Verification Terms for reference

Sustainable Forest and Biodiversity Management in Nanga Lauk (Forest For Life)

PRCF Indonesia

Plan Vivo Verification Report

Issued by PT Mutuagung Lestari Tbk (Mutu International)

Version 1.2 31 07 2026

Verification Report Template

*All items in this report must be completed using Calibri 11, black and non-italic font. Please, do not modify the format of this template. The numbers in brackets (e.g. 1.2) refer directly to the requirements in the Plan Vivo Standard (v.12/2013) that they describe. If, at the time of verification, the auditor has also been instructed to conduct the validation of a new project activity to be annexed into an existing Plan Vivo project, then the validation table on page 14 (*ANNEX 1*) must be completed.*

Name of Verifier(s)	Date of Review
Dinar Dara Tri Puspita P : Lead Verifier Awwalunisa Aliya K : Verifier Aditya Kurniawan : Verifier in Trainee N. Mohammad Zulfikar : Verifier in Trainee	Desk Review : 28-30 August 2025 Field Visit : 17-23 September 2025

Signature: Lead Verifier

Date: 31st July 2026

Project Description
The Rimbak Pakai Penghidup (Forest for Life) Project aims to protect the forests within the Nanga Lauk Village Forest (HD Nanga Lauk, 1,430 ha) in Kapuas Hulu, West Kalimantan, from deforestation and degradation driven by commercial timber concessions and unsustainable practices. The project will support the Nanga Lauk community in securing management rights for the Nanga Lauk Village Forest, developing village regulations, conducting forest patrols, and increasing household income through sustainable livelihood activities (honey, rattan, bamboo, ecotourism, and rubber), as well as through the sale of Plan Vivo emission reduction certificates. The expected benefits include habitat protection for threatened species (such as Bornean Orangutan and Helmeted Hornbill), maintenance of ecosystem services (water supply and flood prevention), and improved community wellbeing. The project coordinator is the People Resources and Conservation Foundation Indonesia (PRCF Indonesia).

Document	Outstanding Corrective action	Activity against CAR
-	-	-

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

The verification covered the first 5-years period of the project : from 1st January 2018 to August 2022. The on-site visit was conducted over a total duration of seven (7) days, including the travel days. It took 2 days of travel to reach the project area, flight Jakarta - Pontianak, 14 hours road trip Pontianak - Putussibau and 3 hours by river to the forest site. The duration and itinerary were described in the Verification Plan. The verification activities include Desk Review (planning process), field observation and face to face meeting with stakeholders, community, project staff and project coordinator.

The on-site visit was designed to identify objective evidence of conformance with each requirement in PV Climate by:

- Confirming project boundaries.
- Verifying that the project's physical site description aligns with the information presented in the Project Design Document (PDD) and Technical Specification.
- Interviewing and engaging with the project coordinator.
- Interviewing relevant stakeholders, including participating households, community members and leaders, local government officials, forestry agencies, extension services, and other organizations implementing similar projects in the area.
- Identifying and reviewing supplementary project documentation and tools (e.g., planning documents, databases, templates, legal agreements, etc.).
- Cross-checking interview results with project documentation to ensure consistency between documented information and field realities, as well as verifying staff awareness of project objectives and procedures.
- Gaining a comprehensive understanding of the project context and gathering insights from local stakeholders regarding the project's impacts and benefits.

<u>Field Observation</u>
Based on the desk document review stage, the verification team determined a set of representative points for on-site observation to confirm that the information presented in the Annual Report accurately reflects the project conditions. The selection of observation sites was based on the significance of each location to the project's implementation and the potential to observe evidence related to activity-based performance indicators. The following points were selected for on-site observation:

- NLVF Boundary
- Monitoring Tracks
- Biodiversity Area (Flora)
- Nursery
- Rehabilitation Area
- Agroforestry Area
- Forest Honey Area

<u>Community and Stakeholder Interviews</u>
In addition to on-site observations, the verification team conducted interviews with community members, project implementers, and relevant stakeholders. This process aimed to triangulate the findings from documentation and on-site observation.

The sampling approach for interviews was guided by the Plan Vivo requirement, which suggests that the number of communities or households selected should be at least equal to the square root of the total population or households, rounded up to the next whole number. The determination of the number of interview samples was carried out as follows:

The 234 households; therefore, the number of community interview samples was determined based on the square root of this total.

a. There are 10 patrol and forest monitoring staff, and the number of staff interviewed was determined using the same square root approach.

Below is the list of interview participants selected to represent the community and other key stakeholders:

No	Name of Participant	Gender	Position
1.	Imanul Huda	Male	PRCF Indonesia
2.	Aam Wijaya	Male	PRCF Indonesia
3.	Rio Afiat	Male	PRCF Indonesia
4.	Erik Munandar	Male	PRCF Indonesia
5.	Karim	Male	PRCF Indonesia
6.	Adilah Dini	Female	PRCF Indonesia
7.	Adi Yani	Male	Environmental Agency of west Kalimantan
8.	Setiyo Haryani	Female	Environmental Agency of west Kalimantan
9.	Lisa Damayanti	Female	Forest Management Unit (FMU) KHU
10.	Hamdan	Male	Forest Management Unit (FMU) KHU
11.	Alius Allo	Male	Forest Management Unit (FMU) KHU
12.	Susanto	Male	Statistics Indonesia (BPS) – Banjarbaru Office
13.	Agus Yanto	Male	Village Head
14.	Asih Jailul	Male	Head of Adat
15.	Ujang Efendi	Male	Community Empowerment Institution
16.	Budiman	Male	Village Consultative Body (BPD) Nanga Lauk
17.	Hamdi	Male	Trustee
18.	Sariatun	Female	Chairman-LPHD
19.	Corry Aulia Febriani	Female	Secretary-LPHD
20.	Pretty Sinta	Female	Treasurer-LPHD
21.	Dina Mardiana	Female	Section 1 (Institutional and Human Capacity Building)
22.	Rizal Kurnia	Male	Section 2 (Protection and Supervision)
23.	Ario	Male	Section 3 (Forest Utilization and Business Development Division) / Head of Patrol
24.	Rusliyani	Female	Honey producer group
25.	Lis Rawati	Female	Rattan and bamboo craft producer group
26.	Lastri	Female	Ketua nursery facility (ecotourism)
27.	Laila	Female	Rubber farmer
28.	Musmiladi	Female	Household (Member)
29.	Sabrina	Female	LPHD Lauk Bersatu / household
30.	Laila	Female	LPHD Lauk Bersatu / household
31.	Herman	Male	LPHD Lauk Bersatu / household
32	Rusni	Male	LPHD Lauk Bersatu / household
33.	Usman	Male	LPHD Lauk Bersatu / household
34.	Joni	Male	Member of patrol
35.	Muhammad Saceh	Male	Household (member)
36.	Dimas	Male	Household (member)
37.	Medan	Male	Member of patrol
38.	Rendy Asari	Male	Household (member)

39.	Hamidin	Male	Household (member)
40.	Saleh	Male	Household (member)
41.	Novia Analeta	Female	Household (member)

Interview were done face-to-face during the on-site visit. Beside the stakeholder interview and field observation, the verification team also conducted document review to determine the specific points that would be cross-checked during the verification process. This assessment was carried out to verify the data and information presented in the PDD and Annual Reports. The documentation reviewed in the verification as bellow:

1. Map Nanga Lauk Village Forest
2. Nanga Lauk Village Community Agreement with YPRCFI
3. Project Service Agreement (PSA) Agreement schedule and re-issuance of distribution request invoice
4. MOU between Plan vivo foundation and Yayayasan PRCF Indonesia
5. Project Services Agreement between SCCM and YPRCFI (11 june 2019)
6. Schedule 1 and issuance of distribution project fees
7. Schedule 7 and issuance of distribution project fees
8. Village forest management plan 2019-2028 LPHD Lauk Bersatu
9. Standard operating procedure (SOP) for Nanga Lauk rehabilitation activities and Team (11 September 2022)
10. Standard operating procedure (SOP) for Nanga Lauk village forest Patrol (11 September 2022)
11. Annual work plan 2019 - LPHD Lauk Bersatu
12. Annual work plan 2021 - LPHD Lauk Bersatu
13. Annual work plan 2022 - LPHD Lauk Bersatu
14. Planting Database
15. PES Agreement between Nanga Lauk and PRCF Indonesia (4 April 2019)
16. Amendment 1 PES Agreement between Nanga Lauk and PRCF Indonesia (23 Mei 2019)
17. Bank Account of LPHD Lauk Bersatu
18. SCCM Compensation payment notice year 2019
19. Decree Responsible Entity for Financial Transactions Yayasan PRCF period 2015 - 2020 (No: 22a/PRCFI-PTK/IX/2018)
20. Specimen bank account for company
21. SMART Patrol Biodiversity Y1-Y5
22. Naratif and Status Biodiversity Data 2015 - 2023
23. FPIC document - Nanga Lauk village community
24. Participant of the project Y1 - Y5
25. Carbon and Finance Recap (2018 -2022)
26. Grievance mechanism Nanga Lauk Bersatu (Rev 04/12/2025)
27. Financial report 2019-2020
28. Financial report 2020-2021
29. Financial report 2021-2022
30. Report participatory wellbeing assessment (Socio-economic monitoring) Rimbak Pakai Pengidup Project in Nanga Lauk village forest
31. PDD Nanga Lauk bersatu Version 2.0 (21/05/2019)
32. Employment contracts and curricula vitae of project coordination personnel
33. Decree No. AHU-0011900.AH.01.04 (2018) about the legal establishment of Yayasan Pelestari Ragam Hayati dan Cipta Fondasi Indonesia (YPRCFI)
34. Appendix Decree No. AHU-0011900.AH.01.04 (2018) about the legal establishment of Yayasan Pelestari Ragam Hayati dan Cipta Fondasi Indonesia (YPRCFI)
35. Decree on work area designation Nanga lauk village forest 2014

36. Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number 9 of 2021
37. Letter reporting Nanga lauk village forest conservation program to directorate jendral of PSKL
38. Letter of Intent between Lestari Capital and PRCF Indonesia
39. Notarial deed of LPHD Lauk Bersatu 2019
40. Organizational structure of LPHD Lauk Bersatu 2019
41. PRCF Indonesia team in SCCM Nanga Lauk Program since 2019
42. PRCF Indonesia team in SCCM Nanga Lauk Program since 2022
43. Village forest management rights decree Nanga Lauk village forest 2017
44. Village head decree on LPHD Lauk Bersatu 2016-2019
45. Village head decree on LPHD Lauk Bersatu 2022-2025
46. Nanga Lauk 2018 Annual report (20/04/2019)
47. Nanga Lauk 2019-2020 Annual report (31/08/2020)
48. Nanga Lauk 2020-2021 Annual report (29/09/2025)
49. Nanga Lauk 2021-2022 Annual report (2021)
50. Approved approach - estimation of climate benefits from REDD in community managed forest (version 0.2 29 July 2017)
51. Report training into SMART patrol 052019
52. Report training into SMART patrol 082019
53. Report training Spatial Monitoring and reporting tools (17-20 February 2020)
54. Report training Forest and Land Fire Prevention and Control (25-26 July 2020)
55. Report training Agroforestry (17-28 January 2020)
56. Report training Agroforestry - Conservation programme Nanga lauk Village forest (January, 2022)
57. Report training on the development of rattan woven techniques and product design (Desember, 2019)
58. Report training self help group/KUPS/ Cooperative management training (January, 2020)
59. Report training bokar rubber production (October, 2019)
60. Report training on honey processing and packaging (June, 2019)
61. Report training on processing and packaging of fish product (June, 2021)
62. Report training on processing and packaging of fish product (March, 2021)
63. Report training of trainers ecotourism product package (January, 2022)
64. Report training courses Journalism and Scientific Writing (July, 2022)
65. Village Regulation of Nanga Lauk No. 01 of 2022 Concerning the Protection and Utilization of Natural Resources in the Lauk Bersatu Village Forest, Nanga Lauk Village
66. Forest Land Cover Mapping, Carbon Emission Estimation, Climate Benefits, and Leakage Assessment 2019-2024
67. Mom of Result Monitoring and Reporting (Program Evaluation) (October, 2019)
68. P4F –Bridging Grant Support For Nanga Lauk Village Forest Management (July - October, 2019)
69. Mom of Result Monitoring and Reporting (September, 2019)
70. Mom of Facilitating Business Assistance (Periodical Meetings) – Q1 (November, 2019)
71. Mom of Facilitating Business Assistance (Periodical Meetings) (February, 2020)
72. Mom of Facilitating Business Assistance (Periodical Meetings) (March, 2020)
73. Training on Business Bookkeeping and Financial Reporting (May, 2020)
74. Mom of Facilitating Business Assistance (Periodical Meetings) (June, 2020)
75. Facilitation of Internal Audit and Annual Member Meeting (August, 2020)

Table 1. Summary of major and minor Corrective Actions (Insert CAR Text)

Theme	Major CARs	Minor CARs	Observations	Status
Project's Eligibility	-	-	-	N/A
Ecosystem Benefits	-	-	-	N/A
Project Coordination and Management	Car Major 01: The submitted annual report (2019-2020) does not accurately reflect with the supporting document and information	CAR Minor 01: The LPHD team does not yet fully have the capacity to support the project. The mechanism is needed to guarantee that new members understand information from the previous period and that all duties and responsibilities have been fully handed over to the new management.	-	Closed
Participatory design	-	CAR Minor 02: A clear and effective system for submitting, recording, and resolving grievances has not yet been demonstrated.	Observation 01: Based on the discussions, the community as project members suggested the project coordinator should consider adding scholarships and community health services as part of the benefit-sharing mechanism.	Closed
Quantifying and Monitoring Ecosystem Services	Car Major 02: The carbon calculation file (Spreadsheet) is not yet available in a complete form; therefore, in general, the carbon benefit results reported in the Annual Report cannot be fully traced back to the calculation	CAR Minor 03: A significant discrepancy was identified in the results of the land cover analysis. Based on the land cover mapping report, there is an indication of a decline in land cover compared with the conditions in 2016. In addition, degradation	Observation 02: The project is recommended to improve the questionnaire or indicators used in the socio-economic welfare assessment to better capture measurable changes in the community's socio-economic conditions between	Closed

	methodology established in the Project Design Document (PDD) at the detailed calculation level. In addition, the reference documents/files related to the carbon density values used (IPCC and Navratil, 2013) have not been provided. As a result, most of the standard requirements related to carbon benefits could not yet be adequately assessed by the verifier.	of secondary peat swamp forest was identified, which was justified as being influenced by tidal fluctuations. This raises questions regarding the accuracy of the land cover analysis and whether the methods applied are adequate to represent the actual land cover conditions. The Forest for Life Project Nanga Lauk should establish a Land Cover Monitoring Procedure to ensure the accuracy of the land cover analysis so that the results can be properly compared with the baseline conditions.	the baseline and post-project implementation periods.	
Risk Management	-	-	-	N/A
Livelihoods Impacts	-	-	-	N/A
PES Agreement	-	CAR Minor The PES agreement does not follow the required format, as it lacks clauses on: 1. Land dispute resolution 2. Carbon benefit reversal 3. Conflict resolution 4. Project termination 5. Benefit-sharing percentages 6. Buffer risk arrangements	-	Closed

Table 2 - Report Conformance (Delete Yes/No as appropriate)

Theme	Conformance of Draft Report	Conformance of Final Report
Project's Eligibility	Yes	Yes
Ecosystem Benefits	Yes	Yes
Project Coordination and Management	No	Yes
Participatory design	No	Yes
Quantifying and Monitoring Ecosystem Services	No	Yes
Risk Management	Yes	Yes
Livelihoods impacts	Yes	Yes
PES Agreement	No	Yes

<table>
<tr><td colspan="2">PROJECT'S ELIGIBILITY</td></tr>
<tr><td colspan="2">Requirement: Project directly engage and benefit community groups</td></tr>
<tr><td colspan="2">Verification Question: 1 and 2</td></tr>
<tr><td colspan="2">1.1 Project interventions are still taking on land where smallholders and/or community groups have clear land tenure (1.1)
1.2 Land that is not owned by or subject to use rights has included in the project area because (1.2):
● 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</td></tr>
<tr><td>A. Findings (describe)</td><td>The Nanga Lauk "Forest for Life" project is located within a Village Forest (Hutan Desa) area. Village Forest is a state forest that has not been granted permits/rights that are managed by villages and utilized for village welfare (Decree No.8/2021 of Ministry of Environment and Forestry of Indonesia - MoEF). The Nanga Lauk Village Forest was designated by the MoEF in January 2014, based on Decree No. 63/Menhut-II/2014, covering an area of 1,430 hectares. Subsequently, management rights for the Nanga Lauk Village Forest were established through Decree No. 685/MENLHK-PSKL/PKPS/PSL.0/2/2017, dated February 2017, with a period of 35 years. This permit stipulated the forest management rights of Lembaga Pengelola Hutan Lauk Desa Bersatu (LPHD Lauk Bersatu) Nanga Lauk Village.

The community also has a long term management plan (2019-2028) and Annual plan which are approved by the government. This reflects the certainty of the forest management rights of the LPHD Nanga Lauk.</td></tr>
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	Interviews with the local government indicated that the Nanga Lauk Project has no regulatory challenges. The West Kalimantan Provincial Environment and Forestry Agency (DLHK) stated that the project regularly reported their forest management activity, there is no issue of the forest utilization activity. Based on interviews conducted with the LPHD and PRCF, it was confirmed that there were no land disputes within the Nanga Lauk Village Forest. This information was further corroborated through interviews with local community members, who stated that no land disputes occurred during the 2018–2022 period. These findings are consistent with the information presented in the 2018–2022 Annual Reports. Based on the information obtained, the verification team assessed that aspects related to land tenure status and clarity were well-defined.		
B. Conformance	Yes	☒	☐ ☐
C. Corrective Actions (describe)	None		
D. Nanga Lauk Response	None		
E. Status	None		

ECOSYSTEM BENEFITS	
Requirement: Project generates ecosystem service benefits and maintains or enhances biodiversity.	
Verification Questions: 1, 3 and 5	
2.1 Project interventions are maintaining or enhancing biodiversity **(2.2)** 2.2 Project interventions have not led to any negative environmental impacts **(2.3)** 2.3 Any trees being planted to generate ecosystem services are native or naturalised species and are not invasive **(2.4)**	
A. Findings (describe)	The "Forest for Life" Nanga Lauk Project is a community-based forest conservation initiative implemented in the Village Forest (Hutan Desa) area under the management of the Village Forest Management Institution (LPHD), acting as the local coordinating body on behalf of participating smallholders and community members. The project intervention focuses on the prevention of deforestation and forest degradation, with the objective of maintaining forest carbon stocks while safeguarding biodiversity and sustaining ecosystem services. Considering that a significant portion of the project area consists of lakes and other permanently inundated aquatic areas, the project design also incorporates specific measures to protect aquatic ecosystems. These measures are aligned with the Plan Vivo Standard's requirements for maintaining and enhancing ecosystem services beyond carbon benefits.

	Interviews conducted with LPHD representatives and community members confirmed that project activities implemented during the monitoring period have contributed to biodiversity conservation and the maintenance of ecosystem integrity. Key activities include routine Village Forest patrols conducted monthly and village boundary patrols conducted twice annually. Each patrol activity involves two teams, each comprising five members (ten participants in total), reflecting active community participation in project implementation. Patrol activities are undertaken to monitor potential threats to forest carbon stocks and biodiversity, including illegal logging, encroachment, and wildlife disturbances. Field data are collected using GPS-based manual tally sheets and the SMART Patrol application, forming part of the project's participatory monitoring system. The verification assessment confirmed that patrol members demonstrate adequate capacity to identify key flora and fauna species encountered in the field and to operate the SMART Patrol application. LPHD representatives indicated that selected members have received training on species identification and monitoring procedures. Internal data validation is conducted through cross-checking of field records to ensure consistency and reliability of monitoring results. In line with the Plan Vivo Standard's requirements on environmental and social safeguards, no negative environmental or social impacts attributable to project implementation were identified during the monitoring period (2018–2022), as reflected in their Annual Reports and confirmed through stakeholder interviews. Field observations indicate that the risk of deforestation and forest degradation within the project area remains relatively low, particularly as a considerable portion of the area consists of permanently inundated water bodies, which inherently limits land-use conversion pressure. Community consultations further confirmed that the project has not resulted in adverse impacts on local livelihoods. On the contrary, respondents reported positive contributions to sustainable income-generating activities, particularly wild honey production. Community members emphasized that forest protection under the project helps maintain nectar-producing tree species that are essential for honey production. These outcomes are consistent with the project's stated objectives to deliver climate, biodiversity, and livelihood benefits in accordance with Plan Vivo principles. Based on the documentation review, stakeholder consultations, and field verification undertaken, it is concluded that the "Forest for Life" Nanga Lauk Project is being implemented in accordance with the approved Project Design and Plan Vivo requirements. The project demonstrates effective delivery of ecosystem service benefits, including biodiversity conservation and livelihood support, consistent with its stated objectives.		
B. Conformance	Yes	☒	☐ ☐
C. Corrective Actions (describe)	None		

