This PDD is open for public consultation. This PDD has not yet undergone a full review, is not approved under the Plan Vivo Standard, and does not represent the final version of the PDD if the project eventually successfully registers. This is an opportunity for anyone to give their feedback on anything, including but not limited to the appropriateness of:

- The interventions
- Carbon benefit quantification
- Community engagement and FPIC process
- Coordinating body and governance structures
- Carbon and land rights
- Monitoring plans and indicators
- Environmental and social risks and safeguards

This feedback is then considered by the validation team during the validation process. For more information on the review and certification processes, please consult the Plan Vivo Procedures Manual.

Please submit any feedback to projects@planvivofoundation.org

Public consultation opening date: 22nd January 2026

Public consultation closing date: 19th February 2026

PLAN VIVO PROJECT DESIGN DOCUMENT

NAKAU PROGRAMME
SOLOMON ISLANDS

VURI FOREST CARBON PROJECT

BABATANA REGION, CHOISEUL PROVINCE, SOLOMON ISLANDS

Version 1.0

September 2025

Developed by:

The Nakau Programme (Nakau) Pty Ltd

Validated by:

Contents

Glossary

EFA	Eligible forest area (for carbon crediting)
FPIC	Free, prior and informed consent
GIZ	Gesellschaft fuer internationale Zusammenarbeit
LLCTC	Lauru Land Conference of Tribal Communities
MECDM	Ministry of Environment, Climate Change, Disaster Management and Meteorology
MOFR	Ministry of Forestry and Research
PA	Protected area
PAMC	Protected area management committee
PDD	Project design document
PVC	Plan Vivo certificates
SPC	The Pacific Community
VCA	Vuri Clan Conservation Association

Overview

Project title:	Vuri forest carbon project
Project owner	Vuri Clan Conservation Association (VCA)
Location:	Vuri customary land, Babatana Region, South-West Choiseul, Choiseul Province, Solomon Islands
PDD version:	Version 1.0
Programme operator:	Nakau (The Nakau Programme Pty Ltd) Mr Robbie Henderson robbie.henderson@nakau.org
Project coordinator:	Natural Resources Development Foundation (NRDF) Mr Fred Tabepuda nrdf@solomon.com.sb
VVB:	Mutu International PT. Mutuagung Lestari Ms Kiki Rizkina krizkina@mutucertification.com
Verification date:	
Project intervention(s):	Avoidance of commercial logging activities and placement of project area into a legally constituted protected area.
Project area:	Vuri land area: 617.1 ha Vuri eligible forest area: 563.4 ha
Project period:	30 years (1 January 2022 – 31 December 2051)
Carbon methodology:	Nakau approved approach: Technical Specifications Module (C) 1.1 (IFM---LtPF): Improved Forest Management –Logged to Protected Forest
Expected carbon benefit:	8,350 PVCs per year
Expected ecosystem benefit:	Maintenance of pristine forest ecosystem, biodiversity protection, maintenance of intact hydrological system, climate change resilience through reduced impact of extreme weather events.
Expected livelihood benefit:	Increased financial capital available for investment into activities that directly or indirectly support livelihoods. Improved community governance, community development outcomes, job creation, and empowerment of women and girls. Maintenance of forest for provision of food and materials

Preamble

The following Vuri PDD was originally prepared for validation under Plan Vivo Climate v5 (PV5) and has been designed following the structure of the PDD template version 5.4. Due to a gap in Plan Vivo carbon methodologies that was discovered during the first technical review process, and which prevents the appropriate quantification of carbon benefits from avoided logging interventions, the Vuri project can currently not be validated under PV5. With authorization from Plan Vivo, the PDD was refitted for validation under Plan Vivo Standard version 4 (PV4) requirements. It is important to note that the contents of PDD and supporting documents were only modified to fit PV4 requirements where these requirements are stricter than under PV5, but existing contents that meet or exceed PV4 requirements remain unchanged. Moreover, the PDD and annex structure following the PV5 PDD template was maintained. This practice was adopted to prevent excessive revision work, and to maintain the PDD in a format that facilitates the transition to PV5, planned for 2026.

1 General information

1.1 Project interventions

The Vuri Clan declared their land a protected area (PA) under the Protected Areas Act 2010, gazetted on 21 March 2022, with the intention to establish a forest carbon project under the Nakau methodology. ***(see PDD Annex 2 – item 2.1.5)***.

The project intervention applied in the Vuri project is the avoidance of commercial logging of natural forest and community-led, legally constituted forest protection. The details of the project activity are described in the Vuri technical specification ***(see Vuri PDD Annex 7)***. **Error! Reference source not found.** summarises the expected livelihood, ecosystem and long-term carbon benefits of the intervention, as described in the project logic in section 3.5.

Table 1.1: Description of project intervention and expected carbon and livelihood benefits in the Vuri project

Intervention type	Project activities	Expected livelihood benefits	Expected long-term carbon benefits
Avoided forest degradation i	• Avoidance of commercial logging baseline activity • Conservation of intact forest ecosystems and carbon stocks. • Project permanence achieved by legal protection under the Solomon Islands Protected Areas Act 2010.	• Increased capacity of landowners to manage a business (social capital). • Increased financial capital through investment of Plan Vivo Certificate (PVC) sales funds, managed by the landowner group. • Investments may include new livelihood activities, social services (e.g. school fees) or infrastructure (e.g. sanitation) as determined by participants. • Increased cultural capital, through incorporation of Indigenous knowledge and governance, supporting long term resilience. • Maintaining or enhancing environmental capital, such as ecosystem services (e.g. healthy river systems). • Increased security of customary landowners' land and resource rights.	• Avoided baseline GHG emissions resulting from damage and destruction of forest biomass in commercial logging • Generation of project GHG removals through forest growth in protected intact forest ecosystems

To formalise the development and implementation of the forest carbon project, the Vuri Clan Conservation Association (VCA) signed a Project Development Agreement with the project coordinator, the Natural Resources Development Foundation (NRDF), in July 2019 ***(see Vuri PDD Annex 2 – item 2.2.2)***, and a Project Agreement with NRDF and Nakau in October 2024 ***(see Vuri PDD Annex 12)***.

1.2 Management rights

1.2.1 Project boundaries

The map in Figure 1.2.1 shows the customary land boundaries of Vuri and nearby project areas in the Babatana region in Choiseul, as well as the location of the communities and settlements near the Vuri project boundary. The Vuri clan area and project is located at longitude E 156.795 and latitude S -07.015 and covers 617.1 hectares. The map in Figure 1.2.2 shows the boundary of the Vuri PA and eligible forest area (EFA) for carbon crediting. A reserve area of 43 hectares was excluded from the protected area (PA) for alternative land use that includes a 10-hectare garden area mapped for food security. The Vuri protected area (PA) covers 574 ha and the Vuri eligible forest area (EFA) covers 563.4 hectares. The spatial files and maps for the Vuri project areas are provided in the ***Vuri PDD Annex 1***.

