

Nakau Conservation Programme Solomon Islands

Padezaka Forest Carbon Project

Babatana Region, Choiseul Province

Annual Report 2019 – 2022

Version 1.2

30/03/2026

NAKAU

PADEZAKA TRIBAL ASSOCIATION

Conserve for future Generations

NRDF

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Overview

Project Title:	Padezaka Forest Carbon Project
Location:	Babatana Region, Choiseul Province, Solomon Islands
AR Number:	1
AR Version	1.2
Project Period:	30 years (1st January 2019 – 31st December 2048)
Reporting Period:	01/01/2019-31/12/2022
Project Validation Date:	23/06/2026
Date of Last Verification:	n/a
Programme Operator:	Nakau (The Nakau Programme Pty Ltd). Mr Robbie Henderson, Email: robbie.henderson@nakau.org
Project Coordinator:	Natural Resources Development Foundation (NRDF) Mr Fred Tabepuda, Email: nrdf@solomon.com.sb
Project Interventions:	Termination of baseline logging activities and placement of Project Area into a Legally Constituted Protected Area.

Document History

Document Version	Version details	Date
AR 1.0	Initial submission	28/05/2024
AR 1.1	Desktop validation audit completed	11/10/2024
AR 1.2	Validation and verification audit completed	30/03/2026
AR 1.3	Approved AR	23/06/2026

1 Project Design Updates

There have been no changes to the Padezaka PDD in the present reporting period. This report has been prepared to cover the period from the project start up to the first verification of the Padezaka project.

Table 1a Summary of Changes to Project Design Document

PDD Section	Description of change
NA	NA

Table 1b Date of Most Recent Updates

PDD Section	Required Update Frequency	Date of Most Recent Update
3.1 Baseline Scenario	Every 10 years	NA
3.2 Carbon Baseline	Every 5 years	NA
3.3 Livelihood Baseline	Every 5 years	NA
3.4 Ecosystem Baseline	Every 5 years	NA
3.5 Project Logic	Every 10 years	NA
3.6 Project Activities	Every 10 years	NA
3.7 Additionality	Every 10 years	NA
3.8 Carbon Benefits	Annual (if changes occur)	NA
3.11 Reversal of Carbon Benefits	Annual (if changes occur)	NA
3.12 Market Leakage	Once per Verification Period	NA
3.13 Double Counting	As needed	NA
4.5 Monitoring Plan (optional)	As needed	NA
5.3 Legal and Regulatory Compliance (optional)	As needed	NA
Annex 7: Technical Specification	Every 5 years	NA

Table 1c Response to Corrective/Forward Actions Required

Source	CAR/FAR	Response	Status
Please refer to NCP-Padezaka review response table	NA	NA	NA

2 Project Implementation

2.1 New Project Areas

No additional project areas have been added to the Padezaka project in this monitoring period.

Table 2.1 New Project Areas

Project Intervention	Number of New Project Areas	Extent of New Project Areas (ha)	Number of New Project Participants
AFD-LtPF	0	0	0

2.2 Stakeholder Consultation

Table 2.2 summarizes the stakeholder consultations for the present reporting period. The evidence documents are provided in Annex 4 of the Padezaka PDD.

