# Padezaka Forest Carbon Project

# Nakau Conservation Programme -Solomon Islands

The Nakau Programme (Nakau) Pty Ltd

**Plan Vivo Verification Report**
Issued by PT Mutuagung Lestari Tbk (Mutu International)
Version 1.0 31 March 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 | Desk Review | : 14 - 21 May 2025 |
| Karina Restu Panggalih | : Verifier | Hybrid interview by verifier | : 21 - 30 June 2025 |
| Awwalunisa Aliya K | : Verifier in Trainee | | |
| Aditya Kurniawan | : Verifier in Trainee | Field Visit by local expert | : 11 - 20 July 2025 |
| Gideon Bouro | : Local Expert | | |

Signature: Lead Verifier



Date: 31 March 2026

| Project Description |
|---|
| Padezaka Forest Carbon Project is part of the Nakau Conservation Programme – Solomon Islands (NCP-SI). The program region for the NCP-SI is designed for potential application in all terrestrial areas of the Solomon Islands. The principal objective of the NCP-SI projects is to substantially increase the area of ecosystems protected or restored under community-based and legally constituted conservation arrangements and thereby reduce carbon emissions to the atmosphere. All projects further aim to enhance the communities' wellbeing and reduce vulnerability to the impacts of climate change. The NCP-SI is designed at the national level to support replication of standalone projects that can be scaled with care and seeks to afford opportunities for tribal groups within the country to register and join the program. The Padezaka project began on January 1, 2019 until December 31, 2048, covering a 30-year period with carbon baseline data updated every five years. The program is owned by Nakau, with support from the Nakau Resource Development Foundation (NRDF) as the local project coordinator.<br>The monitoring plan, developed by Nakau and NRDF, has been implemented to track progress on carbon, livelihoods, and ecosystem indicators in line with the Plan Vivo Standard. The project works closely with the Padezaka Tribe Association, the traditional/indigenous landowners, who actively participate in monitoring and forest protection activities. The financial plan, which follows NCP-SI v1.0, Section 5.4, has been applied through NRDF's management of the annual budget to support project operations. During implementation, project activities have focused on protecting the forest, preventing logging, and maintaining the area as a Protected Forest.<br>Since the baseline assessment indicated a risk of logging in Choiseul Province, the community, with support from NRDF and Nakau, took concrete steps to safeguard the forest. As a result of the project, the forest remains intact and the carbon rights continuously belong to the Padezaka Tribe Association. |

| Document | Outstanding Corrective action | Activity against CAR |
|---|---|---|
| *N/A* | *There are no outstanding corrective actions.* | *N/A* |

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

The verification covered the monitoring period from 1 January 2019 to 31 December 2022. The Padezaka Forest Carbon Project is a forest conservation initiative implemented by the Padezaka Tribe Association in Choiseul Province, Solomon Islands. The main objective of this project is to prevent illegal logging activities and preserve rainforest forest areas through a community-based approach.
Due to travel issues when the team arrived in Honiara, Solomon Islands. Flight to Choiseul Province was delayed for the next 5 days with uncertainty of the weather. This situation was discussed between the verification team and the project coordinator to Plan Vivo, and agreed that the team conducted face to face meetings with related Ministries in Honiara and online interviews with project coordinator NRDF, community including rangers and village committee. The determination of the number of interview samples was carried out as follows:

a. The 1063 Padezaka family lines; therefore, the number of community interview samples was determined based on the square root of the total number of community lines.
b. There are 50 rangers, and the number of ranger interview samples was determined based on the square root of the total number of rangers.

Below is the list of interview participants selected to represent the community and field personnel (rangers):

| No | Name of Participant | Gender | City/Village of residence | Method interviewee |
|---|---|---|---|---|
| 1 | Agretha | F | Honiara (MECDM) | Face to face |
| 2 | Richard | M | Honiara (Permanent Secretary of MoFR) | Face to face |
| 3 | Daniel | M | Sasamugga | Online meeting |
| 4 | Priscoll | F | Pedakalate | Online meeting |
| 5 | Naola | F | Lologae | Online meeting |
| 6 | Emily | F | Lologae | Online meeting |
| 7 | Sandra | F | Sasamungga | Online meeting |
| 8 | Freda T | F | Sasamungga | Online meeting |
| 9 | Nellie | F | Sasamungga | Online meeting |
| 10 | Moses V | M | Sasamungga | Online meeting |
| 11 | Amelya K | F | Panjani Viuage | Online meeting |
| 12 | Damaris Z | F | Sasamungga | Online meeting |
| 13 | E Riro | M | Vuja | Online meeting |
| 14 | Glen P | M | Saqigae | Online meeting |
| 15 | Simon L | M | Vuja | Online meeting |
| 16 | Rose Qila | F | Tamata | Online meeting |
| 17 | John Vasao | M | Panarui | Online meeting |
| 18 | Dudley Pita | M | Dara | Online meeting |
| 19 | Nixon R | M | Dara | Online meeting |
| 20 | Doveen Z | F | Sasamungga | Online meeting |
| 21 | Jenifer Piti | F | Sasamungga | Online meeting |
| 22 | Alison Batio | M | Sasamungga | Online meeting |
| 23 | Peter Nala | M | Panarui | Online meeting |
| 24 | Simon Qalo | M | Sasamungga | Online meeting |