Table 1.2.1: Vuri project areas by land use.

Name	Area (ha)
Vuri customary land	617.1
Vuri PA	574.0
Vuri EFA	563.4
Vuri reserved area	43.0
Vuri garden area (part of reserved area)	10.0

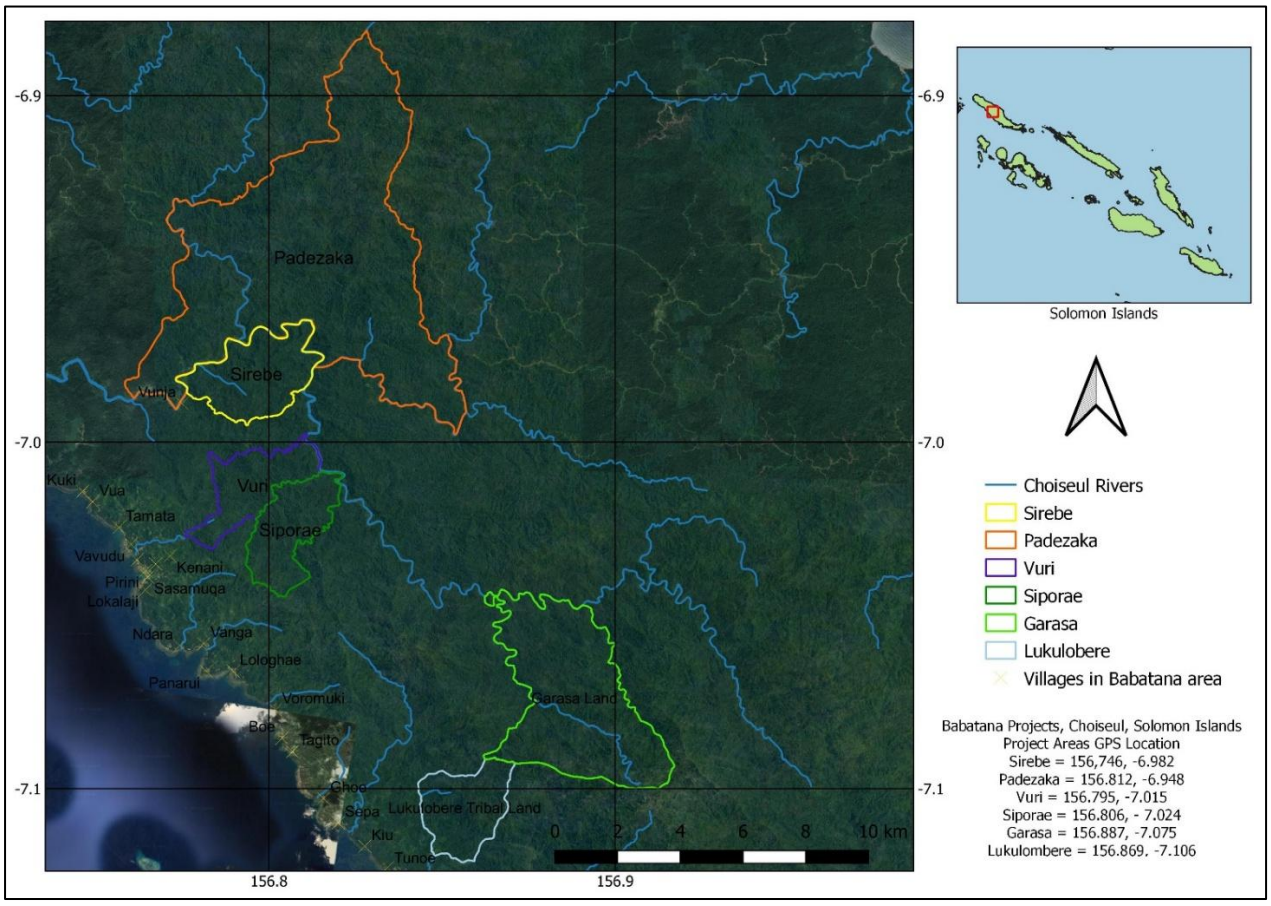

Figure 1.2.1: Vuri project area boundaries in the Babatana region in Choiseul, and locations of neighbouring project areas settlements along the coast

