIZ specialist hired in mid-March 2020, Michael Dyer. Michael will be basing future training in monitoring around the improvement of reporting by the Live & Learn.</p>		
C. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
D. Corrective Actions (describe)	None		

Annex 1 – Responses to Observations and Conclusions – Loru Forest Project

Theme	Clarification Request	Response	Conclusion
Project Implementation	Clarify First activity instance of a grouped project (1.2 MR)	The Nakau Methodology Framework allows for multiple projects to be grouped. The Loru Forest Project was designed so that if other landowning communities wished to replicate the project, they could do so by following the requirements for grouping. To date no additional subprojects have been added to the Loru Forest Project. It is therefore called the First activity instance in the MR.	<p>Nakau has provided appropriate responses that agrees with PD and Loru Forest Project Monitoring Report 2 /41/.</p> <p>This CL is closed.</p>
	Clarify Lenny is both Project Owner and Admin Officer) (1,4 MR)	Lenny Fred is the Administration Officer for the Project Owner Entity, Serthiac. She is married into the Serakar Clan so belongs to the Project Owner entity but is not a landowner.	<p>Responses are appropriate.</p> <p>This CL is closed.</p>
	Confirm Total Eligible Project area during	Total Eligible Project area is 201.3 hectares. Please see worksheet titled <i>Zone B PHI</i> in	Total Eligible Project area is 201.3 ha. This is

	2nd Monitoring period	document titled <i>Loru Zone B Carbon Inventory</i> in the following location: <i>Nakau Information Platform 2019/Vanuatu Loru Project Information Platform/Loru Monitoring Reports/Loru Second Verification 2020/Appendix 1 2020 Inventory/Zone B</i>	confirmed with Loru Forest Project and Carbon Inventory Appendix 1 2020 /15/. This CL is closed.
	Clarify “There are no methodology deviations in this monitoring report”. (2.2.1 MR)	In this monitoring period there have been no major deviations by the project from the guidelines outlined in the Nakau Methodology Framework or Technical Specifications AD DtPF	Following changes are noted: In regard to Total Eligible Project area (201.3 ha) and Saleable ERs from Zone B since 2013 /14/ Nakau has confirmed that these changes are in accordance with Nakau Methodology Framework /4/ and Technical Specification Module /3/. This CL is closed.
	Confirm which one is Zone B forest inventory (MR 2.2.1)	Section 2.2.1 explains that Technical Specification AD DtPF used as per section 1.8 was used again to include Zone B into total eligible area. For all calculations of Zone B inventory please see folder titled <i>Zone B</i> in the following location <i>Nakau Information Platform 2019/Vanuatu Loru Project Information Platform/Loru Monitoring Reports/Loru Second Verification 2020/Appendix 1 2020 Inventory</i>	Nakau has confirmed inclusion of Zone B in Loru Forest Carbon Inventory Appendix 1 2020 Inventory /15/. This CL is closed.

	Confirm Zone B forest inventory year and date	11 – 20 June 2018 as stated in doc titled <i>Field Report – Loru B Inventory</i> in <i>Appendix 1 2020 Inventory</i> located in CL request above	Nakau has confirmed inclusion of Zone B inventory year and date in Loru Forest Carbon Inventory Appendix 1 2020 Inventory /15/. This CL is closed.
	Confirm “There are no deviations from the Project Description in this monitoring report.”(MR 2.2.3)	Correct. Zone B was already included to be added in validated PD.	Nakau has confirmed that there is no deviation. This CL is closed.
	Confirm This is the first activity instance for a grouped project under the activity type (MR 2.3)	Correct	Nakau has confirmed this. This CL is closed.
	Provide Copy of Reports to DEDC/Dept of Forestry regarding Community Conservation legal instruments (especially anything covering Zone B) (from discussion with Glarinda and Serge)	Appendix 6 and 8 of the Loru Forest Project PD: Part A provide evidence of the registration of Loru as a protected area. Section 3 of The Management Plan in Appendix 8 shows the Loru map including the Zone B demarcated area. The entire area within that map is protected under the rules set out by the Management Plan under the <i>Environmental Protection and Conservation Act (CAP 283)</i> . To view Appendices 6 and 8 please go to <i>Nakau Information Platform 2019/Vanuatu Loru Project</i>	Nakau has confirmed the registration of Loru as a protected area as per validated Loru Forest Project PD: Part A, Appendix 6 and Appendix 8 /1/. The Loru Forest Conservation has been confirmed via Loru Protected Area – Certificate of Registration Community