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|---|---|---|---|---|
| 25 | Samuel Jora | M | Pedakalate | Online meeting |
| 26 | Elijah D | M | Pedakalate | Online meeting |
| 27 | Fodtrap Fata | M | Tabasaru | Online meeting |
| 28 | Patson Tanivele | M | Sasamungga | Online meeting |
| 29 | Wilfrid Daan | M | Sasamungga | Online meeting |
| 30 | Winston Pataqae | M | Vuja | Online meeting |
| 31 | Redley Vanda | M | Sasamungga | Online meeting |

While forest site visit would be conducted by the local expert with the guidance from the verification team. Field visit was conducted from 11–20 July 2025. The field activities included on-site observation of the following:

a. EFA Boundary
b. Monitoring tracks
c. Biodiversity (Flora and Fauna)

In addition to the site visit, the verification team also conducted a desk audit by reviewing various documents provided by the project coordinator. Therefore, the documentations reviewed as bellow:

1. Padezaka Annual Report 2019-2022 version 1.2
2. Padezaka AR 2019 - 2022 review report final
3. Report PSP Forest Inventory Padezaka March 2019
4. Spasial Data Padezaka Monitoring track
5. Field report on logging encroachment Padezaka 2021-2022
6. Infringement Notice Padezaka 2022
7. MoM boundary confirmation between Padezaka and Tasolomo Tribe
8. Padazaka Jan_May 2022 Logging
9. Report on logging infringement on Padezaka tribal land November 2021
10. SIELA Logging Report Padezaka 2021 -43 ha reserve area
11. 4.3 Padezaka livelihood survey results_baseline 2022
12. Babatana Remote Sensing Report
13. Annex 6b Padezaka Carbon Calculation
14. Annex 13 Padezaka Project monitoring plan
15. Annex 7 Padezaka Technical Specification
16. Padezaka Protected Area Certificate

*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** | - | - | Observation 01:<br><br>The Rangers are capable of monitoring their assigned areas. However, the rangers could conduct a more comprehensive | Open |

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| | | | biodiversity survey to further strengthen the monitoring process in the future. | |
| **Project Coordination and Management** | - | - | - | N/A |
| **Participatory design** | - | - | - | N/A |
| **Quantifying and Monitoring Ecosystem Services** | - | Minor 01: Evidence of the exclusion of encroachment (illegal logging) area of the EFA in Padezaka Project area shall be presented in the monitoring result and annual report | - | Closed |
| **Risk Management** | - | - | - | N/A |
| **Livelihoods Impacts** | - | - | - | N/A |
| **PES Agreement** | Major 01:<br><br>The PES Agreement of Padezaka Forest Carbon Project is still not signed yet and the percentage of benefit sharing for each clan has not yet been determined. | - | - | 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** | Yes | Yes |
| **Participatory design** | Yes | Yes |
| **Quantifying and Monitoring Ecosystem Services** | No | Yes |
| **Risk Management** | Yes | Yes |
| **Livelihoods impacts** | Yes | Yes |
| **PES Agreement** | No | Yes |

| **PROJECT'S ELIGIBILITY** | |
|---|---|
| **Requirement: Project directly engage and benefit community groups** | |
| **Verification Question: 1 and 2**<br>1.1 Project interventions are still taking on land where smallholders and/or community groups have clear land tenure **(1.1)**<br>1.2 Land that is not owned by or subject to use rights has included in the project area because **(1.2):**<br>● It represents less than a third of the project areas at all times<br>● No part of the area was acquired by a third party from smallholders or community groups for the purpose of inclusion in the project<br>● Its inclusion will have clear benefits to the project by creating landscape level ecosystem benefits such as biodiversity corridors.<br>● There is an executed agreement between owners/managers of such land and participants regarding the management of the area consistent with these requirements | |
| **A. Findings (describe)** | A land dispute initially arose in the Padezaka area between the Padezaka Tribe and the neighboring Subavalu and Qoqopele tribes, related to customary land boundaries. According to the Padezaka Annual Report (2019–2022), this issue was brought to a customary hearing by the Council of Chiefs. The hearing resolved the dispute on 5 April 2021, with a decision in favor of the Padezaka Tribe, as recorded in the Customary Chief Hearing Decision.<br><br>The project coordinator confirmed that a letter of objection resolution had been issued by the other communities (Subavalu and Qoqopelle). Although there is no MoU with the neighboring tribes, a confirmation letter from the Ministry of Forestry, Land, and Mines clarified the land boundaries of the area. As a result, the boundaries are now clear, and no further conflicts have been reported. Following this process, the MECDM issued a Protected Area Certificate, officially designating the Padezaka Forest Conservation Area as a Protected Area under the Protected Areas Act 2010 on 15 October 2021. Based on the review of the supporting documents provided, it is confirmed that the objection raised in 2021 has been adequately resolved.<br><br>The verification team was informed that there has been an internal issue raised in the Padezaka community recently. Prior to the on site visit, as a confirmation, Padezaka has sent a letter to Nakau explaining that they are now in the process to resolve the internal issue regarding the transfer of land rights between families in a clan. This internal issue is confirmed to have no impact on the land-ownership of the Padezaka forest area. Based on the interview, the issue has also been confirmed to the tribal association and the community representative.<br><br>Land boundaries are well understood and that conditions have improved since the area was declared protected, this was stated by |