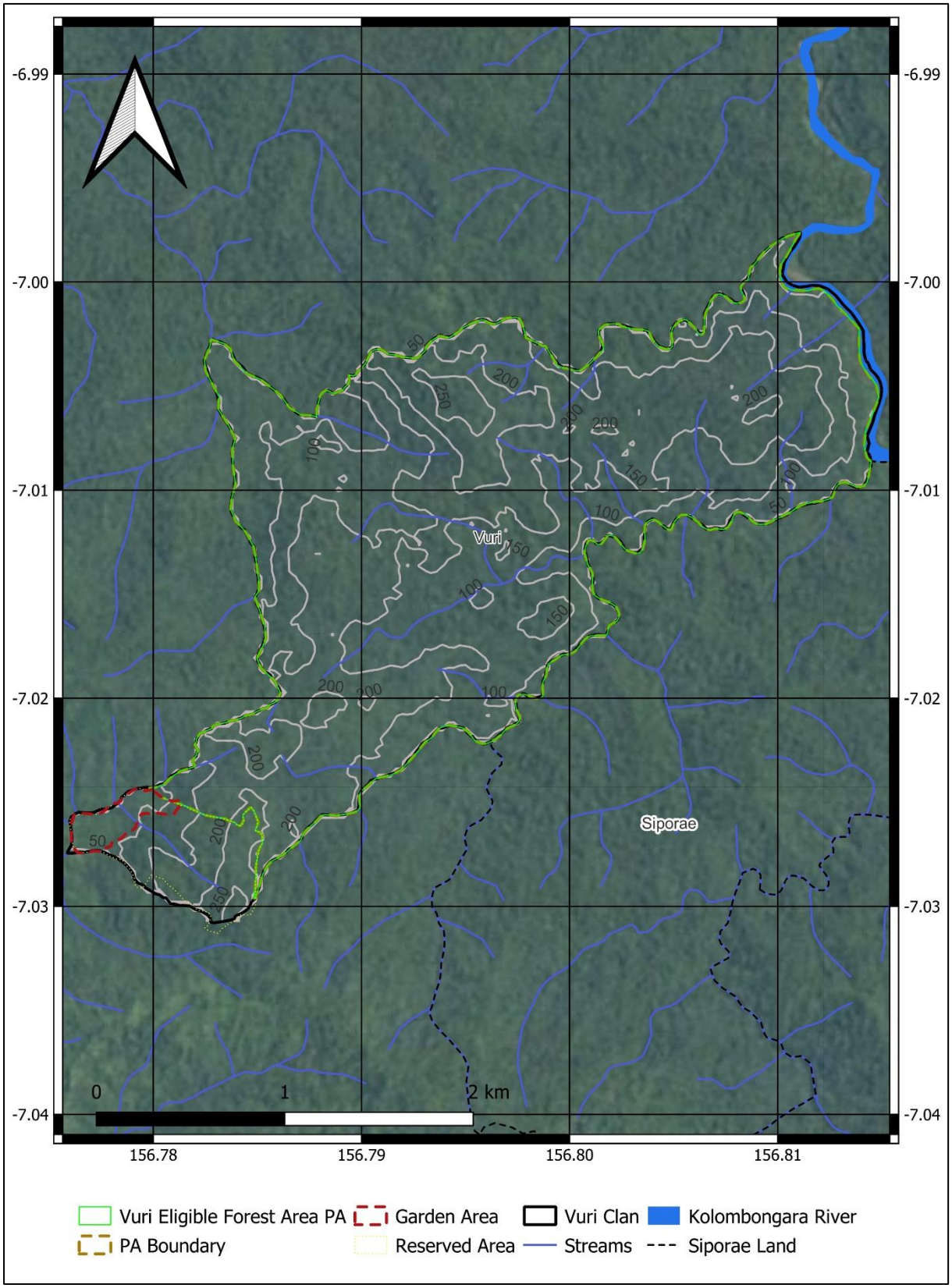

Figure 1.2.2: Location and boundary of Vuri customary land, protected area and eligible forest area

1.2.2 Land and carbon rights

Customary land

All Nakau project participants in the Solomon Islands are landowners or rights holders of customary land, which is a legally recognised title, where customary law is used to determine group membership and tribal land boundaries. The *Constitution of the Solomon Islands 1978* states that 'the natural resources of our country are vested in the people and the government of Solomon Islands'.[1]

In the Solomon Islands, 86% of the land is under customary ownership,[2] which is held communally, by a tribe, or by multiple groups which hold different rights to land and resources. The *Land and Titles Act Cap 133* preserves the system of customary land holding. The Act states that, 'The manner of holding, occupying, using, enjoying and disposing of customary land shall be in accordance with the current customary usage applicable thereto, and all questions relating thereto shall be determined accordingly'.[3] The Solomon Islands legislation is highly restrictive regarding the rights of ownership and utilisation of customary land, which are limited to Indigenous citizens only. In customary land, a variety of customary laws regulate land and forest ownership. These differ from place to place and, although generally not written down, they are legally recognised under the Act and constitution.

To allow for a formal recognition of customary land and resource ownership rights, the Solomon Islands government has established the process of 'customary land recording' under the *Customary Land Records Act 1994*. The Act provides a legal mechanism to formally record customary land rights. It is the means to securing and protecting land rights and storing knowledge and information for reference of future generations. As such, the Act provides the legal instrument to bridge the gap between traditional and formal ownership. Customary land recording is carried out by the Tribal Land Recording unit of the Ministry of Lands, Housing and Survey (MLHS) on behalf of the landowners. Although customary land recording is in operation and has received increasing demand from landowners, the offices responsible for implementation of the Act have not been established in the provinces, and land recording progress is slow.[4] However customary land rights still exist and can be demonstrated in the absence of land recording.

Carbon rights

Solomon Islands does not yet have any statutory framework for forest carbon rights or any reference to carbon ownership in its legislation. In customary land, customary law dictates that the Indigenous People own the land and the forests, and by implication under 'common law', also the carbon stored in the soils and forest. The Solomon Islands constitution and land tenure laws, however, restrict how customary land and interests can be dealt with.

The Vuri project is located on customary land which is communally owned by the Pakileke Clan (hereafter referred to as the Vuri Clan). Project beneficiaries have demonstrated clear and secure land ownership rights over Vuri land through a custom inquiry of Vuri customary land by the Babatana council of chiefs ***(see Vuri PDD Annex 4 – item 4.2.2)***. According to Choiseul custom, the landowners also own the rights to the forest resources, and by implication, the carbon stored within.

As part of the protected area process, Vuri land boundaries have been consulted and confirmed by the neighbouring tribes ***(see Vuri PDD Annex 5 – item 5.3)***. \

[1] *Constitution of Solomon Islands 1978 Preamble*. http://www.parliament.gov.sb/files/business&procedure/constitution.htm

[2] J Corrin, *REDD+ and Forest Carbon rights in SI: background and legal analysis* (para. 3.1.1), SPC/GIZ Regional Project, 2012. https://www.pacificclimatechange.net/document/redd-and-forest-carbon-rights-solomon-islands-background-legal-analysis

[3] *Land and Titles Act*, s 239(1), accessed at https://www.lands.gov.sb/resources/related-legislation.html

[4] Source: Mary Tegavota (personal communication), National Recorder, Solomon Islands Ministry of Lands, Housing and Survey, 2022

Table 1.2.2: Land and carbon rights in the Vuri project

Ownership and user rights status	Carbon rights	Evidence
The Vuri clan members are the recognized tribal landowners of Vuri customary land	Clan has proven ownership rights to the land and forest and, by implication, also the carbon rights.	Vuri custom inquiry (***see Vuri PDD Annex 4 – item 4.2.2***) MoUs with neighbouring Lopozinaka, Miqusava, Sirebe, Siporae and Tumisoka tribes (***see Vuri PDD Annex 5 – item 5.***3)

2 Stakeholder engagement

2.1 Stakeholder analysis

2.1.1 Stakeholder Identification

An overview over local and secondary stakeholders relevant in the Vuri project and their influence and engagement in the project context is provided in Table 2.1.1.

Table 2.1.1: Stakeholder analysis in the Vuri project context

Stakeholder group	Stakeholder type	Description of stakeholder group in the Vuri project context
Vuri Clan members Vuri Clan Association	Local	Members of the Vuri Clan are the indigenous rights holders over Vuri customary land. The Vuri Clan Association (VCA) is the project owner (PO) entity and primary decision maker on project governance. The PO is positively impacted by the project activity through community development, improved livelihoods, increased resilience to climate change and conservation of native forest habitats and ecosystem services. The PO is engaged through inclusive collaboration and consultation with project coordinator and project operator during all phases of project development and implementation.
Neighbouring tribes	Local	Vuri neighbouring Lopozinaka, Miqusava, Sirebe, Siporae and Tumisoka tribes were engaged in the PA and project development process through consultation meetings to agree on land boundaries. Neighbouring tribes are important stakeholders as their consent or objection in the PA process will influence PA establishment. Neighbouring tribes are potentially positively impacted by the environmental services provided by the Vuri PA, i.e maintenance of water regulatory functions and water quality. After the agreement on land boundaries, MoUs were signed between all tribes (***see Vuri PDD Annex 5 – item 5.3***).
Babatana Council of Chiefs (CoC)	Secondary	The Babatana CoC is a traditional local governance entity with regards to land rights and genealogy and can be engaged to resolve land disputes. The Babatana CoC was engaged in a hearing to resolve the land dispute with the Varapaka tribe over a part of the Vuri land (***see***