		<i>Information Platform/Loru PD Part A Appendices</i>	Conservation Area (CCA) signed on 12 November 2015 /10 (a)/ This CL is closed.
Monitoring Plan	Confirm how SOP has been adopted (8.1.6 of Part B) (MR 4.2.1)	Aerial imagery required under the SOP was adopted and is evident in section 5.3 of the MR. 5.3 of the Monitoring Report also describes the challenges the Project Owner and Project Coordinator have had with the SOP. The Simplified Operating Procedure was used in 2017 for the verification 1b so the team has had the two years since to begin using the SOP. As per 5.3 and the report provided in Appendix 2, the project team undertook a biodiversity assessment and forest monitoring in 2018 through assessing impacts within plots. This approach was amended in 2019 with two transect walks occurring in January and April. Another transect walk occurred in January 2020. The 6 monthly timeframe was established however the methods used do not align exactly with the SOP. This error was not identified prior to the drafting of the MR as Nakau staff did not have the GIS capacity to understand that the coordinates did not follow the SOP. Evidence of monthly land management committee reports has also been provided in Appendix 4 which notes boundary walks and forest monitoring by the Project Owner. This informal monitoring has ensured no reversals in the leakage area or	Nakau discussed adoption of SOP during an interview on 24 April 2020 /56/. Nakau discussed challenges in regard to adoption of SOP as well as challenges and the way forward. Nakau confirmed challenges in regard to adoption of SOP in the MR /41/. Nakau also discussed monitoring carried out as included in the Management Committee Report /57/. However, Nakau has confirmed measures in regard to appropriate adoption of SOP by engaging additional skilled professional. This was confirmed during interview with Nakau /56/. This approach appears

		<p>project area but has not been presented formally as described in the SOP.</p> <p>In response to this challenge, Nakau has employed a GIS specialist who is tasked with upskilling PCs and Powers to meet the SOP requirements from now onwards. Efforts and investment is confirmed through GIZ to finance improved reporting against the SOP in the next monitoring period. Evidence of this can be provided.</p>	<p>reasonable considering appropriate measures as suggested by Nakau and from during next verification.</p> <p>The CL is closed.</p>
	Figure 8.1.6.1. (Confirm where is this Figure located) (MR 4.2.1.1)	<p>This figure relates to Loru PD: Part B Figure 8.1.6.1 but the image is repeated in section 5.3 of the MR with an updated image from 2019 with the same Forest Management Zones overlaid.</p>	<p>Checked Loru PD: Part B /2/ and MR /41/.</p> <p>This CL is closed.</p>
	Eligible Forest Area Inspections (Pls confirm how this is done in accordance with validated PD) (MR 4.2.1.3)	<p>Eligible Forest Area Inspections were undertaken by the Project Coordinator during transact walks undertaken three times in the monitoring period and described in Appendix 2. The SOP was not followed precisely due to an error in the interpretation of the SOP by the Project Coordinator. Forest Area inspections by pure observation were conducted monthly by the Project Owner Entity and are evidenced by Appendix 4 LMC Report example. Nakau has sought finances to improve monitoring to ensure it is in line with the SOP for the next verification event.</p>	<p>Nakau discussed eligible forest area inspections during interview /56/.</p> <p>Nakau confirmed that Forest Area inspections were undertaken by Project Coordinator during transact walks /59/.</p> <p>Nakau confirmed that monitoring will be improved with additional monitoring measures such as hiring specialised trained professional /56/.</p> <p>This CL is closed.</p>