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| | Tribe members during the interview. In addition, they mentioned before protection, there were uncontrolled activities on tribal lands, such as hunting, logging, and resource gathering. Currently, tribe members comply with the rules established by the project coordinator to manage and control activities within the protected area.<br><br>Based on the review of documents, legal confirmations and interviews, the verification team concludes that land tenure in Padezaka is now clear and well-defined. Therefore, the project interventions are implemented on land where the community has clear and recognized land rights. | | |
| **B. Conformance** | Yes ☒ | No ☐ | N/A ☐ |
| **C. Corrective Actions (describe)** | *None* | | |
| **D. Project Coordinator's Response** | *None* | | |
| **E. Status** | *None* | | |

| **ECOSYSTEM BENEFITS** | |
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| **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)**<br>2.2 Project interventions have not led to any negative environmental impacts **(2.3)**<br>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 Padezaka project area has generated ecosystem service benefits through the intervention of Improved Forest Management – Logged to Protected Forest (IFM-LtPF). This intervention reduces greenhouse gas emissions by preventing logging for timber extraction within the Padezaka Tribal Association land area. Based on document review and members confirmation, the project has helped improve biodiversity.<br><br>The project activity is to ensure that no timber harvesting or logging occurs in the forest protected area. From the annual report and |

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| | monitoring documents, the verification team concluded that the project interventions have:<br><br>1. Maintained biodiversity: Monitoring activities reported in 2022 confirm the continued presence of various flora and fauna species, as shown in the monitoring records.<br><br>2. No negative environmental impacts: The project's activities are consistent with its goal of reducing emissions through forest protection, and the annual report confirms that no risk buffer is applied within the project's carbon area.<br><br>During the on-site visit, the local expert recorded observations of both fauna (e.g., *Laticauda crockeri*) and flora (e.g., *Maranthes corymbosa*). By the interview during the site visit, confirmed that the Rangers are capable of monitoring their assigned areas. However, there is an improvement opportunity that the rangers could conduct a more comprehensive biodiversity survey to further strengthen the monitoring process. Such a survey would help to identify broader ecosystem services for fauna such as nesting and resting sites and migration patterns, thereby enhancing the biodiversity baseline information.<br><br>Based on the document review of supporting evidence, interview and site visit, the verification team concludes that the ecosystem service benefits delivered by the Padezaka project area are maintained and/or enhance biodiversity. | | |
| **B. Conformance** | Yes ☒ | No ☐ | N/A ☐ |
| **C. Corrective Actions (describe)** | *None* | | |
| **D. Project Coordinator's Response** | *None* | | |
| **E. Status** | *None* | | |

| **PROJECT COORDINATION AND MANAGEMENT** | |
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| **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)**<br>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)**<br>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)**<br>**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)** | Regarding institutional administration, NRDF, as the Project Coordinator, remains legally registered under the Charitable Trusts Act since 28 July 2004. With this legal status, NRDF possesses the capacity to implement the PES Agreement and to manage the disbursement of payments for ecosystem services. Furthermore, NRDF is considered to have the capability to support participants in designing project interventions, selecting appropriate participants to be involved, and fostering participatory relationships with the community. Based on the evaluation conducted by Nakau, NRDF is deemed to still meet the required capacity criteria.<br><br>The benefit-sharing mechanism outlined in the PDD has been developed in accordance with the Plan Vivo Standard requirements and has been approved by the community through the FPIC (Free, Prior, and Informed Consent) process. The verification team assesses that the mechanism and procedures for benefit sharing have been implemented in compliance with the requirements. Funds designated for PES have been specifically allocated and managed through a separate bank account held by the project coordinator. Supporting evidence, including the Padezaka Tribal Association bank account, financial reports, and interview findings with the community, substantiate this conclusion.<br><br>In addition, NRDF has accurately described the progress, achievements, and challenges faced by the project in the Annual Report (AR). Information on activity progress and achievements is clearly presented in the monitoring report section, while project challenges are elaborated in the Environmental and Social Safeguards (ENS) section, particularly under the subsection "Issues." The statements contained in the AR have been verified through interviews with community members |