D. Nanga Lauk Response	None
E. Status	None

PROJECT COORDINATION AND MANAGEMENT	
Requirement: Project is managed with transparency and accountability, engagement of relevant stakeholders and in compliance with the law of the Host Country.	
Verification Questions: 1, 2 and 6	
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)** 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)** 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)** **3.4** 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 demonstrate resource allocation in the interest of target groups **(3.10; 3.11)**	
A. Findings (describe)	The PRCF Indonesia in implementing Nanga Lauk Village Forest Project applies specific regulations on social forestry, including requirements for facilitation and partnership (Permen LHK) No. 9 of 2021. Based on confirmation from the West Kalimantan Provincial Environment Agency (DLHK), PRCF Indonesia is recognized as a development partner working with LPHD Lauk Bersatu in managing social forestry. Document review also shows that the project coordinator has valid legal status, as stated in the Ministry of Law and Human Rights Decree No. AHU-0011900.AH.01.04 of 2018. In addition to serving as a development partner for social forestry, PRCF Indonesia also acts as the project coordinator under the Plan Vivo scheme. This legal status confirms that PRCF Indonesia has the authority and administrative capacity to enter into PES agreements and to manage payments for ecosystem services. Meanwhile, the establishment of LPHD Lauk Bersatu is supported by official village decrees: Village Head Decree No. 140.02.PMD-NL-2016 for the 2016–2019 period and Village Head Decree No. 30 of 2022 for the 2022–2025 period. In terms of enterprise development, support from the project coordinator and LPHD has resulted in the establishment and operation of 5 (five) Social Forestry Business Groups (KUPS) since 2019: the Ecotourism Group, Fish Group, Rubber Group, Rattan Group, and Honey Group. According to the verification team's assessment, all KUPS have received comprehensive support from PRCF as the project coordinator, including capacity-building training, partnership development, capital support, and market access facilitation. This information was confirmed through interviews with KUPS members and supporting documents such as financial reports, training reports, and monthly meeting Minutes (MoM). The verification team also observed KUPS facilities and products, such as the honey processing house, honey products, ecotourism facilities, rattan processing house, rattan products, and smoked fish (*salai*).

	Beyond enterprise support, project sustainability is also strengthened by LPHD and the patrol team through forest protection activities. The patrol team routinely conducts three types of patrols: Village Forest Patrol, Limited Production Forest (HPT) Patrol and Village Boundary Patrol. All patrol members have received training in forest management, monitoring, and evaluation, giving them strong technical capacity. During interviews and on-site observations, the patrol team was able to explain operational procedures, from planning to implementation and reporting. Evidence of these activities is well documented in the patrol reports. Confirmation from the Forest Management Unit (KPH) also shows that, based on map reviews and on-site assessment until 2022, there were no disturbances or damage within Nanga Lauk Village Forest. These findings demonstrate that the patrol system works effectively and supports long-term project sustainability. However, in terms of institutional management, the verification team found that the newly appointed LPHD members, who have already been officially inaugurated, still need support to strengthen their understanding of the project. 1. The treasurer does not yet understand the benefit-sharing mechanism. 2. The grievance mechanism section does not yet understand the complaint/grievance mechanism. Therefore, a proper handover mechanism is needed to ensure that the new LPHD members clearly understand the tasks and responsibilities transferred from the previous period. Therefore, this issue was raised as **CAR Minor 01**. Regarding the PES Agreement, the verification team confirmed that the mechanism and procedures for benefit-sharing are available and have been agreed upon by the community. The foundation of this agreement began with the community consent letter of Nanga Lauk Village (No. 140/15/PEMDE-NL/2017) dated November 9, 2017. Signed by community representatives, including the LPHD Chair, BPD Chair, Village Head, PKK Chair, LPM Chair, Head of Adat, and all hamlet heads, this document served as the initial milestone of the Free, Prior, and Informed Consent (FPIC) process facilitated by PRCF. Following this initial consent, a series of continued socialization and engagement processes were conducted to ensure the community fully comprehended the project. This extensive process officially culminated in the successful execution of the final FPIC agreement on April 3, 2019. During interviews, the community confirmed that this step-by-step approach allowed them to make well-informed and voluntary decisions without any coercion. PES funds in the Forest for Life Project are not managed directly by the community, instead managed and distributed by the project coordinator PRCF Indonesia. This implementation is due to the limitations of the community's understanding of the procedures for submitting requests and receiving PES funds, financial literacy, insufficient internet connectivity, and the absence of banking services in the village. PES funds are distributed either in cash or via bank transfer, depending on community preference. Evidence of payments related to work advances and salaries was confirmed through the review of receipts and signed payment acknowledgements. In addition, the LPHD has compiled a recapitulation of the PES funds used for project activities, which was

<table>
<tr><td colspan="1"></td><td colspan="4">confirmed through the review of the LPHD treasurer’s cash book covering the period 2019–2022. Transparency in the distribution of PES funds is maintained by the Project Coordinator through annual meetings with communities and Lestari Capital. This was confirmed based on the review of the Annual Report Evaluation documents for the years 2019, 2020, 2021, and 2022. Overall, this shows that the project coordinator has implemented a transparent mechanism for receiving, holding, and distributing PES funds, although capacity-building is still needed for the new LPHD members.

Referring to the Plan Vivo Standard (2013), which requires PES funds to be managed in a dedicated account separate from the project coordinator’s operations, the verification team confirms the project's full compliance. The justification relies on a strict financial segregation mechanism between the Project Coordinator (PRCF) and the community institution. PRCF does not hold or commingle community funds within its general operational accounts. Instead, the community’s benefit-sharing portion is directly transferred to a dedicated, legally registered bank account under the name of LPHD Nanga Lauk, which is used exclusively to finance community-led project activities. The verification team confirmed this by comparing PRCF's bank statements with LPHD's bank statements. This proved that the community's funds are kept completely separate and managed independently.

Regarding the annual report, the verification team reviewed the reporting periods within the verification scope (2019–2020, 2020–2021, and 2021–2022). As a result PRCF Indonesia, has clearly described progress, achievements, and challenges in their Annual Reports, and the content aligns with Plan Vivo requirements. However, the verification team found that some information in the annual reports does not accurately reflect the supporting documents. The document review found that:

1. The number of households recorded for the 2019–2020 period was 243, while only 195 households were recorded for the 2020–2021 period.

Therefore, this issue was raised as CAR Major 01.

Even though the project management structure generally meets good governance principles, improvements related to the one findings are necessary to ensure that transparency and accountability remain strong and consistent in the future.</td></tr>
<tr><td>B. Conformance</td><td>Yes</td><td>☐</td><td>N ☒</td><td>☐</td></tr>
<tr><td>C. Corrective Actions (describe)</td><td colspan="4">CAR Minor 01

The LPHD team does not yet fully have the capacity to support the project. Based on field observations conducted by the verifier, it was found that:
1. The treasurer has not yet understood the benefit-sharing mechanism being implemented.
2. The Grievance Management department has not yet understood the complaint/grievance mechanism.</td></tr>
</table>

<table>
<tr><td></td><td>To ensure that the information provided is well organized, a mechanism is needed to guarantee that new members of LPHD understand information from the previous period and that all duties and responsibilities have been fully handed over to the new management.

CAR Major 01
The submitted annual report does not accurately reflect the information. Based on the document review, it was found that:
1. The number of households recorded for the 2019–2020 period was 243, whereas for the 2020–2021 period only 195 were recorded.</td></tr>
<tr><td>D. Nanga Lauk Response</td><td>Response 01:
CAR Minor 01
At the time of the verification activities, the management structure of the LPHD had officially become active on 1 September 2025. The management board from the previous period had already completed their term of service. Therefore, during the verification process, the LPHD management was in a transition period.
The Project Coordinator explained that several steps are currently being undertaken to strengthen the capacity of the newly appointed LPHD management, including:
1. Providing administrative and financial management training;
2. Assigning individual responsibilities and providing assistance by the facilitator (PRCF) for each management position;
3. Developing individual and team work plans; and
4. Conducting periodic evaluations of the management members' knowledge and capacities.

CAR Major 01
The Project Coordinator revised the Annual Reports for the following periods:
1. Annual Report September 2020 – August 2021

Response 02:
CAR Minor 01
The Project Coordinator has developed a schedule outlining the planned training activities, socialization sessions for the LPHD management regarding their roles and responsibilities, and the timeline for periodic evaluation of the LPHD management.</td></tr>
<tr><td>E. Status</td><td>Review 01 :
<table>
<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Minor 01</td><td>The verification team assessed that the initial response provided by the Project Coordinator has not been fully fulfilled due to the following reasons:
1. No document has yet been provided describing the schedule or plan for the training activities.
2. No document has yet been provided outlining the planned socialization to the LPHD regarding their roles and responsibilities.
3. No document has yet been provided explaining the evaluation period for the LPHD in relation to</td><td>Open</td></tr>
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	capacity-building efforts. Moving forward, it is necessary to develop such documents so that they can serve as references in the preparation of the business work plan as well as the annual work plan. Based on the above, the minor CAR cannot yet be closed	
Major 01	The verification team assessed the corrective actions undertaken by the Project Coordinator as follows: 1. For the Annual Report for the period 2020/2021, revisions have been made so that the information is now consistent and aligned with the Annual Report for the period 2019/2020.	Open

Review 02:

CAR ID	**VVB Assessment**	**Status**
Minor 01	The verification team assessed that the schedule prepared by the Project Coordinator has demonstrated the planned training activities, the planned socialization to the LPHD regarding their roles and responsibilities, and the evaluation period for the LPHD. Based on this, the minor CAR can be considered closed.	Closed

PARTICIPATORY DESIGN AND DEVELOPMENT OF PLAN VIVO

Requirement: the project has demonstrated community ownership: communities participate meaningfully through the design and implementation of plan vivos that address local needs and priorities.