Table 2.2 Stakeholder Consultation Activities

Activity	Stakeholder Group	Description	Participants/ Recipients	Evidence
Consultation on PA Establishment and management	Padezaka PA committee members Padezaka tribal association members, IFMP Project staff (FAO)	A participatory process was undertaken to establish the Padezaka protected area and develop the Padezaka protected area management plan and constitution, which led to its registration under the Protected Areas Act 2010 on 15th October 2021. Initial meetings were held with Padezaka Tribal Association and community members, starting in 2018. The legally required protected area consultation meeting was held on in November 2018. The endorsement of the protected area management plan by the Padezaka protected area management committee representatives is documented in Annex 5- FPIC, item 3.1.	Female:9 Male:78	PDD Annex 4, 5.1: PA Consultation minutes, September 2018 PDD Annex 4, 5.2: PAMC Consultation minutes, November 2018 PDD Annex 4, 5.3 Padezaka PAMC consultation minutes August 2019 PDD Annex 4, 5.4 Padezaka PA consultation minutes October 2019 PDD Annex 4, 5.10: Padezaka Minutes PA-MP Susuka 2019 PDD Annex 4, 5.11: Padezaka Minutes PA-MP Loemuni 2019 PDD Annex 4, 5.10: Padezaka Minutes PA-MP Sasamunga 2019
Site visit and Consultation on PA Establishment and management	SIG-MECDM, Padezaka PA committee members, Padezaka tribal association members, IFMP project staff (FAO)	The meeting and site visit have the purpose for the government to verify the PA site on the ground and discuss and address any outstanding issues.	Male: 7 Female: 2	PDD Annex 4, 5.5: Padezaka PA verification visit and meeting minutes November 2019
Consultation on establishment	Padezaka Tribal association members,	The activities and requirements to set up the project owner group and project	Female:3 Male: 14	PDD Annex 4, 2.1 Padezaka Tribal Association meeting minutes 01/07/2019

Activity	Stakeholder Group	Description	Participants/ Recipients	Evidence
of Project Owner groups	Padezaka community members	governance structure were shared and discussed with the Padezaka community during several Padezaka Tribal Association meetings. The meetings were held in the north and south settlements of Choiseul, to engage all Padezaka members. The legal entities representing the Padezaka community as the project owners are the Padezaka Tribal Association. The Padezaka Tribal Association was registered under the Charitable Trust Act of the Solomon Islands 1996 on the 5th of June 2018, and the members of the Association were re-confirmed and endorsed during a tribal meeting in 2019 (see Annex 5- FPIC, items 1).		PDD Annex 4, 2.2 Padezaka PAMC committee meeting 28/3/2022
Consultation on customary land boundaries		Verification of correctness of Padezaka land boundary coordinates with the Choiseul Province Lands Office	n/a	PDD Annex 4, 7.1: Padezaka tribe confirmation letter-LLCTC 2019
PA Consultation regarding Logging Concessions	Solomon Islands Government-Ministry of Forestry and Research (MOFR)	Verification that there is no spatial overlap between the Padezaka PA and felling licenses issued through the MOFR	n/a	PDD Annex 4, 5.7: Letter to MOFR 09/2019
PA Consultation regarding customary land tenure	Solomon Islands Government-Ministry of Land (MLHS)	Verification that there is no spatial overlap between the Padezaka PA and registered land parcels	n/a	PDD Annex 4, 5.8: Letter to MHLS, 09/2019

Activity	Stakeholder Group	Description	Participants/ Recipients	Evidence
PA Consultation regarding mining tenement	Solomon Islands Government-Ministry of Mines (MMERE)	Verification that there is no spatial overlap between the Padezaka PA and mining tenements	n/a	PDD Annex 4, 5.9: Letter to MMERE, 11/2019
Deviations from Stakeholder Engagement Plan: None				

The complete information and documentation of stakeholder consultation and participatory design processes during the monitoring period 2019 – 2022 is provided in Annex 4 of the Padezaka PDD.

2.3 Free, Prior and Informed Consent

Table 2.3 summarizes the stakeholder decision-making processes requiring FPIC for the present reporting period. The evidence documents are provided in Annex 5 of the Padezaka PDD.