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| | and rangers directly involved in project implementation. Furthermore, the financial reports presented in the AR, including the financial plan, remain consistent with the information contained in the Project Design Document (PDD). The report also transparently includes information related to PES payments.<br><br>Based on the assessment conducted, the verifiers conclude that the project is managed with transparency, accountability, participation, and in accordance with the laws of the host country. | | |
| **B. Conformance** | Yes ☒ | No ☐ | N/A ☐ |
| **C. Corrective Actions (describe)** | None | | |
| **D. Project Coordinator's Response** | None | | |
| **E. Status** | None | | |

| **PARTICIPATORY DESIGN AND DEVELOPMENT OF PLAN VIVO** | |
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| **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)**<br>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)**<br>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)**<br>4.4 There exist 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)**<br>4.5 Participants are being provided with a forum to periodically discuss the design and running of the project with other participants and raise any issuance or grievances with the project coordinator **(4.12)**. A robust grievance redressal system is in place **(4.14)** | |
| **A. Findings (describe)** | The PDD document stipulates that the project must be developed and implemented through a participatory and voluntary approach. The Annual Report (AR) states that all activities involving decision-making are conducted through the FPIC (Free, Prior, and Informed Consent) |

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| | process. Based on interviews with community members, they confirmed that they are consistently involved in the decision-making process. The community also emphasized that the project initiative originated from the community itself, without any external pressure or coercion. Furthermore, interviews revealed that no community groups are excluded from participation in the project based on gender, age, socioeconomic status, ethnicity, or religion. However, participation in project activities tends to be dominated by one gender, mainly due to existing social norms and traditions within the community.<br><br>The Plan Vivo Standard requires the identification of barriers to community participation and the measures taken to address them. The AR has identified several issues that limit participation, all of which have been addressed by Nakau and NRDF. This has been confirmed through interviews with NRDF.<br><br>The standard also requires that the project must not adversely affect the primary livelihoods or reduce the food security of the community. Based on interview findings, the community reported that the project has been beneficial and has not disrupted their main livelihood activities or access to food.<br><br>Regarding project boundaries, the Plan Vivo Standard requires an accurate system to record and verify the location, boundaries, and size of each Plan Vivo. Field inspections conducted by technical experts confirmed that the project area has been accurately mapped spatially. This is further supported by statements from community members who acknowledged that they are aware of and understand the physical boundary markers present in the field.<br><br>Plan Vivo also requires that participants have access to their Plan Vivos documents (land management plans) in a language and format that is easily understood. Based on interviews, the community is aware that the documents are available in English. In addition, they possess simplified versions of the Plan Vivo documents, such as maps of inter-tribal land boundaries, records of the boundary-setting process between tribes, and the agreements made regarding those boundaries.<br><br>Furthermore, the grievance mechanism has been established under the PES Agreement signed by the Padezaka Tribal Association, Nakau, and NRDF. The verification team reviewed documentary evidence confirming the existence of this mechanism. In accordance with the Plan Vivo Standard, the project has also provided regular communication forums to discuss project implementation and to raise grievances with the project coordinator.<br><br>The Project Coordinator (NRDF) has established a monitoring plan for project implementation through coordination forums and training activities. Based on interviews with NRDF, several periodic meetings are |

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| | held, including the Annual General Meeting, Committee Member Meetings (every six months), and Quarterly Meetings (four times a year). A review of supporting records indicates that from the project development stage up to 2024, various activities have been conducted, including: Proceedings of the PA Management and Enforcement Training for the Padezaka Ranger (2021); Protected Area management and enforcement training (2021); Padezaka Ranger tree identification training (2021); Padezaka protected area forest rangers refresher training on AVENZA (2022); Rangers training meeting (2023); Padezaka forest rangers refresh training (2023), and woman saving Club Training (2020).<br><br>Based on the information obtained, the verification team concludes that the information related to participation design and Plan Vivo development is adequate and in full compliance with the Plan Vivo Standard requirements. | | |
| **B. Conformance** | Yes ☒ | No ☐ | N/A ☐ |
| **C. Corrective Actions (describe)** | None | | |
| **D. Project Coordinator's Response** | None | | |
| **E. Status** | None | | |

| **QUANTIFYING AND MONITORING ECOSYSTEM SERVICES** |
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| **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)**<br>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)**<br>5.3 A clear and consistent Standard Operating Procedure (SOP), or equivalent, for remote sensing analysis has been elaborated by the project coordinator.<br>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)**