Verification Questions: 1, 2 and 6

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)**

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)**

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)**

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 *plan vivos* in an appropriate language and format **(4.9)**

4.5	Participants are 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)**
A. Findings (describe)	Referring to the PDD, the Forest for Life Project has three main objectives: (1) securing rights and strengthening forest management institutions, (2) forest protection and monitoring, and (3) developing income sources from sustainable forest management. The verification team assessed that these three objectives have been fully reflected in the village annual work plan (RKT). The planning process is voluntary and participatory, involving LPHD and the project coordinator together with the Village Head, Head of Adat, Community Empowerment, BPD Head, and community members. Interviews confirmed that from 2018 to the 2022 reporting period, the community and relevant stakeholders have consistently participated in annual planning processes. The verification team also confirmed that all decision-making processes follow FPIC mechanisms through meeting and discussion between Project Coordinator, LPHD Nanga Lauk and Community. The verification team assessed by attendance lists documents from annual evaluation meetings, the document shows community involvement in key decisions. During interviews concerning long-term plans, the Village Head recommended that the project coordinator consider additional benefit-sharing components, such as educational scholarships and health services. Based on this, the verification team raised **Observation 01** to encourage further discussion so that the recommendation can be considered for future Nanga Lauk Village Forest annual plan. Nevertheless, the verification team assessed that the project has already implemented a broad range of activities aimed at delivering social and livelihood benefits to local communities. Based on the Annual Reports from 2018 to 2022, project activities include building LPHD capacity, supporting forest protection activities, conducting routine patrols, implementing enrichment planting for community livelihoods, generating additional income through sustainable natural resources, and providing technical support for monitoring and reporting. The implementation of these activities demonstrates a comprehensive approach, including specific efforts to reduce barriers to participation for vulnerable groups. Programs such as reading boats, conservation camps, youth competitions, and the village library indicate deliberate efforts to encourage inclusive participation. Although the library was affected by flooding, LPHD was still able to present book collections. The project coordinator also supports community enterprise development through the establishment and facilitation of KUPS groups, in line with Ministerial Regulation No. 9/2021. Active KUPS groups include ecotourism, fisheries, rubber, honey, and rattan. Interview results confirm that all community members can participate without discrimination based on gender, age, income, social status, ethnicity, or religion. Attendance records for meetings or training indicate that women's participation averaged 23.27% from 2019–2022. The verification team confirmed with the DLHK (Environmental and Forestry Agency) and BPDAS (Watershed Management Agency) West Kalimantan that the project coordinator routinely submits activity reports to government authorities. Both institutions stated that project activities pose no negative

	impacts on participants or non-participants. Instead, the project positively contributes to livelihoods, community priorities, and food security. The project coordinator with LPHD Lauk Bersatu has established a system for recording and verifying the location, boundaries, and area of the village forest they manage. SMART Patrol spatial-based monitoring system is used to measure, evaluate, and improve monitoring and conservation effectiveness. Based on the interview confirmed that patrol members are able to clearly demonstrate the operation of SMART Patrol. Patrol members also have access to their Plan Vivos in an appropriate format, as confirmed through Patrol Log documents and Patrol reports. Based on interviews, review document attendance lists, and document meeting minutes (Mom) confirmed that forums/meetings are regularly implemented. Community members, including women, have opportunities to express their views during monthly meetings, quarterly meetings, monitoring report discussions, and annual evaluation workshops. In addition, regarding the grievances mechanism, based on interviews with KPH (Forest Management Unit), DLHK, and BPDAS confirmed that no major or project-altering complaints have been submitted. Based on the document grievance summary, it was identified that a total of two grievance cases were recorded during the verification period. According to an interview with the project coordinator, all two cases have been resolved. This was further confirmed by interviews with the community, for example one of the cases related to construction of a swiftlet house in the village forest area. This issue was documented in the grievance summary document. Based on MoM No. 22/BA/PEMDES-NL/2021, the issue was resolved through an agreement between the Nanga Lauk Village Government, BPD, and LPHD Lauk Bersatu during a meeting held on 14 September 2021. However, the verification found that the documentation of grievance handling including procedure needed to be improved and not yet implemented adequately, several issues related to grievance documentation were identified, as bellow: 1. In the summary of grievance reports, the name of the complainant and the perpetrator in a vandalism incident are listed as the same person. 2. The grievance logbook does not provide information on: a. How the grievance was handled. b. Status of grievances (resolved / unresolved / on process / etc) 3. Minutes or formal records documenting the resolution of reported grievances are not yet provided Due to this incomplete documentation and follow-up records, the verification team could not assess the effectiveness or timeliness of grievance handling. Therefore, the issue was raised as **CAR Minor 02**. Overall, the project coordination demonstrates strong community ownership. Community members actively participate in planning, implementation, and monitoring, ensuring that interventions reflect local needs and priorities. This inclusive participation strengthens long-term project sustainability. However, improvements in the grievance-handling system are necessary to enhance

	transparency and accountability while maintaining the high level of community engagement already achieved.
B. Conformance	Yes ☐ N ☒ ☐
C. Corrective Actions (describe)	**Observation 01:** Based on interviews conducted with the community and relevant stakeholders, the results of the annual work plan (RKT) discussions indicate that community members have proposed that the project coordinator consider incorporating additional benefit-sharing elements, specifically educational scholarships and healthcare support for village residents. **CAR Minor 02:** The verification found that the documentation of grievance handling including procedure needed to be improved and not yet implemented adequately, several issues related to grievance documentation were identified as bellow: 1. In the summary of grievance reports, the name of the complainant and the perpetrator in a vandalism incident are listed as the same person. 2. The grievance logbook does not provide information on: a. How the grievance was handled. b. Status of grievances (resolved / unresolved / on process / etc). 3. Minutes or formal records documenting the resolution of reported grievances are not yet provided.
D. Nanga Lauk Response	**Response 01:** **Observation 01:** The project coordinator prepared for proposing new activities: 1. Entering the proposed new activity into the PDD. This would require a revision of the project activities; however, this process has not yet been conducted. 2. Submitting the proposed activity to Lestari Capital (LC) through an adjustment of the project budget and the deviation matrix. This step has already been completed and submitted to LC; however, a final decision from LC has not yet been received. **CAR Minor 02:** The project coordinator justified: Issues, complaints, or grievances related to the management of the village forest are handled by LPHD Lauk Bersatu as the holder of the Village Forest Management Permit (HPHD). Cases that occurred during the project period were identified directly by the LPHD and addressed through confirmation, summoning the involved parties, and/or conducting deliberation meetings involving the village government and customary leaders. Throughout the verification period, all identified issues have been resolved A revised grievance procedure and complaint form have been developed and are now in use to ensure a more systematic and consistent approach to grievance recording and handling. The project coordinator has also improved

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<tr><td></td><td>the grievance documentation by clarifying previously identified inconsistencies in the grievance summary, including the correction of data entries. In addition, the grievance logbook has been updated to include clear information on the handling process and the status of each grievance (e.g., resolved, ongoing). Minutes of meetings (MoM) for each grievance have now been compiled and organized to ensure proper documentation and traceability.
Supporting documents provided include:
- Revision of grievance procedure
- Complaint form
- Records of MoM of each grievance</td></tr>
<tr><td>E. Status</td><td>
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<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Minor 02</td><td>The verification team assessed the corrective actions undertaken by the Project Coordinator as follows:
1. The Project Coordinator has developed an adequate procedure for handling complaints.
2. The Project Coordinator has provided a complaint form as documented evidence for each complaint received.
3. The complaint report has been revised accordingly.
4. The Project Coordinator has shown the records of minutes of meeting as evidence that complaints have been addressed.
Based on the above, the CAR can be considered closed.</td><td>Closed</td></tr>
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QUANTIFYING AND MONITORING ECOSYSTEM SERVICES
Requirement: **project generates real and additional ecosystem service benefits that are demonstrated with credible quantification and monitoring**
Verification Questions: 2, 3 and 4
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.

5.4 The results of the remote sensing analysis are not in stark conflict with the results of Activity-Based Monitoring and there is a high level of correlation between the two monitoring methods. Reasons for any discrepancy have been accurately justified. 5.5 Ecosystem services forming the basis of the Plan Vivo project are still additional **(5.4).** 5.6 To avoid double counting of ecosystem services, the project interventions are not being used for any other project or initiative **(5.14)** 5.7 A monitoring plan has been correctly implemented and a system for checking its robustness is in place, where **(5.9; 7.2.; 7.3):** ● The Activity-Based Monitoring indicators and performance targets directly or indirectly linked to the delivery of ecosystem services. ABM provides sufficient evidence that the project is on track to deliver the expected impacts and to reduce the drivers of deforestation. ● Corrective actions and contingency plans are described when performance targets have not been met ● 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	
A. Findings (describe)	The Plan Vivo Standard requires that the data sources used to measure ecosystem services, including all assumptions and default factors applied, are clearly defined and adequately justified. Based on the verification team's review of the calculation spreadsheet, it was identified that the carbon calculations spreadsheet has not been properly provided. As a result, the carbon benefit calculation results presented in the Annual Report cannot be traced for consistency with the calculation methodology defined in the PDD. In addition, the carbon density values used in the calculation are not consistent with those specified in the PDD, and the references used have not been available to be reviewed by the Verifier. These differences in the use of references have resulted in inconsistencies between the calculation results in the spreadsheet and the magnitude of the carbon claims submitted. Therefore, the verification team raised this issue as **CAR Major 02**. The PDD development, including the carbon calculation of the Forest for Life project was assisted by a consultant, thus all the data was requested to the consultant. The details of CAR Major 02 verification and closure are described in part C, D, E on this table. Furthermore, the current annual report period still refers to the budgeting period (fical year), to maintain consistency in the future, the period preferably follows the calendar year from January to December. Thus, the verification team raised this issue in **FAR 01**. The annual report presents monitoring results, including those reflected in the activity-based indicators, socio-economic indicators, and environmental-biodiversity indicators. **<u>Activity-based indicators</u>** - Village Forest Management Institution (LPHD) conducts regular meetings on a monthly, quarterly, and annual basis. A review of the documented meeting records was confirmed by the verification team. Interviews conducted with LPHD also support the documented evidence that these meetings are held regularly. - Village regulations related to the protection and utilization of natural resources in Nanga Lauk Village were agreed upon and signed by the Village