Stakeholder group	Stakeholder type	Description of stakeholder group in the Vuri project context
		***Vuri PDD –supporting documents SD8*).** The attempt ultimately failed however as the dispute was escalated to a legal court.
Choiseul Provincial Government	Secondary	The Choiseul Provincial Government, through the Choiseul Lands Office, was engaged in protected area consultation meetings and provided letters confirming Vuri customary land boundaries (through the Choiseul Lands office) and support to the establishment a protected area **(*see Vuri PDD Annex 4 – items 4.4.1 and 4.4.2*)**.
Lauru Land Conference of Tribal Communities (LLCTC)	Secondary	The LLCTC was engaged in the PA process and provided a support letter to the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) **(*see Vuri PDD Annex 4 – item 4.4.3*)**.
Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM)	Secondary	The MECDM, through the PA Act 2010 and PA regulations 2012, has the mandate to regulate and supervise the PA process. In the Vuri context, the MECDM is an instrumental stakeholder that formalized the legal forest protection of Vuri land and forest resources through the registration of the Vuri PA **(*see Vuri PDD Annex 2 – item 2.1.5*)**. Through the PA Act and regulations, the MECDM vests legal rights to the Vuri community forest rangers.
Ministry of Forestry and Research (MOFR)	Secondary	The MOFR regulates timber extractive industries in the Solomon Islands through Forest Resources and Timber Utilization Act. Forest legislation has potentially significant impacts on avoided logging intervention through restrictions on timber harvesting in areas declared as protection forest. During the Vuri PA process, the MOFR was consulted regarding potential spatial overlap between the Vuri PA and logging concessions. A letter was issued by the MOFR that that confirms the absence of such overlap **(*see Vuri PDD Annex 4 – item 4.4.4*)**.
Ministry of Mines, Energy and Rural Electrification (MMERE)	Secondary	The MMERE is responsible for geological sciences and for the development and management of Solomon Islands' mineral, petroleum, water and energy resources. During the Vuri PA process, The MMERE was consulted regarding potential spatial overlap between mining tenements and the proposed PA. A letter was issued by the MMERE which confirms the absence of such overlap **(*see Vuri PDD Annex 4 – item 4.4.5*)**.
Donors and/or project proponents	Secondary	Donor funding was instrumental in the development of the Vuri project and PA, which was financed by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) Carbon Financed Forest Conservation Project (CFFCP) and the Critical Ecosystem Partnership Fund (CEPF).

2.1.2 Indigenous Peoples and local communities

The project owners in the Vuri project are Indigenous landowners that hold the customary rights over Vuri land and resources. These have been identified and confirmed through a genealogy study which was supported by the Lauru Land Conference of Tribal Communities (LLCTC).

In Choiseul's patrilineal society it is traditionally men who make the decisions over land. Women belonging to Vuri Clan (by birth) have full land-use rights but under custom need to seek approval from male clan leaders when planning any developments on the land. These can be relatives or the clan chief. People who become part of the Vuri Clan (for example, through marriage) have access to the land and the use of its resources but don't hold customary landowner rights. Children born to at least one Vuri Clan member inherit Vuri customary rights.

Table 2.1.2: Customary landowners in the Vuri project

Customary landowners	Rights to land or resources in the project area(s)	Governance structure and decision-making processes	Involvement of women and marginalised groups
Vuri Clan members	Members of the Vuri Clan are the indigenous landowners that hold the customary rights to Vuri land and resources. The rights-holders have been confirmed through a custom inquiry by the Babatana Council of Chiefs and through a land ritual ceremony ***(see Vuri PDD Annex 4 – items 4.2.2 and 4.2.4)***.	The Vuri Clan has established the Vuri Clan Conservation Association (VCA) registered under the Charitable Trust Act. The VCA legally represents all tribal members and is the overarching governance and decision-making body for the Vuri project. In practice, the clan chief(s) make(s) decisions over land and land use in consultation with the clan members.	1 woman (out of 4 members) is part of the VCA executive committee 1 woman (out of 3) is a VCA trustee. ***See Vuri PDD Annex 2 – item 2.1.3***

2.1.3 Disputes over land or resources

Approximately 86% of landmass in Solomon Islands is under customary land tenure, regulated by customary governance through oral tradition passed down from generation to generation. Disputes among landowners and customary groups over land and resources use are common.

Land rights disputes can occur during various stages of project development, either internally or in relation with surrounding areas. Land disputes (disagreements) most commonly emerge during the protected area declaration process, at an early stage of project development, when land ownership and boundaries are clarified. The protected area declaration process is participatory and incorporates a requirement for free, prior and informed consent (FPIC) under the Protected Areas Act. As such, this process creates the opportunity for disputes and objections among and between tribal groups to emerge and be resolved. Importantly, a protected area cannot be declared until disputes are resolved. All Nakau-projects must have a declared protected area, inferring that disputes must be resolved during the project development process prior to verification.

At the tribal level, objections and disputes that relate to the project areas are settled through the legally recognized process of local chief hearings. Chief hearings are led by local chief councils, comprising chiefs from surrounding tribes. During those hearings, both parties (objectors and defendants) present their landownership claims (genealogy) and proposed land boundaries, with witnesses as support. The chief hearing includes a site visit to the contested land, visiting cultural and historical sites and other features to verify the proof of landownership by both parties. After the hearing the council of chiefs will elaborate the claims presented by the parties and determine which party can claim rightful ownership. Chief hearings are legally recognized in the Solomon Islands legal system as the lawful way to determine landownership and settle disputes. The losing parties can appeal against the declaration through the Customary Land

Appeal Court and further through the high courts. During the appeal process, the High Court commonly refers to the original chief hearing outcome or may order the chief hearing to be repeated.

During the Vuri PA process, an objection was brought forward by the Varapaka Tribe ***(see Vuri PDD Supporting documents – item SD8)***. The cause of the objection relates to a claim by the Varapaka Tribe over an area of 43 hectares located at the western tip of Vuri customary land, which had been included in the proposed PA. To be able to progress with the PA process, the disputed area (called the Reserved Area, see Figure 1.2.2) was excluded from the proposed PA. The dispute was settled through a Babatana Council of Chiefs hearing where land ownership was ruled in favor of the Vuri Clan ***(see Vuri PDD Annex 4 – item 4.2.2)***. However, as the PA had already been gazetted by that time, a 43-ha reserve area (see Table 1.2.1) remains excluded from the PA and carbon project and has been designated as an area for production and sustainable livelihood activities.

2.2 Project coordination and management

The Vuri project operates under the project coordination and management arrangements as described in Table 2.2. Details on the project governance structure and implementing partners are provided in section 5.1.

Table 2.2: Vuri project coordination and management arrangements.