Based on the Annual Report of the Padezaka Forest Carbon Project, the Project Verification Certificates (PVCs) for the 2019–2022 carbon crediting period claim a total climate benefit of 216,507 $tCO_2e$, supported by detailed calculations and justified assumptions which is aligned with the Technical Specification. The carbon benefit was calculated with the scenario of the first harvest rotation assuming 50% of the forest will be logged, and the second assuming 70%. This assumption is considered conservative, as the Solomon Islands Forest Resource Assessment Update 2011 reported that, under a market-driven business-as-usual scenario, commercial forests are typically logged completely, with re-logging continuing in secondary forests every 10 years until forest productivity is drastically reduced. See below Table for the carbon benefit calculation :

| PVC | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Carbon Benefit Verified ($tCO_2e$)** | 67,659 | 67,659 | 67,659 | 67,659 |
| **PVC Claimed ($tCO_2e$)** | 67,659 | 67,659 | 67,659 | 67,659 |
| **PVC Risk Buffer ($tCO_2e$)** | 13,532 | 13,532 | 13,532 | 13,532 |
| **TOTAL ($tCO_2e$)** | 54,127 | 54,127 | 54,127 | 54,127 |

The total annual carbon benefit of 67,659 $tCO_2e$ is generated from the average result of the sum of the carbon benefit calculation values of

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| | the first and second rotations. The verification team confirmed that all parameters used in the calculation were valid and appropriate.<br><br>Regarding illegal logging, one incident was recorded and documented in the "Report on Logging Infringement on Padezaka Tribal Land" (November 2021). The logging activities were unauthorized and reportedly involved members of the Subuvalu tribe, who conducted timber extraction without official permits. There were four logging concessions (two active and two closed) located inside the protected area but outside the Eligible Forest Area (EFA) of the project. Detection and verification were carried out through satellite imagery provided by Nakau and verified through field checks by the Padezaka rangers. When the disturbance was detected, NRDF notified the Padezaka Tribal Association (PTA) Chief, who instructed the rangers to inspect the site and documented the incident. The rangers provided evidence such as monitoring shapefiles and photographs, confirming that the forest loss was due to illegal logging. The verification team concluded that these monitoring procedures of illegal logging incidents were properly implemented and effective.<br><br>The remote sensing report (2019–2022) showed that forest area decreased from 5,634.51 ha in 2021 to 5,353.2 ha in 2022, equivalent to an estimated loss of about 9,000 $m^3$ of timber. This analysis aligns closely with the results from activity-based monitoring, indicating a consistent and reliable assessment of the disturbance.<br><br>NRDF also has implemented mitigation actions, and according to the Annual Report, no further illegal logging occurred in subsequent years. The logged area has been excluded from the EFA, ensuring that the carbon benefits claimed for 2019–2022 were not affected by the logging activity. However, the verification team noted that evidence of this exclusion should be clearly presented in the monitoring plan and the Annual Report. Therefore, this issue was raised as a **CAR Minor 01**.<br><br>Additionally, a field visit by the local expert identified small landslip sites above Kolombangara Rock on Padezaka tribal land. These are old, localized, and stable sites caused by exposed rock beneath the soil. The local expert confirmed that the landslip are insignificant, pose no threat to forest stability, and do not affect carbon stock or emission reductions.<br><br>The verification team assessed that the ecosystem services forming the basis of the Plan Vivo project remain additional as detailed below:<br><br>a. Investment barriers: The Padezaka Tribal Association does not have sufficient financial capacity to establish a protected area or implement a forest carbon project independently. Evidence of this is provided through the funding agreement between NRDF |

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| | and the New Zealand Ministry of Foreign Affairs and Trade to support project implementation. This is confirmed by interviews with Padezaka Tribal Associations that the carbon project has contributed positively to their income and livelihoods.<br><br>b. Technological barriers: The Padezaka customary landowners lack the technical knowledge and infrastructure to manage a protected area or develop a carbon project on their own. This is demonstrated by continuous capacity-building activities for forest rangers, involving 50 participants, as recorded in the "Padezaka Ranger Tree Identification Training, Choiseul, December 2021." This is confirmed by interviews with forest rangers that they had received training on tree identification and relevant technical skills.<br><br>c. Barriers related to local traditions: The establishment of a protected area and carbon project requires inclusive governance and participation, which may differ from customary practices. In practice, women are still underrepresented in the project's governance structure, particularly within the Padezaka Tribal Association, which manages the carbon business and benefit distribution. However, based on interviews with the PTA chief, women have begun participating as rangers to help manage and oversee the carbon project and benefit-sharing activities.<br><br>d. Barriers related to social conditions: To strengthen social structures and ensure transparency, Nakau has facilitated the community in developing a governance system and a fair benefit-sharing mechanism. This was confirmed through interviews with Padezaka members, who stated that they understand the project's value and that the community can benefit from it.<br><br>e. Barriers related to economic conditions: The potential income from logging presents a significant socio-economic barrier to carbon project activities in Padezaka. Without the carbon project, it is likely that the Padezaka tribe would have chosen to log their forests due to economic pressures and incentives. This was confirmed by the Padezaka tribal association that the carbon project has helped reduce the pressure or need for logging in forest areas.<br><br>f. Barriers Related to Land Tenure: Two land tenure disputes were identified during the establishment of the Protected Area (PA). The first dispute involved overlapping claims between the Padezaka and Qoqopele tribes, while the second concerned the eastern portion of the PA (approximately 800 hectares), also claimed by both tribes. A mediated meeting between the Subavalu and Padezaka tribes was held to resolve these overlapping claims. Confirmation from Padezaka tribe members |