Parameters monitored	Eligible Forest Boundary inspections: annually (Confirm how this has been done annually) (MR 3.2.1)	Forest Boundary inspections have been undertaken by the Project Owner entity and reported in monthly LMC reports. They will become part of the 6 monthly reporting in line with the SOP in the next verification period.	<p>Nakau confirmed forest boundary inspections by the Project Owner entity. Nakau is planning for six monthly report during next verification. This appears reasonable.</p> <p>This CL is closed.</p>
	Eligible Forest Area Inspections – Project boundary Inspection (Pls confirm how this has been carried out in accordance with validated PD)	Repeated from CI above: Eligible Forest Area Inspections were undertaken by the Project Coordinator during transact walks undertaken three times in the monitoring period and described in Appendix 2. The SOP was not followed precisely due to an error in the interpretation of the SOP by the Project Coordinator. Forest Area inspections by pure observation were conducted monthly by the Project Owner Entity and are evidenced by Appendix 4 LMC Report example. Nakau has sought finances to improve monitoring to ensure it is in line with the SOP for the next verification event.	<p>Nakau discussed eligible forest area inspections during interview /56/. Nakau confirmed that Forest Area inspections were undertaken by Project Coordinator during transact walks /59/. Nakau confirmed that monitoring will be improved with additional monitoring measures such as hiring specialised trained professional /56/.</p> <p>Nakau confirmed forest boundary inspections by the Project Owner entity. Nakau is planning for six monthly report during next verification. This</p>

			appears reasonable. This CL is closed.
	Annual Leakage Inspection and results incorporated into the annual Project Management Report. Confirm how this has been done.	The Board and LMC have placed a moratorium on commercial timber harvesting on their land. Reporting in line with the SOP will be provided through upskilling of the Project Team to align reporting with the SOP.	Nakau has demonstrated how annual leakage inspection will be implemented and reported as per SOP requirements. This CL is closed.
	Confirm how Community data has been monitored (acknowledge receiving Bridget thesis?) (MR 3.2.2)	As per PD, community impacts are to be monitored against the baseline every 3 years. A community Livelihoods Assessment was undertaken in June 2019. The interviewer followed the guidelines developed by Nakau for the baseline in the PD and replicated the survey. The document titled <i>Loru Livelihoods Assessment 2019</i> provides an overview of the method applied. A Masters thesis was written as a result and has also been provided.	Checked and confirmed. This CL is closed.
	A. Biodiversity Data Monitored (PLS confirm how this has been done, acknowledge Thesis) (MR 3.2.3)	Biodiversity data was monitored by Live & Learn Vanuatu and the Project Owner entity. <i>Appendix 2 Loru Biodiversity and Transact Walk Report</i> provides a report of the dates and methods used to undertake the biodiversity monitoring.	Confirmed and clarified. This CL closed.
	Please provide basis " In this issuance, carbon credits for Zone B that were not calculated during	During PD drafting, Zone B had not had an inventory undertaken so calculations were unavailable from the project start date (2013) during first verification however the inclusion of Zone B for crediting was stated in the validated PD. As of 2013, Zone	Confirmed Zone B is included. This CL is closed.

	previous monitoring periods have been added for issuance in this second monitoring period.” (MR 5.5)	B fell under the protection regime and therefore was managed for protection from that time onwards. In 2018 an inventory of Zone B occurred. Crediting for Zone B is therefore backdated to the project start date of 2013 as this is when the changed land management began.	
	Provide evidence of inventory report prepared beyond June 2018 on Zone B (discussion with Anjali and Michael)	Please see Appendix 1 of MR in the following file location: <i>Nakau Information Platform 2019/Vanuatu Loru Project Information Platform/Loru Monitoring Reports/Loru Second Verification 2020/Appendix 1 2020 Inventory/Zone B</i>	Checked and confirmed. This CL is closed.
	B. In June 2019, an external contractor (confirm name EDA from Glarinda and Serge interview) undertook the CLA social impact survey. (PLS provide any evidence that support social impact survey, acknowledge Bridget Thesis) (MR 6.2)	Bridget Payne undertook the CLA survey in June 2019. Evidence of her work is in the report titled <i>Loru Livelihoods Assessment 2019</i> provides an overview of the method applied. A Masters thesis was written as a result and has also been provided. They have been provided at: <i>Nakau Information Platform 2019/Vanuatu Loru Project Information Platform/Loru Monitoring Reports/Loru Second Verification 2020</i>	Nakau has provided reference resources of social impacts survey /52/. This CL is closed.
	Net Community Impact Enhancements (Confirm who has conducted this monitoring) (MR 6.3)	The Net Impact is the difference between the baseline data presented in the PD and 2019 CLA results presented by Bridget Payne in her report. Anjali Nelson and Michael Dyer, Authors of the MR calculated the Net Impact based on the two data sets. The Excel data table is	Nakau has confirmed that Bridget Payne has prepared Community Livelihood Assessment Report based on