	Consultative Body (BPD) and the Village Head on 1 August 2022. The verification team confirmed this through a review of the supporting documentation. Based on the interview, LPHD and BPD also confirmed their involvement in the formulation of the village regulation. - PRCF and LPHD installed boundary markers for the Nanga Lauk Village Forest (HD) project area and information boards to indicate the protected area boundaries. Field observations conducted by the verification team confirmed that the boundary markers and information boards had been installed. However, during the site visit, the boundary markers were not visible as the location was inundated by water. To further substantiate the statement provided by PRCF, interviews with the relevant PIC confirmed that the boundary markers for the HD area had been installed at the designated locations. - Patrol activities are conducted to monitor threats to biodiversity and to collect field data using manual recording methods with GPS–Tally Sheets which are then transferred to SMART Patrol application. The verification team confirmed the consistency between the raw data recorded in the tally sheets and the data in the SMART Patrol application. Based on field observation and interview with patrol staff also indicated that the patrol team's capacity to identify flora and fauna, ability to use GPS and field data recording was adequate. In addition, the patrol routes were also confirmed by the verification team during the field observation. - The KUPS groups (Cooperative group) for rattan and bamboo commodities are currently not conducting production activities and have been temporarily suspended until a more viable replacement commodity is identified. Based on interviews and field observations conducted by the verification team, LPHD and BPD explained that the rattan and bamboo KUPS activities were considered less effective to continue, primarily due to high transportation costs and limited accessibility of the area, which represent the main constraints. Furthermore, LPHD proposed a replacement commodity, namely kratom *(Mytragyna speciose)*, which is considered to have better economic potential and to be more suitable for local conditions. Several community members have also begun planting and producing kratom on a limited scale to support village economic activities. **<u>Socio-Economic Monitoring</u>** The assessment of the Project's impact on the socio-economic well-being of the Nanga Lauk community is conducted annually throughout the project implementation period. The objective of this assessment is to evaluate the project's impact on household welfare and to obtain feedback to improve project implementation so that the benefits generated can be further optimized. Based on interviews with PRCF, it was identified that socio-economic data collection is coordinated by PRCF with support from LPHD. The verification team also reviewed the tally sheet documentation (raw data) and confirmed that the data collection activities were implemented as planned. The indicators used in the socio-economic welfare assessment of the Nanga Lauk community reflect the general socio-economic condition of the community. The questionnaire or indicators could be improved in the future to clearly reflect the changes between

	the conditions before and after the implementation of the project. This opportunity for improvement was raised as **Observation 02.** PRCF stated that the socio-economic data will be evaluated every five years or after the verification process is completed, with a plan to update and refine the welfare assessment indicators so that the evaluation results in the next period can be more representative. **<u>Environmental and Biodiversity Monitoring</u>** Based on the PDD document, monitoring of species with high conservation value and threats to biodiversity is planned to be conducted by the forest patrol team. A review of the Annual Reports for 2018–2019 indicates that the results of biodiversity monitoring have been reported. The verification team also confirmed the tally sheet records (raw data) related to the identification of flora and fauna, as previously described. The capability of the patrol team to identify flora and fauna encountered in the field has also been confirmed by the verification team, including their ability to operate the SMART Patrol application for flora and fauna data collection. LPHD also stated that several patrol team members have received training in flora and fauna identification. The patrol team regularly conducts monitoring of various factors that may potentially drive deforestation and forest degradation during the project implementation period. Based on the verification team's review of the Annual Report 2020–2021, tree cutting activities for construction materials were recorded, as well as incidents of fallen trees during the period 2021–2022. Interviews conducted by the verification team with LPHD and the village government confirmed that the tree cutting activities that occurred in 2021–2022 have already been addressed. The responsible parties received a warning from the village authorities, and the case was resolved through a village-level deliberation mechanism. Furthermore, the village authorities stated that there have been no land clearing activities or fire incidents within the Village Forest (HD) area. Field observations conducted by the verification team also support this statement, where land clearing activities were identified in APL areas outside the HD boundary. In addition, the verification team assessed that the potential for fire is relatively low, considering that most of the HD area consists of water bodies (lakes) that remain inundated throughout the year. Based on the review of the land cover analysis documents, a significant discrepancy was identified in the results of the land cover analysis of 2019-2024. The land cover mapping report indicates a decline in land cover compared to the condition in 2016. In addition, a potential degradation of secondary peat swamp forest was identified, which was justified as being influenced by tidal fluctuations. These conditions raise questions regarding the accuracy of the land cover analysis and whether the methods applied are adequate to represent the actual land cover conditions. Based on interviews conducted with PRCF, it was identified that

	a Land Cover Monitoring Procedure has not yet been established. Therefore, the Forest for Life Project should establish a Land Cover Monitoring Procedure to ensure the accuracy of the land cover analysis so that the results can be properly compared with the baseline conditions. Accordingly, the verification team raised this issue as **CAR Minor 03**. Furthermore, based on the field cross-check and the overlay analysis conducted by the verification team, the land cover analysis generally does not show any contradiction with the results of the activity-based monitoring. The verification team assessed that the ecosystem services forming the basis of the Plan Vivo project remain additional, as detailed below: - Political barrier: Lack of Government support for social forestry e.g. budget for social forestry for the West Kalimantan Province, of which Kapuas Hulu is one of 13 Districts, is just IDR 28 million (around USD 2000) per year. This has been confirmed through interviews conducted by the verification team with the Dinas Lingkungan Hidup dan Kehutanan (DLHK) Kalimantan Barat and Balai Perhutanan Sosial (BPS), which stated that the funding available for social forestry activities remains limited. - Financial barrier: Nanga Lauk community lacks the financial means to invest in the equipment needed to conduct effective forest patrol and monitoring activities, or to provide the capital needed to improve existing livelihood activities. Based on the field observations conducted by the verification team, it was identified that several monitoring equipment items have been procured, including a subscription to the SMART Patrol system, binoculars, and GPS devices. In addition, based on interviews with the Village Forest Management Institution (LPHD), it was explained that the implementation of routine patrols in the village forest area is supported by an operational budget allocation of IDR 150,000 per day. - Technical barrier: Nanga Lauk community members lack the capacity to conduct effective forest patrol and monitoring activities. Forest resource user groups lack business development capacity and knowledge of processes that could be used to add value to their products. Based on interviews conducted with the Village Forest Management Institution (LPHD), it was identified that several members have participated in training and obtained certificates related to the identification of rare flora and fauna, which has been confirmed by the verification team. In addition, community members also stated that they have received various training aimed at improving their capacity and personal development, which are tailored to the activities of KUPS in which they participate. - Institutional barrier: The LPHD lacks the capacity to develop and enforce village regulations on use of forest resources and has little knowledge of the legal processes needed to obtain forest management rights and permits. Interviews conducted by the verification team confirmed that the LPHD has received training and capacity development programs facilitated by PRCF. In addition, PRCF explained that most LPHD members are village youth, and therefore are considered to have a strong ability to understand and absorb information more quickly.

	- Social barrier: The older generations in Nanga Lauk have typically received little formal education, and lack knowledge of sustainable resource management practices. The document review conducted by the verification team indicates that various trainings have been implemented to support capacity development related to sustainable natural resource management practices. These trainings include, agroforestry management and peatland management. Interviews with community members also confirmed the implementation of these trainings. - The Nanga Lauk community has no customary rules that govern the use of forest resources. Based on interviews conducted by the verification team with the village head of Nanga Lauk, it was explained that the process of developing village regulations involved encouragement and collaboration from the LPHD and PRCF. The Forest for Life carbon project has been registered under Plan Vivo since 2016 and not registered in other voluntary carbon markets. This information was crosschecked through searches on websites and other public information and was confirmed in an interview with the Environmental and Forestry Agency of West Kalimantan. There is no evidence of land clearing within the village forest area, and the potential for forest fires is relatively low. Therefore, the project generates real and additional ecosystem service benefits that are supported by credible quantification and monitoring. The verification team concludes that the Forest for Life carbon project's climate benefit claim of 7.056 Mg CO_2e for the period of 1 January 2018 – August 2022 (based on the AR documents period) is valid.		
B. Conformance	Yes	☐	N ☒ ☐
C. Corrective Actions (describe)	**CAR Major 02** The carbon calculation file (Spreadsheet) is not yet available in a complete form; therefore, in general, the carbon benefit results reported in the Annual Report cannot be fully traced back to the calculation methodology established in the Project Design Document (PDD) at the detailed calculation level. In addition, the reference documents/files related to the carbon density values used (IPCC and Navratil, 2013) have not been provided. As a result, most of the standard requirements related to carbon benefits could not yet be adequately assessed by the verifier. **CAR Minor 03** A significant discrepancy was identified in the results of the land cover analysis. Based on the land cover mapping report 2019-2024, there is an indication of a decline in land cover compared with the conditions in 2016. In addition, degradation of secondary peat swamp forest was identified, which was justified as being influenced by tidal fluctuations. This raises questions regarding the accuracy of the land cover analysis and whether the methods applied are adequate to represent the actual land cover conditions. The Forest for Life Project Nanga Lauk should establish a Land Cover Monitoring Procedure to		

	ensure the accuracy of the land cover analysis so that the results can be properly compared with the baseline conditions. **Observation 02** The project is recommended to improve the questionnaire or indicators used in the socio-economic welfare assessment to better capture measurable changes in the community's socio-economic conditions between the baseline and post-project implementation periods. **FAR 01** According to the Project Design Document (PDD), the first project period is from 1 January 2018 to 31 December 2022. An update of the PDD is therefore required to reflect the actual conditions, such as: 1. The planting activities conducted in the Forest Production (HPT) area that are not included in the carbon benefit calculation, the livelihood assessment form that requires updating, and other relevant aspects. 2. Inconsistency of the period of Annual Report, PDD and other documents/data due to the current Annual Report period refers to the fiscal period of the organization (September to August). While other documents (PDD, carbon benefit calculation, Monitoring documentations, etc) use the calendar year period (January-December). It is highly recommended for the next Annual Report to use the calendar year period.
D. Nanga Lauk Response	**<u>Response 01</u>** **CAR Major 02** PRCF communicates to Daemeter as the technical assistant of the project development to provide the complete and correct carbon calculation file to the Verification Team. **CAR Minor 03** The *Forest for Life* Project in Nanga Lauk has developed a Land Cover Monitoring Procedure. The project also provided justification regarding the differences in land cover analysis of 2019-2024 period. These differences in classification are closely related to hydrological conditions, landscape position, and inundation characteristics in certain parts of the study area. Some peatland areas are located along the lakeshore zone, which periodically experiences flooding due to fluctuations in lake water levels. The analysis results indicate that the peatland area within the Nanga Lauk Protected Forest covers approximately 30.32 hectares. However, this area does not entirely represent peat swamp forest, as some portions meet the criteria of riparian forest based on hydrological conditions and satellite image interpretation. The difference in peat forest area between 2016 (approximately 30 hectares) and 2019 (approximately 17 hectares) is likely caused by variations in inundation conditions at the time the satellite imagery was captured, as well as differences in the classification approach applied. In 2016, certain areas may not yet have shown significant signs of inundation and were therefore classified as peat forest. In contrast, in 2019, the increased influence of flooding due to lake water level fluctuations resulted in some of these areas being identified as riparian forest.