<table>
<tr><td></td><td colspan="3">indicates that there are no ongoing internal conflicts among clans, and land boundaries are now clearly recognized as explained in this section on the second paragraph.<br><br>The compliance with the monitoring plan has also been confirmed as follows:<br><br>a. Communities have actively participated in monitoring activities. This was evidenced by interviews with the Padezaka tribal association, which coordinates the rangers' deployment with NRDF.<br><br>b. Monitoring results have been regularly shared and discussed with participants. This was confirmed through interviews with the Padezaka tribal association, who expressed their awareness of and interest in the monitoring results shared by the rangers. NRDF also confirmed that they hold regular meetings to discuss monitoring outcomes.<br><br>The verification team concludes that the Padezaka project area carbon benefit of 216,507 $tCO_2e$ for the 2019–2022 period is valid. Although illegal logging was confirmed within the project area, it did not affect the carbon benefit calculations. However, a CAR Minor finding was raised which must be addressed and closed by the project coordinator before the release of the final report.</td></tr>
<tr><td>B. Conformance</td><td>Yes ☐</td><td>No ☒</td><td>N/A ☐</td></tr>
<tr><td>C. Corrective Actions (describe)</td><td colspan="3">CAR Minor 01:<br>Evidence of the exclusion of encroachment (illegal logging) areas of the EFA in the Padezaka project area shall be presented in the monitoring result and annual report.</td></tr>
<tr><td>D. Project Coordinator’s Response</td><td colspan="3">CAR Minor 01 :<br>A description that the encroachment area was excluded from the Padezaka EFA has been added to table 4.2 of the Padezaka AR 2019-2022.</td></tr>
<tr><td>E. Status</td><td colspan="3"><table>
<tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr>
<tr><td>Minor 01</td><td>The information on the exclusion of encroachment areas from the carbon calculation area has been included in the Padezaka annual report.</td><td>Closed</td></tr>
</table></td></tr>
</table>

| **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)**<br>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)**<br>**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 Padezaka Forest Carbon Project PDD document, three types of potential leakage risks have been identified for the Padezaka project area:<br><br>1. Market leakage, resulting from the displacement or intensification of commercial logging activities due to forest conservation efforts.<br>2. Activity-shifting leakage, caused by the displacement of slash-and-burn agriculture to areas outside the project area as a result of forest conservation management.<br>3. Activity-shifting leakage, resulting from the relocation of timber milling operations to areas outside the project zone, also due to forest conservation activities.<br><br>The project coordinator has conservatively estimated a leakage rate of 8%, which the verification team considered reasonable, as it sufficiently accounts for the potential leakage risks identified in the PDD. Regarding point no.1 and no.3, based on the interview to MECDM and Ministry of Forestry as well as with the community, it was not possible for the community to do commercial logging in other land which must be owned by another community. In addition, the results of a field visit by the local expert confirmed the leakage activities did not occur within or around the Padezaka project area during the verification.<br><br>Referring to the Plan Vivo Approved Approach: Assessing Risk and Setting the Risk Buffer, for community-based REDD projects, particularly those aiming to reduce locally driven deforestation, the overall risk is classified as medium. The main associated risk is non-permanence, as reductions in deforestation may be temporary and cannot be guaranteed in the long term. In such cases, the minimum ex-post buffer required is 10%. The verification team assessed that the 20% risk buffer set by the project coordinator is conservative and in line with the Plan Vivo Approved Approach, and considered adequate. Furthermore, based on the review of the carbon calculation spreadsheet, the verification team assessed that the amount of carbon |

<table>
<tr><td></td><td colspan="3">to be issued/claimed by the project coordinator has already been calculated after applying the 20% deduction from the buffer account. The verification team concluded that the total carbon credits presented in the annual report are accurate and consistent with the applied buffer deduction.<br><br>The carbon benefit issuance details are described in the table below:<br><br>
<table>
<tr><th>PVC</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr>
<tr><td>Carbon Benefit Verified (tCO2e)</td><td>67,659</td><td>67,659</td><td>67,659</td><td>67,659</td></tr>
<tr><td>PVC Claimed</td><td>67,659</td><td>67,659</td><td>67,659</td><td>67,659</td></tr>
<tr><td>PVC Risk Buffer</td><td>13,532</td><td>13,532</td><td>13,532</td><td>13,532</td></tr>
<tr><td>TOTAL</td><td>54,127</td><td>54,127</td><td>54,127</td><td>54,127</td></tr>
</table>
<br>Overall, the criteria for risk management have been fully met, the climate benefit calculations that form the basis for carbon credit (PVCs) issuance are appropriate.</td></tr>
<tr><td>B. Conformance</td><td>Yes ☒</td><td>No ☐</td><td>N/A ☐</td></tr>
<tr><td>C. Corrective Actions (describe)</td><td colspan="3">None</td></tr>
<tr><td>D. Project Coordinator's Response</td><td colspan="3">None</td></tr>
<tr><td>E. Status</td><td colspan="3">None</td></tr>
</table>