Table 2.3 FPIC Activities

Activity	Stakeholder Group	Description	Participants	Evidence
FPIC on project owner entity registration and PA governance	Padezaka tribal Association members, Padezaka tribe members	On the October 2019 NRDF held extensive workshops with Padezaka tribal members (both the North and South of Choiseul, where the Padezaka tribal members reside) to consult on and seek FPIC on the TA constitution and the PA management plan.	Female: n/a Male: n/a	Annex 5, 1.1 Padezaka Tribe meeting minutes-PA MP _ constitution-presentation-Sasamunga, 2019 Annex 5, 1.2 Padezaka Tribe meeting minutes-PA MP _ constitution-presentation-Susuka, 2019 Annex 5, 1.3 Padezaka Tribe meeting minutes-PA MP _ constitution-presentation-Loemuni, 2019
FPIC on the nomination of PA management committee (PAMC)	Padezaka tribal Association members	Meeting to appoint PAMC office bearers and forest rangers and endorse the rules and regulations of the PA Management Plan	Female: 1 Male: 7	Annex 5, 3.1 Padezaka Tribe minutes-PA management committee meeting-Padezaka Tribe 19/08/2019

Activity	Stakeholder Group	Description	Participants	Evidence
FPIC on the PA boundaries and governance	Neighbouring tribes	In 2019, NRDF held several workshops to design the Padezaka protected area management committee structure and governance to seek FPIC from all tribal members. NRDF hosted several workshops in both the North and South of Choiseul, where the Padezaka tribal members reside. After the consultations, the TA formally endorsed the rules and regulation of the PA management plan. The boundaries of the PA boundaries were consulted with and agreed upon with neighbouring tribes.	Female: 0 Male:10	Annex 5, 3.6 MoUs with neighbouring Padezaka tribes
Decision on Land dispute between the Padezaka and Qoqopele tribes	Padezaka and Qoqopele tribe chiefs and members, Council of Chiefs	A customary hearing was held at the council of chiefs to settle and objection brought to the Padezaka PA public notice brought forward by members of the Qoqopele tribe which relates to a disputed land boundary. The court ruled in favour of the Padezaka tribe on 5th April 2021	Female: n/a Male:n/a	Annex 5, 5.6: Customary Chied Hearing decision regarding Padezaka Land
Deviations from FPIC Process: None				

2.4 Environmental and Social Safeguards

The environmental or social safeguard issues which have arisen in Padezaka during the reporting period are summarized in Table 2.4.

Table 2.4 Environmental and Social Safeguard Issues

Issue	Response
Raised landowner expectations: Unrealistic expectations related to the value of financial benefits, and the timelines for their delivery are a risk that can deteriorate project outcomes, such as waning commitment to conservation and potential conflict.	In Padezaka Nakau and NRDF have implemented ongoing community engagement and education to ensure participants have an informed understanding of potential benefits and the timing for their delivery. Community education is conducted in the national language, Solomon Pijin. The Padezaka community was not encouraged to commit to project development or sign any agreements before they gain full understanding of business and benefit sharing arrangements under the Nakau Programme and the associated rules and mechanisms.
Limited awareness and understanding of the forest carbon project concept among participating communities: This may result from low levels of education, but also because carbon projects are new with few working examples to reference. This lack of knowledge could impede the meaningful participation of affected communities in decision-making processes and FPIC.	In Padezaka, Nakau and NRDF have implemented ongoing community engagement and education to ensure participants have an informed understanding of the forest carbon project concept and design and rules, as well as carbon trading. Community education was conducted in the national language, Solomon Pijin. The Padezaka Community was not encouraged to commit to project development or sign any agreements before they fully understand the concept of forest carbon projects under the Nakau Programme and the associated rules and mechanisms.
Land Use Restrictions: The PA will involve some level of restrictions on land use activities that contribute to deforestation or forest degradation, such as logging or unplanned clearing for agriculture. While these restrictions are intended to protect forests and reduce emissions, they could potentially limit the customary rights of landowners to use their lands for livelihood activities.	Padezaka is a PA in the category “Resource Management Area”, which allows landowners to set their own rules for conservation management while allowing for the ongoing traditional or domestic use of land and forest resources.
Women are not adequately represented in the project governance structure as members of the Padezaka tribal association to operate the carbon business and oversee distribution of benefits.	Nakau and NRDF will work continuously with the Padezaka Tribal Association and community company and advocate for the inclusion of women in all project governance bodies.
The Padezaka PA and EFA are threatened by encroachment of commercial logging from neighbouring logging concessions. Two encroachment incidents into the PA happened in November 2021 and in February 2022 committed by the timber company Treasure Timber Ltd on an area of approximately 3 ha.	The logging was detected and assessed in the field by the Padezaka forest rangers. The assessment is described in the reports “Field assessment on logging encroachment Padezaka 2021-2022” and “SD15 Report on logging infringement on Padezaka tribal land November 2021”. The incident was reported to the MECDM which issued and infringement notice and penalized the timber company for the acts committed. After the infringement incident was settled, the area affected by logging was deducted from the EFA for the remainder of the project period.