Project participant	Roles and responsibilities	Agreements
Project owner: Vuri Clan Association	Owner of carbon rights	Project agreement with Nakau and NRDF Project development agreement with Nakau and NRDF
	Owner of PVC sale surplus	
	Local project governance	
	Project co-management	
	Project co-monitoring	
	Managing project finances and dispersal of income to project participants as described by the Vuri business (financial) plan	
Project coordinator: NRDF	Project design and development, including land-use and community development planning	Licence agreement with Nakau Project agreement with VCA and Nakau Project development agreement with VCA and Nakau
	Support in setting up Vuri project governance structures	
	Stakeholder engagement during project development and implementation	
	Co-monitoring of project indicators together with VCA/PAMC and providing technical support	
	Technical assistance and capacity building to VCA and PAMC to implement conservation management and forest monitoring	
	Support to Vuri project participants in entrepreneurship and alternative livelihood activities	

Project participant	Roles and responsibilities	Agreements
Project operator: Nakau	Owner of intellectual property associated with Nakau Programme and methodologies	
	Oversight over project design and development, preparation of PDD	
	Ensuring conformance with PV Climate requirements and compliance with applicable policies, laws and regulations	
	Registration and recording of management plans, project agreements, monitoring results and sales agreements	
	Preparation of annual reports and coordination of project verification events	
	Technical assistance and capacity building required for project participants to implement project interventions	
	Design of technical specification and project monitoring system, and monitoring of project indicators	
	PVC unit sales and marketing agent	
	Guardian of environmental and co-benefit integrity of Nakau Programme	
	Managing Plan Vivo Certificates (project registry agent)	
Validation/verification body (VVB)	Responsible for third-party project validation and verification	Service agreement with Nakau or NRDF
Project registry: Markit Registry	Carbon credit registry Issuance of Plan Vivo Certificates	Registry terms and conditions
PVC buyers	Purchase of Plan Vivo Certificates	Sale and purchase agreements with Nakau

2.3 Project participants

The Vuri project participants (Vuri Clan members) — which are also referred to as project owners in this PDD — are the recognised landowners and rightsholders of Vuri customary land and the project area. The landowners possess customary rights (including decision-making and management rights) to the land, but do not live inside the project area. Most landowners moved downstream of the Kolombangara River and settled along the southern Choiseul coastline in the village of Sasamungga. Two sub-clans moved to areas in northwestern Choiseul and to Vellalavella in Western Province. Some individuals moved into townships

such as Gizo or the capital Honiara for employment. Table 2.3 describes the types of participants of the Vuri project area.

Table 2.3: Vuri project participants (grouped by village, area or region)

Project participant	Participant type*	Location of residence	Typical land holding	Land and natural resource use
Vuri clan (project owner)	Type I	The majority of project participants reside in Sasamungga village, Babatana region, south Choiseul.	Communal ownership (clan)	Small-scale harvesting of timber for domestic use, collecting of non-timber forest products, hunting, gardening (limited to reserved area) and other activities permitted under PA regulations.
Vuri sub-clan (project owner)	Type II	Two sub-clans reside in Vellalavella, Western Province, in northwestern Choiseul, and towns including Honiara and Gizo	Communal ownership (clan)	No or very limited use of Vuri land and natural resources

* Type I = Project Participants that are resident within the Project Region; who manage and use land or natural resources within the Project Region for subsistence or small-scale production; and are not structurally dependent on year-round hired labour for their land or natural resource management activities; Type II = Project Participants that do not meet the Type I definition.

2.4 Participatory design

The Vuri project was developed employing the Nakau participatory project design approach, which comprises strategies to include people who may otherwise be marginalised due to gender, age or cultural group, as outlines in the sections that follow.

2.4.1 Representation

All participatory design and free, prior and informed consent (FPIC) activities during project development aimed to involve representatives of all family lines belonging to the Vuri Clan. To guarantee appropriate representation, the following measures were taken:

- All meetings, gatherings and workshops were open for every clan member and associates.
- Meetings were announced well in advance.
- Where needed, free transport was organised for participants to and from the meeting venues.
- Food was provided during the meeting.
- Mothers were encouraged to, as much as possible, engage a family member or relative to take care of small children to avoid this being the reason for not being able to attend the meeting.
- Clan members who live far away from the main communities (e.g residents of Gizo or Honiara) are kept updated on project activities and meeting outcomes.

The Vuri Clan Conservation Association is the tribal and legal entity of the Vuri Clan which has been mandated by the clan with the oversight and decision making regarding the forest carbon project. It includes seven members (four executive committee members and three trustees) that act as the representatives on behalf of the whole clan. The members were appointed in a community meeting.

2.4.2 Indigenous Peoples' participation

All Vuri Clan members are Indigenous Peoples and the traditional landowners of Vuri customary land. To ensure Indigenous knowledge systems and systems are acknowledged and valued, Nakau projects incorporate a 'two-way' approach to participation. In practice, this means projects will make space for Indigenous knowledge systems and ways of decision-making to be practised alongside 'modern systems' of planning (e.g. developer facilitated workshops, alongside meetings conducted under customary practices).

Key considerations in this two-way approach are:

- Participation must be centred around the customary land rights holders with the local authority and recognise local decision-making systems.
- Participatory design must occur in places that are geographically and culturally accessible. Projects must consult customary leaders for advice on the best place(s) to begin and then carry on work with their community. Generally, participation in planning or consultation should occur in the participants' communities or on their land, recognising that local people feel comfortable and strong by meeting on their customary lands, and that this is an important foundation for good partnership relations.
- Each project must engage with members of a project owner group who are living or working in locations away from the project area, such as regional townships or in Honiara. The customary leaders should advise on the appropriate people to engage, and systems should be established to ensure opportunities to engage are provided to remote members of the group.
- Projects must consider the appropriateness of timing and timeliness when undertaking participatory activities. This should be considerate of the many influences on the local community's priorities and sense of time, for example, cultural obligations, social issues (e.g. mourning periods) and events that require everyone's involvement. Participants should be provided with adequate opportunities (e.g. sufficient time) to utilise customary processes to engage with traditional decision-making processes in their communities.
- Each project must be sensitive to the languages spoken by the project owner group. Solomon Pidgin may generally be used as the language of meetings, workshops and explanations regarding project documents. Local language interpreters must be used in instances where a significant number of participants cannot speak Pidgin.
- Many local languages are not written languages, or where they are, then it is common that not many speakers are able to read them. It is also common for people to speak but not read Solomon Islands Pidgin. Project documents often cover many technical terms that are hard to translate into both the local language and Pidgin. It is for this reason that English may be used in all legal documents and agreements to ensure the content of the documentation is consistent and legally sound. The English version can then be used a 'single point of truth' for verbal translation.