| **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)**<br>7.2. Participant s 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)**<br>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)**<br>**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)** | |
| **A. Findings (describe)** | In accordance with the Plan Vivo Standard, the PDD describes that the procedures for signing the PES Agreement and establishing the Benefit Sharing Mechanism between Nakau, NRDF, and the Padezaka Tribal Association were conducted under the FPIC (Free, Prior, and Informed Consent) principle.<br><br>The verification team confirmed the existence of meeting minutes documenting the PES Agreement signing process. Interview results indicate that the community signed the agreement voluntarily and understood the content of the PES Agreement. The community also stated that the agreement has not caused any negative impacts; on the contrary, they expressed expectations that it would generate additional income and improve their standard of living.<br><br>The Plan Vivo Standard requires that projects commit to allocating at least 60% of the proceeds from the sale of Plan Vivo Certificates to the community. Based on interviews with the community, the verification team obtained information that the community expects a 70% benefit share. A review of the *Padezaka Project Agreement V1.0 (12062025)* shows that Nakau and the Padezaka Tribal Association have agreed on a benefit-sharing arrangement of 30% for Nakau and 70% for the community. The community also stated that the revenue from the sale of the certificates would be used to meet community priority needs such as infrastructure development, sanitation improvement, clean water provision, education, and healthcare services, as outlined in the *Padezaka Project Management and Benefit Sharing Plan Document.*<br><br>However, the document does not yet provide detailed information on the distribution of benefits among the different clans within the community. In addition, no Plan Vivo Certificates have been issued or sold to date; therefore, benefit distribution to the community has not yet been realized.<br><br>Based on the assessment results, the verification team concludes that the project has not yet fully met the Plan Vivo Standard requirements concerning the clarity of the benefit-sharing mechanism. This non-conformity is due to the absence of detailed benefit distribution arrangements among clans in the agreed document. Therefore, the verification team raises this finding as a **CAR Major.** |

<table>
<tr><td>B. Conformance</td><td>Yes ☐</td><td>No ☒</td><td>N/A ☐</td></tr>
<tr><td>C. Corrective Actions (describe)</td><td colspan="3">CAR Major<br><br>The PES Agreement of Padezaka Forest Carbon Project is still not signed yet and the percentage of benefit sharing for each clan has not yet been determined.</td></tr>
<tr><td>D. Project Coordinator's Response</td><td colspan="3">CAR Major<br><br>The Padezaka Tribe signed the Project Agreement on the 26th of June 2025. A signed copy of the agreement has now been uploaded on the Nakau Information Platform</td></tr>
<tr><td>E. Status</td><td colspan="3"><table><tr><th>CAR ID</th><th>VVB Assessment</th><th>Status</th></tr><tr><td>Major 01</td><td>The PES Agreement has been formally signed. The justification provided, namely the removal of percentage allocations for each clan, is considered acceptable given the different clan compositions. All agreements related to the latest benefit-sharing arrangements have been formally confirmed in the document titled Minutes of the Business and Benefit Sharing Plan Endorsement Meeting and Grievance Mechanism Presentation, Padezaka Tribe, dated 9 December 2025. The proposed action plan has been accepted and will be reviewed during the next annual reporting and verification process.</td><td>Closed</td></tr></table></td></tr>
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## Verification Itenerary

| Date | Activity | Project Participants |
|---|---|---|
| Saturday 21/06/25 | Travel Jakarta - Brisbane<br>Jakarta (CGK) - Brisbane (BNE) | |
| Sunday, 22/06/25 | Stay in Brisbane, flight Brisbane – Honiara cancellation due to bad weather | |
| Monday 23/06/25 | Travel Brisbane to Honiara<br>Brisbane (BNE) - Honiara (HIR) | |
| | Receive email of Flight Honiara – Sasamuga Cancellation to the next week | Nakau |
| | Coordination with Nakau and Plan Vivo for hybrid audit mechanism | Nakau |
| Tuesday 24/06/25 | Stakeholder interviews Honiara (face to face interview with ministries level) | Nakau |
| | Internal Meeting / Briefing with the Local Expert | |
| Friday 27/06/25 | Meeting/Interviews with Padezaka tribal association members (online meeting) | Padezaka TA, NRDF |
| | Lunch | All |
| | Meeting/Interviews with Padezaka members | Padezaka TA, NRDF |
| | Meeting/Interviews with NRDF staff and rangers | NRDF staff, rangers |
| Saturday 28/06/25 | Interview with the province gov personnel by phone | NRDF |
| | Internal meeting team | |
| Sunday,<br>29/06/2025 | Travel Honiara to Brisbane<br>Honiara (HIR) - Brisbane (BNE) : 11.20 - 13.35 (IE 706 Solomon Airlines)<br>Brisbane (BNE) - Jakarta (CGK) : 18.10 - 07.00 (30 Juni) (SQ-266 Singapore Airlines) | |
| Monday 30/06/25 | Arrival in Jakarta | |