2.5 Grievances

No grievances were raised during project development nor have arisen since the submission of the PDD. For the grievance mechanism, refer to Annex 17 of the Padezaka PDD.

Table 2.5a Grievance Register

Grievances Raised	Previous Grievances	Grievances Resolved	Unresolved Grievances
0	0	0	0

Table 2.5b Grievances and Resolutions

Date Raised	Grievance	Resolution	Status
n/a	n/a	n/a	n/a

3 Monitoring Results

3.1 Progress Monitoring

The following table describes the progress monitoring results for Padezaka in the period from 01/01/2019 to 31/12/2022. Please note that some indicators values and targets are not yet defined or not available because the reporting period overlaps with the project development period in which there were no carbon credit earnings or systematic monitoring activities.

Table 3.1 Progress Monitoring indicators and results in the Padezaka project.

Output	Progress indicators	Indicator value	Indicator target	Means of verification	Corrective actions
Output 1. Project areas legally protected from logging and mining	1.1 Issuance of notice to change or revoke the Padezaka PA status (n notices)	0 notices	Change to PA status reported in AR	Notice to change or revoke the Padezaka PA status	n/a
	1.2 Number of illegal logging incidents (n incident)	1	Incidents reported in AR	Description enforcement actions in: Padezaka Annual Report 2019-2022 >>Supporting Documents >> Illegal Logging 2022: • Logging infringement report November 2021 • Report in Brief on Logging Infringement on Padezaka Tribal Land by TTL Logging Company on North Choiseul • Infringement Notice Padezaka 2022	An illegal logging incident inside the PA was detected and successfully stopped by the Padezaka rangers. The logging damage was assessed and reported to the MECDM and the TA. The responsible timber company was subsequently penalized. The affected area was deducted from the Padezaka EFA and the PVCs were reduced accordingly.
	1.3 Illegal logged area (ha)	3			
	1.4 Illegal logged Volume (m^3)	28 logs, approximately 120 m^3			
	1.5 Number of penalties issued for illegal activities (n penalties)	1			

Output	Progress indicators	Indicator value	Indicator target	Means of verification	Corrective actions
Output 3. Implementation of forest conservation management activities (as per CLMP)	3.1 Occurrence of research activity or education activities (n days)	4 biodiversity research activity days	Research and education activities carried out according to plan	Padezaka biodiversity survey: Padezaka Annual Report 2019-2022 >>Supporting Documents >> Biodiversity Survey >> Padezaka Flora and fauna checklist 2021.	
	3.2 Occurrence of eco-tourism activities (n days)	0	Eco-tourism activities carried out according to plan	• Records/data of visitors and activities • Padezaka forest and ecosystem monitoring activity report	NRDF to provide support to develop activity
	3.3 Establishment of conservation partnership (n partnerships)	1 micro-grant from Global Green Fund to finance ranger equipment	Conservation partnerships established according to plan	Signed agreement with Global Green Fund (currently unavailable)	
	3.4 Capacity building for forest rangers level of effort (event days)	7	Capacity building carried out according to plan	• PDD Annex 4, 6.1: Proceedings of the PA Management and Enforcement Training for the Padezaka Ranger, April 2021 • PDD Annex 4, 6.3: Padezaka Ranger tree identification training Choiseul December 2021 • PDD Annex 4, 6.4 Padezaka protected	
	3.5 Capacity building for forest rangers level of effort (rangers involved)	50			