2.4.3 Inclusion of potentially marginalised groups

As part of the participatory design, the project aims to identify and engage potentially marginalised groups from within the project owner community in project development and implementation. High-level measures to mitigate the risk of marginalizing women are described in the environmental and social risk assessment provided in Annex 10.

The marginalised groups in the Vuri context are described in the environmental and social screening provided in PDD Annex 9, and include:

- women
- youth
- individuals dependent upon the land with low cultural authority (e.g. married into the clan).

Strategies to enable and remove barriers to the participation of historically marginalised groups should include the following:

- Identify the issues and barriers to inclusion of marginalised groups within individual partner communities, through local discussions and reliable background information.
- Engage with landowner participants to identify inclusion issues, and discuss what might be done to alleviate them through project development and project implementation processes.
- Ensure potentially marginalised people are fairly represented in participatory project development workshops.
- Where necessary or appropriate, undertake separate sessions with marginalised groups that are designed to ensure their voice is heard (e.g. workshops for women).
- Ensure representatives of potentially marginalised people are consulted and afforded the opportunity to give or withhold their free, prior and informed consent on key decisions (see section 2.6).
- Monitor indicators for project impacts on livelihoods (see section 4.3).
- Monitor participation in project development and planning activities through the collection of disaggregated participation data, based on gender, age and cultural indicators (as appropriate).

Evidence of participation that is inclusive of potentially marginalised groups is provided in the Vuri PDD Annex 4.

2.4.4 Level of participation

In determining the level of participation that must be implemented, projects take guidance that has been adapted from the 'Public Participation Spectrum' developed by the International Association for Public Participation (IAP2)[5], as shown in the tables below.

Table 2.4.4a. Public participation spectrum

Participation Level	Inform	Consult	Involve	Collaborate	Empower
Participation goal	To provide participants with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.	To obtain participant feedback on analysis, alternatives and/or decision.	To work directly with participants throughout the process to ensure that issues and concerns are consistently understood and considered.	To partner with participants in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
Promise to participants	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and provide feedback on	We will work with you to ensure that your concerns are directly reflected in the	We will look to you for direct advice in formulating solutions and incorporate your recommendations	We will implement what you decide.

[5] Adapted with permission from:
International Association for Public Participation (IAP2), *IAP2's public participation spectrum* [graphic], 2014. https://iap2.org.au/wp-content/uploads/2019/07/IAP2_Public_Participation_Spectrum.pdf

Participation Level	Inform	Consult	Involve	Collaborate	Empower
		how participant input influenced the decision.	alternatives developed and provide feedback on how your input influenced the decision.	into the decisions to the maximum extent possible.	

Table 2.4.4b: Level of participation required for key project activities or outcomes

Key activity/outcome	Inform	Consult	Involve	Collaborate	Empower
1. Education for forest carbon project participation	x				
2. Establish legal project owner group (to act on participants' behalf)		x		x	x
3. Determine respective roles and responsibilities of project owners and project coordinator			x		x
4. Development of benefit-sharing arrangements (within project agreements)		x		x	
5. Protected area establishment and management				x	x
6. Project owner capacity building	x		x	x	
7. PDD submission		x		x	

2.4.5 Participation steps

A summary of participatory processes employed in the development of the Vuri project is provided in **Error! Reference source not found.**5 below.

Table 2.4.5: Summary of participatory processes in the Vuri project

Participation steps	Participatory process in the Vuri project	Tools and resources used
1. PES Education for forest carbon project participation	PES Education is a cross-cutting and participatory process to build the project owner capacity for participation in a forest carbon project. PES education activities were undertaken by NRDF and Nakau throughout the project development phase, starting in 2014 (see Vuri PDD Annex 4.1, items 4.11-4.1.5). Additionally, PES education was delivered in the Vuri annual general meeting (see Vuri PDD Annex 4- item 4.2.3). Apart from the	Climate Change and Forest Carbon education toolkit. Developed specifically for the Nakau Programme and published by Nakau and Live & Learn. Updated in 2024. https://livelearn.org/resources/climate-change-and-community-based-redd-education-manual/

Participation steps	Participatory process in the Vuri project	Tools and resources used
	specific activities that focused on PES education, nearly all participatory steps include elements that aim to share information and raise the project owners' understanding of the project activities. Samples of PES education activities are provided in the ***Vuri PDD Annex 4.1***.	Animated film: "Climate Change: Everyone's Business" in English and Solomon Islands Pijin. Developed specifically for the Nakau Programme and published by Live & Learn https://www.youtube.com/watch?v=roKlfqvJPQ0 Animated film: "Ready for REDD+?" in English and Solomon Islands an. Developed specifically for the Nakau Programme and published by Live & Learn: https://www.youtube.com/watch?v=kUGyZnAhdmw Presentations on climate change, PES and carbon trading and the Nakau methodology ***(see Vuri PDD supporting documents – SD17)***.
2. Establishment of project owner legal entities.	The Vuri project owner legal entity to govern the carbon project is the Vuri Clan Conservation Association (VCA). The VCA was registered as a charitable trust association under the Charitable Trust Act 1996 in August 2017, before NRDF was engaged as project coordinator. The Vuri PA and project governance structure was consulted with the wider Vuri Clan during the annual general meeting ***(see Vuri PDD Annex 4 – item 4.2.3).***	Vuri Clan Conservation Association Constitution ***(see Vuri PDD Annex 2 – item 2.1.3)***. Vuri Clan Conservation Association Registration certificate ***(see Vuri PDD Annex 2 – item 2.1.4)***.
3. Determine respective roles and responsibilities of project owners and project coordinator	The Project Agreement between NRDF, Nakau and the Vuri Clan describe the role of the project owner, project coordinator and project operator and has been informed by decisions made by the VCA regarding the project governance structure and benefit-sharing preferences. The Vuri Project Development Agreement (PDA) was consulted with Vuri landowners and signed on 8 July 2019. Community meetings to consult on the Vuri project agreement were held on 17 March 2023 and 1 October 2024. During these meetings the Project Agreement was explained to the clan members and copies	Vuri project development agreement ***(see Vuri PDD Annex – item 2.2.2)*** Vuri Project agreement (***see Vuri PDD Annex 12***) Consultation and FPIC on Vuri project agreement ***(see Vuri PDD Annex 5 – items 5.2.1 and 5.2.2)***