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Accordingly, the differences in recorded area between the time periods do not indicate peatland degradation or loss. Rather, they reflect differences in spatial interpretation influenced by hydrological dynamics, landscape characteristics, and the ecosystem definitions applied during the classification process.
FAR 01
Refer to FAR 01 Project Design Document (PDD) update was not included in the current project budgeting period. The project shall have a Verification as one of requirements to access the next budgeting. The PDD update is planned to be included in the next budgeting period.
<u>Response 02</u>
CAR Major 02
The calculation spreadsheet has been submitted for review. The verification team confirmed that the calculations presented in the spreadsheet are consistent with the figures reported in the Annual Report. In addition, the calculation approach applied in the spreadsheet is aligned with the requirements and methodologies outlined in the PDD and the approved approach referenced by the project. This includes the use of supporting parameters and references, such as the carbon density values applied in the calculations. Therefore, the verification team considers that the calculations have been conducted appropriately and are adequately supported by the relevant documents. The calculation spreadsheet is consistent with the Annual Report.
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<td>E. Status</td>
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Review 01
<table>
<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Major 02</td><td>The Spreadsheet file containing the carbon benefit calculations used in the 2019 Project Design Document (PDD) could not be provided; therefore, the verifier has not yet been able to trace the carbon benefit calculations reported in the Annual Report.</td><td>Open</td></tr>
<tr><td>Minor 03</td><td>The Forest for Life Nanga Lauk Project has developed a Land Cover Monitoring Procedure that is considered sufficiently comprehensive. In addition, the justification provided for the differences in land cover analysis results is considered acceptable and adequate.</td><td>Closed</td></tr>
<tr><td>FAR 01</td><td>The action plan proposed by the project is considered acceptable and will be reviewed again during the next verification.</td><td>Open</td></tr>
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Review 02
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<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Major</td><td>The calculation spreadsheet has been provided. Based on</td><td>Closed</td></tr>
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	02	the review results, the verification team considers that the calculations performed are consistent with and in accordance with the latest Annual Report. Therefore, the verification team concludes that the calculation results are appropriate and adequate.	

RISK MANAGEMENT	
Requirement: The project manages risks effectively throughout its design and implementation.	
Verification Questions: 2 and 4	
6.1 Where leakage is likely to be significant, i.e. likely to reduce climate services by more that 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)** 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)** **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)**	
A. Findings (describe)	Based on the Project Design Document (PDD), during the first project period (2018–2023), the estimation of leakage emissions was conducted conservatively by assessing the potential displacement of activities that could lead to deforestation and forest degradation within the project area under the baseline scenario. Since the potential leakage from the main drivers of deforestation and forest degradation was considered relatively low, the estimated leakage emission proportion was set at 5%. The verification team's review of the Annual Reports for the period 2018–2023 indicates that the leakage value applied was consistent with the value established in the PDD, i.e., 5%. Regarding the risk buffer, the minimum requirement according to the Plan Vivo Standard is 13.5% of the total climate benefits generated. The PDD has also established the risk buffer based on several categories, namely political, financial, technical, institutional, social, and environmental risks. Based on the verification team's review of the Annual Reports for the period 2018–2022, the applied risk buffer is considered consistent with the provisions set out in the PDD and compliant with the required standard. The verification team also considers that the approach used to determine the risk buffer is sufficient and appropriate. Furthermore, the buffer account and the total accumulated credits deposited into the account are maintained consistently with the totals reported in the most recent annual report. Details of the issuance of Plan Vivo Certificates (PVCs) are presented in the table below:

Project indicators	**2018**	**2019 - 2020**	**2020 - 2021**	**2021 - 2022**
Plan Vivo Certificates issued (PVC)	1,512	2,520	0	0
Certificates for Saleable emissions reductions requested (tCO2)	1,308	2,180	0	0
Certificates for Saleable emissions Reductions available for future issuance (tCO2)	*NA*	*NA*	1,308	1,308
Buffer certificates requested (tCO2)	204	340	0	0
Buffer Certificates available for future issuance (tCO2)	*NA*	*NA*	204	204

Notes: There have been no Plan Vivo Certificates issued (PVC) since 2021

Based on all information and evidence obtained, the verification team considers that the “Forest for Life” Nanga Lauk project has effectively managed risks throughout the design and implementation processes, as reflected in the Annual Reports.

B. Conformance	Yes	☒	☐ ☐
C. Corrective Actions (describe)	None		
D. Nanga Lauk Response	None		
E. Status	None		

PES AGREEMENT AND BENEFIT SHARING
Requirement: project shares benefits equitably and transact ecosystem services benefits through clear PES Agreements with performance-based incentives.
Verification Questions: 1, 2 and 6
7.1. Procedures for entering into a PES Agreement with participants are being applied correctly **(8.2)** 7.2. 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)** 7.3. PES Agreements are not removing, diminishing or threatening participant’s land tenure **(8.4)**

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<tr><td colspan="2">7.4. 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)
7.5. 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)</td></tr>
<tr><td>A. Findings (describe)</td><td>The PES Agreement signed on 9 November 2017 was developed in a detailed manner and written in Bahasa. Based on community interviews, it was confirmed that the contents were easily understood, minimizing potential confusion or ambiguity among the residents of Nanga Lauk Village. As part of ensuring transparency and accountability, on-site visit confirmed that the physical PES Agreement is archived at the LPHD office and made openly accessible to community members who wish to review it.

The principle of FPIC has been inserted in the PES Agreement and has been applied effectively in practice. Based on community interviews, it was confirmed that the community understood and could recall the sequence of FPIC processes conducted for this PES Agreement. In addition, based on document review it was confirmed that the FPIC agreement was signed on 3 April 2019, preceding the PES Agreement signed on 4 April 2019, which was later refined through an amendment on 23 May 2019. This confirms that consent was secured prior to project implementation.

Based on community interviews and on-site visits, the verification team concludes that the people of Nanga Lauk Village are well-informed regarding the project in Nanga Lauk village. Community members were able to explain project activities within the managed area, including activities that are permitted and prohibited, and they demonstrated active participation in forest protection. Furthermore, they fully understood the practical benefits resulting from their participation such as capacity-building programmes, business capital support, and strengthening of LPHD member capacity.

In alignment with this participatory process, further verification was carried out to ensure that the PES partnership does not compromise community land tenure rights. Community tenure over the project area is legally protected through formal instruments. This is evidenced by the Ministry of Environment and Forestry Decree No. SK.63/Menhut-II/2014 dated 21 January 2014 granting 1,430 hectares of Village Forest, followed by the Ministry of Environment and Forestry Decree No. SK.685/Menlhk-PSKL/PKPS/PSL.0/2/2017 granting the official Village Forest Management Rights (HPHD) to LPHD. Spatial verification confirms that the Village Forest is formally designated to the Nanga Lauk community. Moreover, review of the PES Agreement confirms that it contains no clauses transferring or diminishing community land ownership to the buyer. The agreement focuses specifically on carbon rights to be received by the community and the project coordinator. Communities understand that the activities they undertake generate carbon certificates and have agreed to sell the resulting emission reductions to the buyer. This demonstrates compliance with Plan Vivo criterion 8.4, ensuring that PES implementation does not remove, reduce, or threaten participant land tenure.</td></tr>
</table>

	Implementation of the PES Agreement also does not restrict traditional livelihood activities. Interview and field observations confirm that community members retain full access to Non-Timber Forest Products (NTFPs) within the village forest area. Daily economic activities—such as fishing, harvesting forest honey, and collecting other non-timber resources—continue alongside conservation efforts. This indicates that the project successfully integrates ecosystem protection without undermining access to community livelihoods. Based on the paragraph above and findings in the validation report, the project has clear procedures for entering into PES agreements with communities based on funding carbon from Plan Vivo project. Verification cross-checked these statements through community interviews and document review. Referring to the PES Agreement, Nanga Lauk Village is informed of key components including: 1. Names of individual or group participants and authorized signatories; 2. Required land tenure information; 3. Amount of carbon services (tCO_2e) eligible for payments; 4. Payment conditions or milestones (monitoring targets); 5. For group plan vivos: a summary of agreed benefit-sharing arrangements; 6. Signing dates and implementation timeline. However, the Verification Team could not verify the existence of agreements addressing specific force majeure conditions that may significantly affect the project. These include: 1. Agreements in the event of land disputes; 2. Agreements in the event of carbon benefit reversal; 3. Dispute resolution mechanisms; 4. Provisions for project termination; 5. Benefit-sharing percentages; 6. Agreements related to buffer risk management Based on this gap, the Verification Team issued **CAR Minor 03**, noting that improvements are required to meet Plan Vivo requirements on risk mitigation, dispute resolution, and clarity of benefit-sharing mechanisms During the development of the PES Agreement, the project coordinator applied a participatory process. Interviews confirmed that: 1. Community members were actively involved in designing and implementing livelihood and ecosystem management goals; 2. Communities understood the resources to be used for project activities; 3. Participation was open to all, including vulnerable groups such as women, with opportunities to express their views; 4. Communities felt that PES provided both short- and long-term support to overcome barriers to sustainable land management, including through livelihood groups (KUPS), improved market access, and capital support. The Verification Team concludes that the benefit-sharing mechanism has been implemented fairly and equitably, agreed upon, and carried out with active community participation. Interviews with LPHD, KUPS, and the forest patrol team confirmed satisfaction with the benefits received. LPHD reported improvements

not only in ecosystem conditions but also in the welfare of its members. KUPS members stated that business capital support strengthened circular economy practices and improved their livelihoods through enhanced product marketing. Patrol team members also noted that patrol incentives improved both forest protection outcomes and their overall wellbeing. However, as noted in the section on quantifying and monitoring ecosystem services, the Verification Team was not yet able to assess quantitative improvements in community wellbeing.

Regarding PES fund distribution, the project has established clear and community-agreed procedures. PES funds are allocated to two principal beneficiary groups: the community group and the project coordinator. Community allocations include LPHD, forest patrols, and KUPS, which receive funds through activity proposals. LPHD receives operational forest-management funds; KUPS receives capital and production support; and patrol teams receive incentives for field patrols. Benefit-sharing follows a phased approach based on needs and priorities. Proposals are submitted and approved through the project coordinator, a mechanism agreed to by the community as part of project governance. To ensure transparency, the Verification Team reviewed meeting minutes from monthly KUPS forums and LPHD financial reports, which show regular discussions of cash flow, fund utilization, and justifications. Interview results confirm that the community understands and agrees with this mechanism.