Output	Progress indicators	Indicator value	Indicator target	Means of verification	Corrective actions
				area forest rangers refresher training on AVENZA mapping application, November 2022	
	3.6 Maintenance of PA infrastructure	No maintenance necessary	PA maintenance activities carried out according to necessity	Annual report	
Output 4. Forest carbon monitoring and carbon accounting	4.1 Updates to forest inventory and carbon baseline (n updates)	1 (Initial values)	Carbon baseline updates according to Plan Vivo requirements	• Forest inventory data and analysis results (PDD Annex 6) • Carbon baseline (PDD Annex 7)	Forest rangers will carry out systematic annual forest field monitoring after credit sales have begun
	4.2 Forest field monitoring level of effort (n field trips)	1 field trip (26/02-03/03/2022)	At least 1 forest monitoring field activity annually	Padezaka Annual Report 2019-2022 >>Supporting Documents >> Illegal Logging 2022: • SD15 Report on logging infringement on Padezaka tribal land November 2021 • Field report on logging encroachment Padezaka 2021-2022	
	4.3 Forest field monitoring level of effort (n rangers)	15			
	4.4 Length of patrolled transects and boundary (m)	119,400 m		Padezaka Annual Report 2019-2022 >>Supporting Documents >> Forest Monitoring 2019-2022 >>Spatial data	

Output	Progress indicators	Indicator value	Indicator target	Means of verification	Corrective actions
	4.5 Assessment of forest cover loss by remote sensing analysis (n)	1	1 remote monitoring report prepared annually	Link to report and data: Padezaka Annual report 2019-2022>>Supporting Documents>>Forest Monitoring>>Remote Sensing Forest Monitoring 2022	
Output 5. Ecosystem baseline and Monitoring	5.1 Ecosystem field monitoring level of effort (n field trips)	0 (activity not yet started)	At least 1 ecosystem monitoring field activity annually	Padezaka forest and ecosystem monitoring activity reports	Forest rangers will carry out annual ecosystem field monitoring after credit sales have begun
	5.2 Ecosystem field monitoring level of effort (n rangers)				
	5.3 Key species count			Padezaka forest and ecosystem monitoring database	
	5.4 Key species observations				
Output 6. Social Impact baseline & monitoring	6.1 Social impact monitoring conducted and results reported once per monitoring cycle	1 (initial values)	1 livelihood report per verification period	Padezaka livelihood baseline report and data: Padezaka Annual report 2019-2022>>Supporting Documents>>Livelihood Monitoring	Social baseline will be reviewed once per verification period after project implementation
Output 10. Execution of benefit sharing mechanism	10.1 Value of service fee commissions	0 (pre-sales)	Service fees disbursed according to benefit sharing plan	• Quarterly reports from tribal association • Annual reports	
	10.2 Value of participant payment	0 (pre-sales)	Participant payments disbursed according to benefit sharing plan		

Output	Progress indicators	Indicator value	Indicator target	Means of verification	Corrective actions
	10.3 Tribal associations report business and benefit distribution expenditure	0 (pre-sales)	TA issues regular financial reports		
	10.4 Results of community benefit investments (e.g. goods, services, infrastructure, savings)	0 (pre-sales)			
Output 11. Grievance mechanism	11.2 Grievance redress mechanism SOP applied as needed	0	Occurrence of grievances are reported to NRDF using grievance and redress mechanism	• Grievance form • Annual reports	
Output 12. Landowner (participant) business entity established and supported	12.2 Tribal association business health	n/a (pre-sales)	TA issues regular financial reports	• Quarterly finance reports from tribal association • Tribal association annual report	
Output 13. Marketing, visibility, and sales of Plan Vivo Certificates	13.1 Annual volume and value of PVC sales or sales commitments	0 (pre-sales)	Results of annual PVC sales are reported in the AR	• Emission Reduction Purchase Agreements (ERPAs) • Annual reports and monitoring activity reports	
Output 14. Ongoing Project coordination/implementation support	14.1 Training and support activities delivered as planned in annual project management meetings	(0) pre-implementation	Training and support activities occur as planned in the Annual General Meeting	• Padezaka annual project management MoM • Padezaka training records	