		provided in <i>Nakau Information Platform 2019/Vanuatu Loru Project Information Platform/Loru Monitoring Reports/Loru Second Verification 2020</i>	<p>Bridget's thesis /52/.</p> <p>Monitoring and calculation of Net Community Impact is confirmed /59/.</p> <p>This CL is closed.</p>
	Appendix 2 – Loru biodiversity and transect assessment report, Confirm who has prepared this report and whether QA/QC has been performed	This report was provided by Serge Warakar of Live & Learn Vanuatu. QA/QC has now been provided by Nakau's GIZ specialist hired in mid-March 2020, Michael Dyer. Michael will be basing future training in monitoring around the improvement of reporting by the Live & Learn PC.	<p>During interview /56/ Nakau confirmed that the Loru Biodiversity and Transact Assessment Report /58/ was prepared by Serge Warakar.</p> <p>Nakau confirmed that GIS specialist provided QA/QC /56/.</p> <p>This CL is closed.</p>
	Appendix 3 - Georeferencing Data: Confirm whether 2014 was the last year that georeferencing data monitoring has been performed)	Georeferencing and GPS data has been collected each time the Project Coordinator has completed monitoring. The team created the full set of data, including the transects and forest boundary in 2014 but have since collected other GPS points for monitoring in 2019 and 2020 as per <i>Appendix 2 Loru Biodiversity and Transact Walk Report</i> .	<p>During interview, Nakau confirmed georeferencing and GPS data were collected each time the Project Coordinator has completed monitoring /56/. Confirmed GPS points for mentoring data were collected in 2019 and 2020 /58/.</p> <p>This CL is closed.</p>
Risk management	Confirm any internal QA/QC	QA/QC has been undertaken by Anjali Nelson of Nakau over the	Nakau confirmed QA/QC processes

and quality assurance	check on field-based monitored data and sign-off	previous 3 years. Anjali only approves quarterly carbon revenue payments to Serakar based on reports of Board minutes, a finance report and LMC meeting minutes from the previous quarter. For field-monitoring, Live & Learn Vanuatu went through the SOP with Anjali in December 2017 and confirmed they knew how to undertake the monitoring with GPS. With no GIS experience, Anjali had no way to tell if the data provided was meeting the SOP. In this the QA/QC has suffered. With the hiring of a GIS specialist, Nakau will be able to undertake thorough QA/QC of field-based monitoring.	<p>during the interview /56/.</p> <p>While the QA/QC appears appropriate, Nakau confirmed engaging a skilled professional with technically sound knowledge in addressing monitoring requirement as per SOP.</p> <p>This CL is closed.</p>
17 Aug 2020, additional CL	As required by PV Standard 8.12 Projects selling Plan Vivo Certificates should aim to deliver at least 60% of the proceeds of sales on average to communities as PES, Sales & Payment from Loru sales and payment workbook /35/ shows Serthiac received less than 50% of proceeds over all and by yearly during monitoring period.	<p>1) The project size is small as it was a pilot. The community agreed to not receiving 60% at project development stage (evidenced by PES agreement)</p> <p>2) Since then the cost of verification has increased, and this means LLV has to find further funds. This is a further justification for not increasing the percentage received by Serthiac</p> <p>3) Serthiac is not spending all of its funds and is able to undertake all activities and support community development with funds to spare (evidenced by proportion of income being spent over monitoring period). This also justifies not increasing the percentage share of revenue.</p> <p>4) Serthiac has been shown all documentation on finances at PMM and during project meetings. They have voiced no</p>	<p>Nakau has confirmed that being the Loru Forest Project is small and as per PES Agreement, Project Owner Serthiac agreed a payment less than 60%. Nakau also confirmed that since the verification cost has increased and thus Project Coordinator (LLV) sought additional funds. This is also justify not increasing percentage of payment to Project Owner.</p> <p>These explanation and clarification</p>