With regard to funding to Plan Vivo project, the PDD outlines the following proportion:

	Proportion of total cost
Community Groups	**60%**
LPHD	10%
Forest patrol group	15%
Forest honey group	5%
Rattan and bamboo group	5%
Forest rehabilitation group	15%
Ecotourism group	5%
Rubber group	5%
Project coordinator	**40%**
TOTAL	**100%**

Based on the review of the Financial report, the claim for Y1 indicates that the proportion of the funds received by participants is around 65.68%. The calculation of the funds received by participants is derived from the proportion of project funds allocated to community-related expenditures compared to the total project expenditure, which is then applied to the total price per PVC. During several reporting periods, including the Y2 and Y3, no PVCs were issued. Therefore, no corresponding figures were reported. However, project funding continued to be provided by Lestari Capital in accordance with the approved project budgets.

The documentation also indicates that the proportion of funds received by participants during Y2 and Y3 of the project was relatively lower due to the higher level of technical support and facilitation required from the Project Coordinator

	during the initial project phase. Consequently, the allocation of funds to participants does not necessarily reach the minimum threshold of 60% in every project year, as certain operational costs may occur unevenly across different years. Based on the financial planning over the 25-year project period, the percentage of the funds e received by participants is projected to fall below 60% in seven project years (Y2–Y5, Y9–Y10, and Y15), representing approximately 28% of the project duration, while in the remaining eighteen project years the percentage exceeds 60%. Overall, the average share of the funds received by participants across the entire 25-year project period is estimated at 64.48%, which is above the minimum threshold of 60% required under the Plan Vivo Standard. Furthermore, although the verification period covered 2018 – 2022 Annual Reports, PVCs issuance has been pending since 2021 due to Presidential Regulation No. 98/2021 on Carbon Economic Value halted carbon claims for projects outside the government's official mechanisms. As a result, carbon claims from Nanga Lauk Village could not proceed pending regulatory harmonisation. LPHD formally sought clarification from the Ministry through letter No. 002/LPHD-NL/VI/2021. Interviews with the Provincial Environmental and Forestry Office confirmed that regulatory uncertainty is a sensitivity affecting project continuity. Overall, the "Forest for Life" Nanga Lauk Project demonstrates strong compliance with the Plan Vivo Standard, particularly in legality, social participation, and sustainability outcomes. Community tenure rights are well protected; FPIC processes are verified and effective; and community understanding of project mechanisms is robust. The benefit-sharing mechanism operates transparently and equitably, with early realisation at 60% and a long-term projected average of 64.48%. Conservation and livelihood activities continue effectively despite national regulatory challenges affecting post-2020 carbon claims, demonstrating strong community commitment to forest stewardship. Nevertheless, the Verification Team issues CAR Minor 03, noting the need to strengthen PES Agreement clauses on risk mitigation and dispute resolution to ensure legal certainty going forward.
B. Conformance	Yes ☐ N ☒ ☐
C. Corrective Actions (describe)	**CAR Minor 04:** The PES Agreement reviewed does not yet follow the required format, as several essential provisions are missing. The agreement does not clearly describe: 1. Procedures in the event of land disputes; 2. Provisions in the event of carbon benefit reversal; 3. Mechanisms for dispute resolution; 4. Provisions for project termination; 5. Clear percentages for benefit-sharing; 6. Agreements related to buffer risk management.
D. Nanga Lauk Response	**Response 01:** **CAR Minor 04:**

<table>
<tr><td></td><td>The Project Coordinator has revised the PES Agreement for the next five-year period.</td></tr>
<tr><td>E. Status</td><td>
<table>
<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Minor</td><td>The verification team assessed that the draft PES Agreement prepared by the Project Coordinator adequately describes the following aspects:
1. Procedures in the event of land disputes;
2. Provisions in the event of carbon benefit reversal;
3. Mechanisms for dispute resolution;
4. Provisions for project termination;
5. Clear percentages for benefit-sharing;
6. Agreements related to buffer risk management.

Based on this assessment, the CAR finding can be considered closed.</td><td>Closed</td></tr>
</table>
</td></tr>
</table>

Verification Plan

Date	Time (WIB)	Activity
17-Sep-25	09.00	The plane arrived in Pontianak.
	09.00 - 09.30	Baggage claim at Pontianak Airport
	09.30 - 10.15	Travel (Pontianak Airport – West Kalimantan Environment and Forestry Agency)
	10.30 - 11.30	Meeting with West Kalimantan Ministry of Environment and Forestry
	11.30 - 13.00	Prayer and lunch
	13.00 - 21.00	Land travel from Pontianak to Sintang, overnight stay in Sintang
	21.00 - 22.00	Dinner in Sintang
18-Sep-25	05.00 - 05.30	Gathering at the lobby of Sakura Hotel / Check-out
	05.30 - 12.00	Land travel from Sintang to Putussibau
	12.00 - 14.00	Prayer, lunch, and meeting with the North Kapuas Hulu Forest Management Unit (KPH Kapuas Hulu Utara)
	14.00 - 15.00	Land travel from Putussibau to Nanga Nyabau
	15.00 - 17.00	Boat trip from Nanga Nyabau to Nanga Lauk
	17.00 - 20.00	Rest and prayer in Nanga Lauk
	20.00 - 22.00	Internal meeting in Nanga Lauk Village
19-Sep-25	08.00 - 09.00	Opening Meeting
	09.00 - 17.00	Verification process (interviews and village forest visit)
	17.00	Rest and prayer in Nanga Lauk

20-Sep-25	08.00 - 15.00	Verification process (interviews and village forest visit)
	15.00 - 17.00	Final confirmation and closing of the activity
	17.00	Rest and prayer in Nanga Lauk
21-Sep-25	05.30 - 06.00	Breakfast in Nanga Lauk Village
	06.00 - 08.00	Boat trip from Nanga Lauk to Nanga Nyabau
	08.00 - 09.00	Land travel from Nanga Nyabau to Putussibau
	09.00 - 10.00	Rest at the PRCF Office in Putussibau
	10.00 - 21.00	Land travel from Putussibau to Sanggau
	21.00	Rest in Sanggau
22-Sep-25	04.30 - 05.00	Gathering at the hotel lobby and check-out process
	05.00 - 10.00	Land travel from Sanggau to Pontianak
	10.00 - 13.00	Activity at the PRCF Office in Pontianak
	13.00 - 14.00	Local travel from the PRCF Office to the BPS Banjarbaru Pontianak Office
	14.00 - 15.30	Meeting at BPS Banjarbaru Pontianak
	15.30 - 19.00.	Travel to the hotel / free time
	19.00	Dinner in Pontianak
23-Sep-25	08.00 - 10.00	Preparation for departure (free time)
	10.00 - 11.00	Travel to the airport

ANNEX 1 (Not applicable)

VALIDATION TABLE
Description of Area to be validated: (To be filled by the Verifier)
Date of Validation: (DD/MM/YY)
Technical Specification: *(To be filled out by the Verifier)*
Validation Findings: *(To be filled out by the Verifier)*

F. Findings (describe)	*(To be filled out by the Verifier)*		
G. Conformance	Yes	☐	☐ ☐
H. Corrective Actions (describe)	*(Please, write "None" if Corrective Actions were not identified)*		
I. (Insert Project Coordinator's Name) Response	*(To be filled out by the Project Coordinator)*		
J. Status	*(CLOSED or OUTSTANDING)*		

The Verifier:	
Signature:	Date:

Appendix 1. Records of interview and site visits




Interview activities with the communities in Nanga Lauk


Benefit Sharing (rattan and bamboo products), (work accident insurance), (rattan and bamboo houses), (LPHD office), (library collection book), (office inventory)

Appendix 2. New information requests, corrective action requests and forward action requests (validation & verification activities)

A. CORRECTIVE ACTION REQUEST (CAR)

No	Reference	Findings	Category	Corrections and Corrective Action	VVB Assessment
1.	5.1; 5.2; 6.1; 6.2; 6.3 (PV Standard 2013)	The carbon calculation file (Spreadsheet) is not yet available in a complete form; therefore, in general, the carbon benefit results reported in the Annual Report cannot be fully traced back to the calculation methodology established in the Project Design Document (PDD) at the detailed calculation level. In addition, the reference documents/files related to the carbon density values used (IPCC and Navratil, 2013) have not been provided. As a result, most of the standard requirements related to carbon benefits could not yet be adequately assessed by the verifier.	☐ Minor ☒ Major	**Response 01:** PRCF communicates to Daemeter as the technical assistant of the project development to provide the complete and correct carbon calculation file to the Verification Team **Response 02:** The calculation spreadsheet has been submitted for review. The verification team confirmed that the calculations presented in the spreadsheet are consistent with the figures reported in the Annual Report. In addition, the calculation approach applied in the spreadsheet is aligned with the requirements and methodologies outlined in the PDD and the approved approach referenced by the project. This includes the use of supporting parameters and references, such as the carbon density values applied in the calculations. Therefore, the verification team considers that the calculations have been conducted appropriately and are adequately supported by the relevant documents. The calculation spreadsheet is consistent with the Annual Report.	**Response 01:** Review: The Spreadsheet file containing the carbon benefit calculations used in the 2019 Project Design Document (PDD) could not be provided; therefore, the verifier has not yet been able to trace the carbon benefit calculations reported in the Annual Report. **Response 02:** Review: The calculation spreadsheet has been provided. Based on the review results, the verification team considers that the calculations performed are consistent with and in accordance with the latest Annual Report. Therefore, the verification team concludes that the calculation results are appropriate and adequate. Status: Closed
2.	Plan vivo standard 2013 Section 3.4	The LPHD team does not yet fully have the capacity to support the	☒ Minor	**Response 01:** At the time of the verification activities, the management	**Response 01:** Review: The verification team

		project. Based on field observations conducted by the verifier, it was found that: 1. The treasurer has not yet understood the benefit-sharing mechanism being implemented. 2. The Grievance Management department has not yet understood the complaint/grievance mechanism. To ensure that the information provided is well organized, a mechanism is needed to guarantee that new members understand information from the previous period and that all duties and responsibilities have been fully handed over to the new management.	☐ Major	structure of the LPHD had officially become active on 1 September 2025. The management board from the previous period had already completed their term of service. Therefore, during the verification process, the LPHD management was in a transition period. The Project Coordinator explained that several steps are currently being undertaken to strengthen the capacity of the newly appointed LPHD management, including: 1. Providing administrative and financial management training; 2. Assigning individual responsibilities and providing assistance by the facilitator (PRCF) for each management position; 3. Developing individual and team work plans; and 4. Conducting periodic evaluations of the management members' knowledge and capacities. **Response 02:** The Project Coordinator has developed a schedule outlining the planned training activities, socialization sessions for the LPHD management regarding their roles and responsibilities, and the timeline for periodic evaluation of the LPHD management.	assessed that the initial response provided by the Project Coordinator has not been fully fulfilled due to the following reasons: 1. No document has yet been provided describing the schedule or plan for the training activities. 2. No document has yet been provided outlining the planned socialization to the LPHD regarding their roles and responsibilities. 3. No document has yet been provided explaining the evaluation period for the LPHD in relation to capacity-building efforts. Moving forward, it is necessary to develop such documents so that they can serve as references in the preparation of the business work plan as well as the annual work plan. Based on the above, the minor CAR cannot yet be closed Status: Open **Response 02:** Review: The verification team assessed that the schedule prepared by the Project Coordinator has demonstrated the planned training activities, the planned socialization to the LPHD regarding their roles and responsibilities, and the