3.2 Carbon Monitoring

The table below displays the carbon benefit (number of PVCs) to be issued after project verification. The verification period covers 4 years, from 01/01/2019 to 31/12/2022. The carbon baseline was established through forest biomass data collected in a sample-based forest inventory in the project area. The carbon baseline is monitored and updated every 5 years through the remeasurement of the sample plots.

Table 3.2 Summary of Carbon benefit achieved during the reporting period

Project Intervention	Number of Project Areas	Extent of Project Area (ha)	Total Carbon Benefit (t CO_2e)	Average Carbon Benefit (t CO_2e/ha/yr)
AFD-LtPF	1	3,792.8	216,507	14.3
TOTAL		3,792.8	216,507	14.3

3.3 Livelihood Monitoring

As this is the first Annual Report for the Padezaka project, no additional livelihood monitoring has occurred since the verified baseline presented. The indicators and targets for the Padezaka project participants in table 3.3 are the verified values presented in the Padezaka PDD Part A, section 4.8. The baseline livelihood monitoring survey is provided as a supporting document to the Padezaka PDD.

Table 3.3 Livelihood Monitoring Results

Indicator/ Stakeholder Group	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
No change in how often food is purchased from the store or market on average	4 (4 days a week)	≥4 (4 days a week)	NA	NA
No decrease in the average size of a household/family garden	0.30 hectares	≥0.30 hectares	NA	NA
No decrease in the average number of days food is harvested from the garden	4 days a week	≥4 days a week	NA	NA
The average number of days of food purchased from	4 days a week	≤4 days a week	NA	NA

Indicator/ Stakeholder Group	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
the store will not increase				
Fewer households report running out of food	17.5%	≥17.5%	NA	NA
The average frequency food is harvested from the forest will not decrease	1 Days a month	≥1 Days a month	NA	NA
On average, fewer households run out of clean water	30%	≥30%	NA	NA
Water sources available to households will remain the same or improve?	70% households use mains water or tanks	≥70% households use mains water or tanks	NA	NA
Access to toilets and sanitation improves, with more than 37.5% of households using a pour/flush toilet	37.5% of households having access to a toilet	≥37.5% of households having access to a toilet	NA	NA
% of PO budget spent on infrastructure each year	NA*	NA	NA	NA
Number of households receiving water tanks (or equivalent water supply infrastructure) each year	NA*	NA	NA	NA
Number of households receiving improved sanitation infrastructure (toilets etc) each year	NA*	NA	NA	NA

Indicator/ Stakeholder Group	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
The housing condition will remain the same or not get worse due to finances	66% of people live in a permanent house	≥66% of people live in a permanent house	NA	NA
Access to electricity is consistent or improves	90% of households have access to solar or other sources	≥90% of households have access to solar or other sources	NA	NA
School attendance will not decrease	97.5% of students attend school	≥97.5% of students attend school	NA	NA
More households are able to save some money on a monthly basis	82.5% of households can save some money	≥82.5% of households can save some money	NA	NA
The household main expenditures will not increase due to the project	Food and household items are the biggest expenditures	Food and household items are the biggest expenditures	NA	NA
Alcohol and drug consumption doesn't increase, with 57% of people noticing that a few people consume alcohol.	57.5% or less of people observe alcohol consumption increasing	≤57.5% or less of people observe alcohol consumption increasing	NA	NA
% of community benefit sharing allocation spent on education each year	NA*	NA	NA	NA
Number of children (or HH?) receiving school fee support each year.	NA*	NA	NA	NA
% of community benefit sharing allocation spent on supporting livelihoods projects each year	NA*	NA	NA	NA
Number of HHs benefiting from supported	NA*	NA	NA	NA