Participation steps	Participatory process in the Vuri project	Tools and resources used
	were shared. As a result, the Project Agreement was signed on 1 October 2024.	
4. Development of benefit-sharing arrangements	The Vuri beneficiaries (Vuri Clan members) were identified and mapped through a genealogy survey done internally by the clan. Two VCA members participated in a money story educational workshop held to prepare tribes to manage carbon income in a transparent and accountable manner using the Money Story Tool ***(see Vuri PDD Annex 4 – item 4.1.4)***. The development of the benefit-sharing system took place through a business and benefit-sharing workshop, facilitated by NRDF, through which the benefit-sharing arrangements and preferences were planned, consulted and agreed on ***(see Vuri PDD Annex 4 – items 4.3.1 and 4.3.2)***. The results of the workshop were used by Nakau to prepare the Vuri business/financial plan ***(see Vuri PDD Annex 16)***.	Vuri Clan Genealogy diagram ***(see Vuri PDD Annex 4 – item 4.2.1).*** Vuri Business (Financial) Plan ***(see Vuri PDD Annex 16)***.
5. Establishment of a protected area	The proposed protected area (PA) rules and regulations were consulted in a PA resolution meeting ***(see Vuri PDD Annex 4 – item 4.4.7).*** After the completion of the participatory process, the Vuri PA was officially launched in May 2022 ***(see Vuri PDD Annex 2 – items 2.1.5 and 2.1.6)***.	Vuri PA management plan ***(see Vuri PDD Annex 11)***. Protected area toolkit 2010 ***(see Vuri PDD Supporting Documents – SD12).***
6. Project owner capacity building	Vuri was part of the SPC/GIZ project on REDD+ demonstration activities. Through this project, Vuri Clan member capacity was built on PES and forest carbon projects, forest conservation and forest inventories. Vuri members and rangers participated in two trainings on the PA Act and PA management and enforcement held by NRDF and MECDM in October 2018 and April 2021 ***(see Vuri PDD Annex 4 – items 4.6.1 and 4.6.3)***. A forest monitoring training was conducted by Nakau and NRDF for Vuri forest rangers in March 2023 ***(see Annex 4 – item 4.6.4)***.	Protected area toolkit 2010 (***see Vuri PDD supporting documents – SD12***). Nakau forest inventory manual ***(see Vuri PDD supporting documents – SD16).*** Nakau Avenza guide ***(see Vuri PDD supporting documents – SD18)*** Avenza Mapping App www.avenza.com NRDF Women savings club guide ***(see Vuri PDD supporting documents – SD20)***

Participation steps	Participatory process in the Vuri project	Tools and resources used
	Vuri rangers participated in an identification and forest inventory training held by NRDF, Nakau and MECDM and in December 2021 (see Vuri PDD Annex 4 – item 4.6.2). Twenty women members of Vuri participated in a women savings club training held by NRDF in October 2020 ***(see Vuri PDD Annex 4 – item 4.6.5)***. Two Vuri members participated in a training on financial management and the use of the Money Story Tool in July 2019 ***(see Vuri PDD Annex 4 – item 4.1.4)***. Seven Vuri members participated in a business plan training in July 2024 ***(see Vuri PDD Annex 4 – item 4.6.6)***.	
7. Project design document (PDD) consultation	The Vuri PDD was presented to (in simplified format) and consulted with the VCA and the broader community on 1 October 2024. Following the consultation, the Vuri PDD was endorsed by the VCA members.	Vuri draft PDD Presentation and consultation of the Vuri PDD ***(see Vuri PDD Annex 5 – item 5.2.1)***

2.5 Stakeholder consultation

2.5.1 Design phase consultations

The development of the Vuri-project has followed the Nakau stakeholder consultation process outlined in Table 2.5.1. The table provides a short summary of the design phase consultations carried out with each stakeholder group listed in section 2.1.

Table 2.5.1: Overview over design phase consultations held in the Vuri project

Stakeholder group	How stakeholders are informed of and can provide feedback to the project	Feedback sought
Vuri clan members	Several community workshops were held by Nakau and NRDF from 2014 onwards to provide PES education and inform and consult on the carbon project design and delivery of outputs ***(see Vuri PDD Annex 4.1).***	• Aspirations and concerns regarding a forest carbon project • FPIC to project development
	A community workshop was held to inform and consult on the contents of the project agreement prior to signing ***(see Vuri PDD Annex 5.2)***	• Determination of project owner entities and roles/responsibilities • FPIC on terms of project agreement
	A community workshop was held to develop the project benefit sharing arrangements between Vuri sub clans and	• Definition of benefit sharing arrangements

Stakeholder group	How stakeholders are informed of and can provide feedback to the project	Feedback sought
	draft a business plan that outlines investment priorities ***(see Vuri PDD Annex 4.3)***	• Definition of community investment priorities
	NRDF assisted members of the Vuri clan association in participatory land use and project area mapping and in preparing the conservation management plan	Determination of carbon project area boundaries
	NRDF held a community meeting to inform on and consult the contents of the Vuri PDD prior to submission ***(see Vuri PDD Annexes 4.7 and 5.4)***	FPIC to PDD submission
	NRDF held a workshop with the Vuri clan association to develop a grievance redress mechanism ***(see Vuri PDD Annex 4.8)***	Development of grievance redressal procedures
Neighbouring tribes	NRDF facilitated meetings between the leaders of the Sikipozo tribe and all neighbouring tribes to confirm Vuri land boundaries. ***(see Vuri PDD Annex 5.3)***. In these meetings, information was shared about the PA process and carbon project development.	MoU signed by neighbouring tribal chiefs to formally confirm agreement over Vuri land boundaries
Choiseul Provincial Government	A letter was sent to the provincial premier by the Vuri clan association to inform and seek approval from the provincial government on the proposed PA establishment and conservation management ***(see Vuri PDD Annex 4.4.2)***	Provincial government support to the Vuri PA and conservation management
	A letter was sent to the provincial lands office by NRDF to consult on Vuri land boundaries ***(see Vuri PDD Annex 4.4.1)***	Provincial government to formally confirm Vuri land boundaries
Lauru Land Conference of Tribal Communities (LLCTC)	A letter was sent to the LLCTC by the Vuri clan association to inform and seek support the proposed PA process ***(see Vuri PDD Annex 4.4.2)***	LLCTC letter to the MECDM that states the organizations support to the establishment of the Vuri PA
Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM)	The Environmental Conservation Division (ECD) under the MECDM is the agency mandated with PA registration, hence ECD officers supervised the Vuri PA process. Concomitantly, ECD officers were made aware and kept informed on the carbon project design and development process	Regulation of PA process and ranger training
Ministry of Forestry and Research (MOFR)	A letter was sent to the MOFR to consult on potential spatial overlap between the proposed PA area and areas under logging licenses ***(see Vuri PDD Annex 4.4.4)***	Confirmation of absence of logging licenses over proposed PA area

Stakeholder group	How stakeholders are informed of and can provide feedback to the project	Feedback sought
Ministry of Mines, Energy and Rural Electrification (MMERE)	A letter was sent to the MMERE to consult on potential spatial overlap between the proposed PA area and mining tenements *(see Vuri PDD Annex 4.4.5)*	Confirmation of absence of mining tenements over proposed PA area

2.5.2 Stakeholder engagement plan

This section provides a localized engagement plan for each of the stakeholder groups identified in section 2.1

Table 2.5.2: Stakeholder engagement plan in the Vuri project.