					evaluation period for the LPHD. Based on this, the minor CAR can be considered closed. Status: Closed
3.	Plan vivo standard 2013 Section 4.14	The verification found that the documentation of grievance handling including procedure needed to be improved and not yet implemented adequately, several issues related to grievance documentation were identified as bellow: A robust grievance procedure is not yet available and the grievance records were not completed. Based on document review and field observations, the verification team identified the following issues related to the procedure: 1. In the summary of grievance reports from 2019–2025, the name of the complainant and the perpetrator in a vandalism incident are listed as the same person. 2. The grievance logbook does not provide information on: a. How the grievance was handled. b. Status of grievances (resolved / unresolved / on process / etc). Minutes or formal records documenting	☒ Minor ☐ Major	**Response 01:** Issues, complaints, or grievances related to the management of the village forest are handled by LPHD Lauk Bersatu as the holder of the Village Forest Management Permit (HPHD). Cases that occurred during the project period were identified directly by the LPHD and addressed through confirmation, summoning the involved parties, and/or conducting deliberation meetings involving the village government and customary leaders. The minutes of meeting are recorded individually by the LPHD members but not yet compiled as a documentation. To date, all identified issues have been resolved. Documents and evidences submitted: 1. Revision of grievance procedure 2. Complaint form 3. Records of MoM of each grievance 2019-2025 period	**Response 01:** Review: The verification team assessed the corrective actions undertaken by the Project Coordinator as follows: 1. The Project Coordinator has provided a complaint form as documented evidence for each complaint received. 2. The Project Coordinator has developed an adequate procedure for handling complaints. 3. The complaint report has been revised accordingly. 4. The Project Coordinator has provided official minutes of meeting as evidence that complaints during the period 2019–2025 have been addressed. Based on the above, the CAR can be considered closed. Status: Closed

		the resolution of reported grievances are not yet provided.			
4.		A significant discrepancy was identified in the results of the land cover analysis. Based on the land cover mapping report, there is an indication of a decline in land cover compared with the conditions in 2016. In addition, degradation of secondary peat swamp forest was identified, which was justified as being influenced by tidal fluctuations. This raises questions regarding the accuracy of the land cover analysis and whether the methods applied are adequate to represent the actual land cover conditions. The Forest for Life Project Nanga Lauk should establish a Land Cover Monitoring Procedure to ensure the accuracy of the land cover analysis so that the results can be properly compared with the baseline conditions.	☒ Minor ☐ Major	**Response 01:** The *Forest for Life* Project in Nanga Lauk has developed a Land Cover Monitoring Procedure. The project also provided justification regarding the differences in land cover analysis. These differences in classification are closely related to hydrological conditions, landscape position, and inundation characteristics in certain parts of the study area. Some peatland areas are located along the lakeshore zone, which periodically experiences flooding due to fluctuations in lake water levels. The analysis results indicate that the peatland area within the Nanga Lauk Protected Forest covers approximately 30.32 hectares. However, this area does not entirely represent peat swamp forest, as some portions meet the criteria of riparian forest based on hydrological conditions and satellite image interpretation. The difference in peat forest area between 2016 (approximately 30 hectares) and 2019 (approximately 17 hectares) is likely caused by variations in inundation conditions at the time the satellite imagery was captured, as well as differences in the classification approach applied. In 2016, certain areas may not yet have shown significant signs of inundation and were therefore classified as peat forest. In contrast, in	**Response 01:** Review: The Forest for Life Nanga Lauk Project has developed a Land Cover Monitoring Procedure that is considered sufficiently comprehensive. In addition, the justification provided for the differences in land cover analysis is considered acceptable and adequate. Status: Closed

				2019, the increased influence of flooding due to lake water level fluctuations resulted in some of these areas being identified as riparian forest. Accordingly, the differences in recorded area between the time periods do not indicate peatland degradation or loss. Rather, they reflect differences in spatial interpretation influenced by hydrological dynamics, landscape characteristics, and the ecosystem definitions applied during the classification process.	
5.	Plan vivo standard 2013 Section 8.2	The PES Agreement reviewed does not yet follow the required format, as several essential provisions are missing. The agreement does not clearly describe: 1. Procedures in the event of land disputes; 2. Provisions in the event of carbon benefit reversal; 3. Mechanisms for dispute resolution; 4. Provisions for project termination; 5. Clear percentages for benefit-sharing; 6. Agreements related to buffer risk management.	☒Minor ☐ Major	**Response 01:** The Project Coordinator has revised the PES Agreement for the next five-year period.	**Response 01:** Review: The verification team assessed that the draft PES Agreement prepared by the Project Coordinator adequately describes the following aspects: 1. Procedures in the event of land disputes; 2. Provisions in the event of carbon benefit reversal; 3. Mechanisms for dispute resolution; 4. Provisions for project termination; 5. Clear percentages for benefit-sharing; 6. Agreements related to buffer risk management. Based on this assessment, the CAR finding can be considered closed. Status: Closed
6.	Plan vivo standard 2013	The submitted annual report does not accurately reflect the	☐ Minor	**Response 01:**	**Response 01:** Review:

	Section 3.10 and 3.11	information. Based on the document review, it was found that: 1. The number of households recorded for the 2019–2020 period was 243, whereas for the 2020–2021 period only 195 were recorded.	☒Major	The Project Coordinator revised the Annual Reports for the following periods: 1. Annual Report September 2020 – August 2021 **Response 02:**	The verification team assessed the corrective actions undertaken by the Project Coordinator as follows: 1. For the Annual Report for the period 2020/2021, revisions have been made so that the information is now consistent and aligned with the Annual Report for the period 2019/2020. Status: Closed
7.	Plan vivo standard 2013 Section 5.1; 5.2; 6.1; 6.2; 6.3	The carbon calculation file (Spreadsheet) is not yet available in a complete form; therefore, in general, the carbon benefit results reported in the Annual Report cannot be fully traced back to the calculation methodology established in the Project Design Document (PDD) at the detailed calculation level. In addition, the reference documents/files related to the carbon density values used (IPCC and Navratil, 2013) have not been provided. As a result, most of the standard requirements related to carbon benefits could not yet be adequately assessed by the verifier.	☐ Minor ☒ Major	**Response 01:** PRCF communicates to Daemeter as the technical assistant of the project development to provide the complete and correct carbon calculation file to the Verification Team. **Response 02:** The calculation spreadsheet has been submitted for review. The verification team confirmed that the calculations presented in the spreadsheet are consistent with the figures reported in the Annual Report. In addition, the calculation approach applied in the spreadsheet is aligned with the requirements and methodologies outlined in the PDD and the approved approach referenced by the project. This includes the use of supporting parameters and references, such as the carbon density values applied in the calculations. Therefore, the verification team considers that the calculations have been conducted appropriately and are adequately supported by the relevant project documents. The calculation	**Response 01:** Review: The Spreadsheet file containing the carbon benefit calculations used in the 2019 Project Design Document (PDD) could not be provided; therefore, the verifier has not yet been able to trace the carbon benefit calculations reported in the Annual Report. Status: Open **Response 02:** Review: The calculation spreadsheet has been provided. Based on the review results, the verification team considers that the calculations performed are consistent with and in accordance with the latest Annual Report. Therefore, the verification team concludes that the calculation results are appropriate and adequate.

				spreadsheet that is consistent with the Annual Report, has been submitted.	Status: Closed
8.		Based on interviews conducted with the community and relevant stakeholders, the results of the annual work plan (RKT) discussions indicate that community members have proposed that the project coordinator consider incorporating additional benefit-sharing elements, specifically educational scholarships and healthcare support for village residents	Observation	**Response 01:** The project coordinator prepared for proposing new activities: 1. Entering the proposed new activity into the PDD. This would require a revision of the project activities; however, this process has not yet been conducted. 2. Submitting the proposed activity to Lestari Capital (LC) through an adjustment of the project budget and the deviation matrix. This step has already been completed and submitted to LC; however, a final decision from LC has not yet been received.	**Response 01:** Review: The verification team will confirm in the next verification period
9.		According to the Project Design Document (PDD), the first project period is scheduled from 1 January 2018 to 31 December 2022. The estimates of emissions for the baseline scenario, the project scenario, and leakage are intended to be revised at the end of each project period. However, during the verification conducted in 2025, the results of the review and the update of the carbon/climate benefit calculations, as planned, could not be demonstrated. An update of the PDD is therefore required to reflect the actual conditions, including the planting activities conducted in the HPT area that are not included in the carbon	Observation	**Response 01:** The update of the Project Design Document (PDD) was not included in the current project budgeting period. The project shall have a Verification as one of requirements to access the next budgeting. The PDD update is planned to be included in the next budgeting period. The updated PDD will be reviewed in the next Verification.	**Response 01:** Review: The verification team will confirm in the next verification period

		benefit calculation, the monitoring status of the HPT area, the livelihood assessment form that requires updating, and other relevant aspects.			

B. Forward Action Request

No	Forward Action Request (FAR)
1	According to the Project Design Document (PDD), the first project period is from 1 January 2018 to 31 December 2022. An update of the PDD is therefore required to reflect the actual conditions, such as: 1. The planting activities conducted in the Forest Production (HPT) area that are not included in the carbon benefit calculation, the livelihood assessment form that requires updating, and other relevant aspects. 2. Inconsistency of the period of Annual Report, PDD and other documents/data due to the current Annual Report period refers to the fiscal period of the organization (September to August). While other documents (PDD, carbon benefit calculation, Monitoring documentations, etc) use the calendar year period (January-December). It is highly recommended for the next Annual Report to use the calendar year period.

C. Observation

No	Observation
1	Based on the discussions, the community as project members suggested the project coordinator should consider adding scholarships and community health services as part of the benefit-sharing mechanism.
2	The project is recommended to improve the questionnaire or indicators used in the socio-economic welfare assessment to better capture measurable changes in the community's socio-economic conditions between the baseline and post-project implementation periods.