Indicator/ Stakeholder Group	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
livelihoods initiatives each year (micro loans etc)				
% of community benefit sharing allocation spent on Padezaka women saving club accounts each year	NA*	NA	NA	NA
Number of women/HH members of savings groups supported by project	NA*	NA	NA	NA
Access to information about the carbon project finances and activities	35% of respondents are able to access information about the project finances and activities	Increase vs baseline	NA	NA
The community feels that they are learning skills from the project	67.5% of the households feel their members gained skills from the project	Increase vs baseline	NA	NA
More community members trust the project and feel that it is improving community well-being.	85% of respondents trust the project is improving community well-being	Increase vs baseline	NA	NA

*Will be assessed in the implementation phase

3.4 Ecosystem Monitoring

No ecosystem monitoring has taken place in the reporting period. The indicators and targets for the Padezaka project are based on the Babatana ecosystem baseline survey provided in Annex 13 of the Padezaka PDD.

Table 3.4 Ecosystem Monitoring Results

Indicator/ Project Region	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
Presence of key flora and fauna	0	Successfully record the	Same as initial	No field monitoring was

Indicator/ Project Region	Initial Indicator Value	Target	Current Indicator Value	Causes and Adjustments
species		presence of all key species in PA/EFA		carried out in the reporting period
Number of observations of key flora and fauna species	0	Detect changes in number of key species between monitoring periods	Same as initial	NA

4 Plan Vivo Certificates

Table 4 Summary of PVCs Issued

	Vintage			
	2019	**2020**	**2021**	**2022**
Carbon Benefit Verified (tCO2e)	67,659	67,659	67,659	67,659
Saleable Carbon Benefit (tCO2e)	54,127	54,127	54,127	54,127
Risk Buffer (tCO2e)	13,532	13,532	13,532	13,532
PVCs Issued	10,000	0	0	15,000
Risk Buffer Allocation (tCO2e)	2,500	0	0	3,750
PVCs Available for Future Issuance	44,127	54,127	54,127	39,127
Available for Risk Buffer Allocation (tCO2e)	11,032	13,532	13,532	9,782

4.1 Losses and Underachievement

Table 4.2 Summary of Events Generating or Expected to Generate Losses or Underachievement of Carbon Benefits

Event Number	1
Project Area(s) Affected	Padezaka PA and Eligible Forest Area
Total Extent of Project Areas Affected (ha):	3.0
Description	Encroachment of illegal logging into the Padezaka PA/EFA. The details of the incident are described in the reports "Field report on logging encroachment Padezaka 2021-2022" and "SD15 Report on logging infringement on Padezaka tribal land November 2021"
Cause	Carbon stock loss due to clearing of forest for logging road Carbon stock loss due to felling of commercial trees Carbon stock loss due to felling damage to residual stand
Impact	The impact is very minor as is occurred in a small area of 3 hectares where 28 trees were felled (see Padezaka AR supporting documents "*Report in Brief on Logging Infringement on Padezaka Tribal Land by TTL Logging Company on North Choiseul, Choiseul Province*"). The loss of carbon benefits resulting from the loss would amount to 43 PVCs per year, or 1284 PVCs over the whole project period. To account for this loss, the affected area was excluded from the Padezaka EFA before the first credit issuance and will remain excluded for the duration of the project period
Response	The activity was stopped by the Padezaka rangers and the incident reported to the Ministry of Environment. The responsible timber company was notified and penalized.