### Local Expert Field Visit Itinerary

| Date | Location | Activity |
|---|---|---|
| 11/07/2025 - 12/07/2025 | Honiara | Traveling time (Honiara - Sasamungga) |
| 13/07/2025 | Sasamunga | Arrival with *Pelican Express*, review of documents and data, study of plot locations, and planning of field activities. |
| 16/07/2025 | Padezaka | Travel to the Padezaka Village site. |
| 17/07/2025 | Padezaka | Re-measurement and re-assessment of forest inventory in five Padezaka plots. |
| 18/07/2025 | Padezaka | Assessment of the 6th Padezaka plot; visit cultural tabu site; assessment of Plot 6 on the ridge. |
| 19/07/2025 - 20/07/2025 | Sasamunga | Traveling time (Sasamungga- Honiara) |

## Appendix 1 ( photos, lists of participants, scanned copies of receipts, etc.)








Photo of Padezaka Tribe members and rangers who participated in the interview with the verification team.

## 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. | Plan vivo standard (2013) section 5.2 | Evidence of the exclusion of encroachment (illegal logging) area of the EFA in Padezaka project area shall be presented in the monitoring result and annual report | ☒ Minor<br>☐ Major | A description that the encroachment area was deducted from the Padezaka EFA to account for the loss of carbon benefits has been added to table 4.2 of the Padezaka AR 2019-2022. | Review Date: 29/09/2025<br>Review:<br>The monitoring plan for the period 2019–2022 has already included the progress indicators. The progress indicators described are consistent with the activities outlined in the monitoring plan. For the next verification period, the implementation of progress indicators should be assessed in the annual report, particularly in cases where targets are not achieved.<br><br>Status: Closed |
| 2. | Plan vivo standard (2013) section 8.3 | Section:<br>Padezaka Forest Carbon Project Verification report v4 section 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<br><br>Description: | ☐ Minor<br>☒ Major | The Padezaka Tribe signed the Project Agreement on the 26th of June 2025. A signed copy of the agreement has now been uploaded on the Nakau Information Platform in the PDD folder Appendix 12 | Review : 28/10/2025<br>The PES agreement has been signed, including the benefit sharing (70% for the community and 30% for program owner & project coordinator). However, based on the Business Management and Benefit Sharing Plan Document, the percentage of benefit sharing for each clan has not yet been determined.<br><br>Status: Open<br><br>Review Date: 29/01/2026<br>Review: |

| | | | | | |
|---|---|---|---|---|---|
| | | The PES Agreement of Padezaka Forest Carbon Project is still not signed yet and the percentage of benefit sharing for each clan has not yet been determined. | | | The justification provided in the form of removing the percentage allocation for each clan is acceptable, considering that the composition of each clan within the Padezaka Tribe varies in size. Furthermore, the action plan to discuss benefit sharing annually for each clan is carried out during the AGM meetings. All agreements related to the latest benefit-sharing arrangements have been confirmed in the document titled *Minutes of the Business and Benefit Sharing Plan Endorsement Meeting and Grievance Mechanism Presentation Padezaka Tribe, 9 December 2025*. The Action plan proposed could be accepted and will be reviewed in the next annual report/verification.<br><br>Status: Closed |

## B. **Forward Action Request**

| No. | FAR |
|---|---|
| 1. | - |

## C. **Observation/ Recomendation**

| No. | Observation |
|---|---|
| 1. | The Rangers are capable of monitoring their assigned areas. However, the rangers could conduct a more comprehensive biodiversity survey to further strengthen the monitoring process in the future. Such a survey would help to identify ecosystem services, nesting and resting sites, and migration patterns, thereby enhancing biodiversity baseline information.<br><br>Nakau's response : We are aware of the limitations of our current ecosystem monitoring system, and are planning to contract expertise to improve our ecosystem survey methodology and indicators, to allow for a more |

| | |
|---|---|
| | meaningful analysis of indicator species populations and populational changes. We welcome your suggestion to include additional ecosystem values, such as nesting and resting sites. We would like to point out however, that due to capacity constraints, we may not be able to include more complex analyses such as research on potential migration patterns. Further, such research doesn't seem to be required by the Plan Vivo Standard (see Plan Vivo Project Requirements 5.4, sections 4.4).<br><br>VVB Review: Clarification is accepted. However, this observation acts as a recommendation as stated on PV Guidance for VVB and IE Version 4.0 : "Observations may also include recommendations for improvement. Projects are not required to take corrective actions to address Observations" |