		complaint with their share of the revenue.	responses provided by Nakau appears reasonable. This CL is closed.
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Time	Activity
On-site audit coordination call 30 April 2020	
12.00 PM – 12.30 PM	Coordination call with on-site auditor: Sero Isaiah <ul style="list-style-type: none"> • Discuss on-site activities as per on-site visit plan • Conducting interviews and documenting evidence from site inspection • Discuss reporting documents and sharing information
On-site Audit visit at project site 01/05/2020	
10.00 AM – 4.30 PM	Project Owner Consultation (Landowner – Serakar Clan, Chief Skip Khole Village) Opening meeting with Project Coordinator (Live & Learn Vanuatu) and Project Owner (Serthiac) <ul style="list-style-type: none"> • Introduction with Project Coordinator and Project Team in Vanuatu • Brief about on-site audit process, documentation, data/information gathering, conflict of interest and confidentiality (ethics) • Review plan for on-site visit – logistics (travel, accommodation, consumables), OHS and emergency preparedness <p>The scope of on-site audit includes:</p> <ul style="list-style-type: none"> • Check, record and report the project boundaries to determine that the protected forest still exists. This is the forest included in Zone A and Zone B of the Project Area Map (Annex 1) • Check whether there is any evidence of logging or clearing of forest in the protected forest and in eligible forest areas (Zone A and Zone B) • Check what activities have been conducted in Zone B during 16 January 2017 to 15 January 2020 and also from the beginning of the project activity • Check where there have been any changes in project boundaries • Has the Serakar Clan managed the land in a way that is consistent with the Land Use Map produced by members of the Serakar Clan and included in the Nakau Management Plan Report (Annex 2) <p>In addition, carry on-site interview (non-structured) in regard to assess following:</p>

	<ul style="list-style-type: none"> • You as a landowner, what are some project activities you have been involved in during 16 January 2017 to 15 January 2020 • What is your understanding about the bank account you and the Serakar Clan have been receiving on the sales of carbon? • Have you ever made any regular visit to Loru Conservation Area and checked whether any activities such as logging is operating inside? • Have you also participated in any of the agroforestry activities or any Management Activities that are associated with the Loru Forest Carbon Project? <p>Reporting:</p> <p>Evidence of checking project boundary locations of Zone A and Zone B is in the form of photography or GPS with real time data</p> <p>Evidence of current state of forest when walking by photograph</p> <p>Evidence of confirming activities (logging or clearing) by communities and any other social, additional project activities by photogram</p> <p>A summary of wording from the interview on other aspects</p> <p>List of interviewees and date and time and their attendance.</p> <p>Please note, all information will be strictly confidential and will be made available to the Auditor with copies to Nakau Program and Live & Learn. We don't anticipate any video recording of interviews. If interviews is conducted other than in English, an English summary needs to be submitted.</p>
Project Coordinator Consultation 30 April 2020	
4.30 PM – 5.30 PM	<p>Project Coordinator – Live & Learn Vanuatu</p> <p>Glarinda Andre – Live & Learn</p> <p>Serge Warakar – Live & Learn</p> <ul style="list-style-type: none"> • Project brief (Project objectives, location, governance and management, and provision of PES) • Discussion about project activities • Discussion about other activities inside project area and protected area • Discussion about any additional finances/grants into the community and project • Discussion about on-site audit logistics • Assisting in monitoring and reporting of Loru Forest Project • Discussion about any other reporting to Government departments • Any other relevant activities (works by other NGOs) • Reports and assessment STC Harold
Nakau Program Coordinators Consultation (24 April 2020)	
10.00 – 10.30	<p>Anjali Nelson – Nakau Program (Monitoring and Reporting)</p> <p>Michael Dyer – Nakau Program (GIS and satellite Data)</p>

	<ul style="list-style-type: none"> • Discussion regarding current status of the project • Any impacts on project due to impact of STC Harold in recent month • Responsible for monitoring and reporting • Changes in project area, any inclusions or exclusions • Changes in monitoring plan and monitoring methodology • Status of project personnel • Collaboration and communication among project owner, project coordinator (Live & Learn) and program coordinator • Project reporting responsible and whether there have been any changes • Status of income and disbursement from project • Quantification of GHG emissions reductions and removals, who has performed all calculations • Quantification of habitat hectare units, quantification of community impacts and quantification of Biodiversity Impacts • Confirmation of amount of buffer • Field monitoring and data transcription • Improvement in field data measurement, monitoring and reporting • Monitoring report preparation • Who checks all data and reporting? • Any other matters or issues?
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The Verifier: Noim Uddin, PhD

Signature:



Date: 30 April 2020