5 Project Finances

The project finances have not been audited because credits have not yet been issued or sold, hence the Tribal Association is yet to receive income from credit sales. As such Annex 11 has been omitted.

Table 5a Summary of Project Finances Since the Start of the Project

Income from PVC sales	$0 project is pre-revenue
Project overheads	Estimated $127,826 USD
Monitoring, Reporting and Verification	$0 project is pre-revenue, estimate forecast MRV cost $115,000 USD
Stakeholder Group: Padezaka Tribal Association	Total: 0% as project is pre-revenue Payments: 0% as project is pre-revenue In-kind Support: 0% as project is pre-revenue Training: 0% as project is pre-revenue
Amount directly beneficial to project participants and other stakeholders	0% as project is pre-revenue, no deviation from the benefit sharing mechanism described in the Padezaka PDD Part B, Section 3.16.

Table 5b Summary of Project Finances for the Reporting Period

Income from PVC sales	0% as project is pre-revenue
Project overheads	Estimated $127,826 USD
Monitoring, Reporting and Verification	$0 project is pre-revenue, estimate forecast MRV cost $115,000 USD
Stakeholder Group: Padezaka Tribal Association	Total: 0% as project is pre-revenue Payments: 0% as project is pre-revenue In-kind Support: 0% as project is pre-revenue. Training: 0% as project is pre-revenue
Amount directly beneficial to project participants and other stakeholders	0% as project is pre-revenue, no deviation from the benefit sharing mechanism described in the Padezaka PDD Part B, Section 3.16.

Annexes

Annex 1 – Updated Project Design Document

Not relevant in the project period.

Annex 2 – New Project Participants

Not relevant in the project period.

Annex 3 –Stakeholder Consultations

For all stakeholder consultations evidence refer to Annex 4 in the Padezaka PDD.

Annex 4 – Free, Prior and Informed Consent

For FPIC evidence refer to Annex 5 in the Padezaka PDD.

Annex 5 – Progress Monitoring

n/a

Annex 6 – Carbon Monitoring

Carbon Baseline: Padezaka PDD Annex 6b

Forest Monitoring Report: Padezaka AR 2019-2022 >> Supporting Documents >> Illegal Logging >> Field report on logging encroachment Padezaka 2021-2022

Forest Monitoring data: Padezaka AR 2019-2022 >> Supporting Documents >> Forest Monitoring 2019-2022

Remote Forest Monitoring Report: Padezaka AR 2019-2022 >> Supporting Documents >> Remote Sensing Forest Monitoring 2022 >> Babatana Remote Sensing Report Ver 1.2 2022

Annex 7 – Livelihood Monitoring

Livelihood Baseline Report: NCP-SI Padezaka PDD >> Supporting Documents >> Padezaka Baselines >> Livelihood Monitoring >>Padezaka Livelihood Baseline report 2022

Livelihood Baseline results: NCP-SI Padezaka PDD >> Supporting Documents >> Padezaka Baselines >> Livelihood Monitoring >>Padezaka HH Survey - results diagrams and tables

Livelihood Baseline survey data: NCP-SI Padezaka PDD >> Supporting Documents >> Padezaka Baselines >> Livelihood Monitoring >> Padezaka Household Survey 2021- raw data

Annex 8 – Ecosystem Monitoring

Ecosystem Baseline Report: NCP-SI Padezaka PDD >> Supporting Documents >> Padezaka Baselines >> Biodiversity Survey >> WWF Report-Biodiversity of Sthwst Choiseul, Solomon Islands

Padezaka Species Checklist: NCP-SI Padezaka PDD >> Supporting Documents >> Padezaka Baselines >> Biodiversity Survey >> Padezaka Flora and Fauna Checklist

Annex 9 – Future Carbon Benefits

n/a

Annex 10 – Reported Carbon Benefits

Refer to Annex 6 of the Padezaka PDD.

Annex 11 – Audited Accounts

n/a