Stakeholder group	Consultation approach and information sharing	Feedback mechanism
Vuri clan members (through Vuri clan association)	The Vuri clan association plays a central role in project governance as the 'project owner. It holds quarterly progress meetings and an annual general meeting, on which it reports to Nakau and NRDF	• Quarterly progress meeting minutes and annual general meeting reports prepared by the Vuri clan association and submitted to NRDF • NRDF staff participate in annual general meetings to personally receive and respond to feedback from clan members • NRDF maintains a local office and three staff in the project region. Throughout the project period the Vuri clan members can contact NRDF staff whenever needed. • Any complaints, issues or grievances will trigger Nakau's grievance mechanism (see section 3.17).
Neighbouring tribes	• Members of neighbouring Lopozinaka, Miqusava, Sirebe, Siporae and Tumisoka tribes are engaged through face-to-face dialogue and provided with information as requested • Neighbouring tribes are consulted on boundary issues or matters that arise during forest monitoring activities.	NRDF maintains a local office and three staff in the project region. Throughout the project period members of neighbouring tribes can contact NRDF staff whenever needed.
Choiseul Provincial Government	• NRDF is a member of a provincial steering group that holds regular meetings to provide general	Feedback is provided during meetings.

Stakeholder group	Consultation approach and information sharing	Feedback mechanism
	information and updates regarding project activities. • Contacted if there is any encroachment of logging in the vicinity of the Vuri project areas.	
Lauru Land Conference of Tribal Communities (LLCTC)	The LLCTC is contacted in case there are any emerging disputes over Vuri land	Feedback is provided during meetings.
Babatana Council of Chiefs	The Babatana Council of Chiefs is contacted in case there are any emerging disputes over Vuri land	Feedback is provided during meetings.
Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM)- Environmental Conservation Division (ECD)	• Due to it's role as the PA supervising body, there is close collaboration with the project owner and NRDF during the PA and carbon project development process • The Vuri PA management committee reports any violations to the PA regulations (that will trigger the issuance of infringement notices) • The Vuri PA management committees shall provide updates to the PA work in annual reports submitted to the ECD. • The ECD is responsible to inform the PA management committees if any changes in the PA legislation occur. • General engagement with MECDM staff occurs through mutual participation in forest carbon and conservation related meetings, workshops and working groups.	The ECD provides feedback directly to the project owners by contacting the respective PA management committees.
Ministry of Forestry and Research (MOFR)	• MOFR is informed if there is any encroachment of logging in the project areas. • General engagement with MOFR staff occurs through mutual participation in forest sector workshops and working groups.	• MOFR contacted directly in the case of logging encroachment. • Feedback through workshops and meetings.
New Zealand Ministry of Foreign Affairs and Trade (MFAT) – donor agency that financed the development of	• Monthly face-to-face coordination meetings are held between Nakau, NRDF and MFAT officers to verbally report on and discuss project updates	• Feedback provided in monthly coordination meetings, which is recorded in MoM

Stakeholder group	Consultation approach and information sharing	Feedback mechanism
the Vuri carbon project	• Information on progress is provided to MFAT in written format shared through bi-annual progress reports prepared by Nakau and NRDF. • Media releases on project activities and milestones by Nakau and donor.	• Feedback provided to as comments in the bi annual progress reports

2.6 Free, prior and informed consent (FPIC)

2.6.1 FPIC legislation

All Nakau projects in the Solomon Islands will follow the legal and statutory requirements for FPIC as described in Table 2.6.1.

Table 2.6.1: Solomon Islands National legislation and international standards on FPIC

Legislation/standard	Compliance measures
Protected Areas Act 2010 Relevance to project All projects are to establish a protected area (PA) under the Act as the legal instrument to protect the sites against logging and mining, while still allowing for customary use and management.	A meeting must be held with leaders of neighbouring tribes and local communities to obtain endorsement of the application and reach an agreement with respect to the boundary of the protected area (Regulation 44(1)(c)). A written agreement must be made between leaders of all neighbouring tribes (where applicable) and the landowning tribe making the PA application (Regulation 44(1)(d)). A map must be prepared displaying the boundaries of the proposed protected area. This must be signed by at least one leader of neighbouring tribes sharing a common boundary with the protected area (Regulation 44(1)). After the director receives the application the director must do some things before making a recommendation to the minister to declare the area protected or not. These include: • conduct meetings and consultation with the owners of the area or other persons who may be affected by the proposed declaration • carry out a field study to assess and evaluate the biodiversity significance of the area • verify the rights and interests in the area • publish in a newspaper having wide circulation in Solomon Islands a prescribed public notice setting out the area to be declared and the biodiversity significance of the area (PA Act Section 10(2)). There is a statutory process for landowners, or any affected person to make an objection to the proposed

Legislation/standard	Compliance measures
	declaration of a protected area which must be resolved prior to the PA being declared.
Charitable Trust Act (Chapter 55) Laws of the Solomon Islands 1996 Relevance to project Landowner participants are required to form and register a Tribal Association that must be owned by and represent all customary landowners (rights holders) in the project; including representing carbon rights holders in carbon credit transactions.	The following compliance measures are to be in place: • The Tribal Association must develop a constitution. • The constitution must be approved by the Registrar of Companies. • The Tribal Association must nominate trustees; the trustees must sign agreement to the constitution.
United Nations Declaration on the Rights of Indigenous People (UNDRIP) (United Nations 2008) and the Indigenous and Tribal Peoples Convention (1989) (also known as ILO 169). Relevance to project The Solomon Islands Government are not signatories to UNDRIP or ILO 169, however Nakau has committed to the FPIC principles under UNDRIP (which also align with ILO 169 principles)	Refer to section 2.6.2

2.6.2 FPIC process

Nakau operates under the principles of free, prior and informed consent (FPIC), defined by reference to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP),[6] and consistent with ILO 169, where:

- 'Free' means (Indigenous Peoples) are subjected to no force, bullying or pressure.
- 'Prior' means (Indigenous Peoples) have been consulted before the activity begins.
- 'Informed' means (Indigenous Peoples) are given all of the available information and informed when that information changes or when there is new information. If people don't understand this information then they have not been informed.
- 'Consent' means (Indigenous Peoples) must be consulted and participate in an honest and open process of negotiation that ensures:
  - All parties are equal, neither having more power or strength
  - Indigenous group decision-making processes are allowed to operate
  - Indigenous Peoples' right to choose how they want to live is respected.

FPIC is cross-cutting and applied throughout the participatory project design process (refer to section 0). However, there are some key decisions in the project development process where formal evidence of an effective FPIC process must be provided, referred to as 'FPIC triggers'. The triggers are key points in project

[6] United Nations, *United Nations Declaration on the Rights of Indigenous Peoples* (A/RES/61/295), 2007. https://social.desa.un.org/issues/indigenous-peoples/united-nations-declaration-on-the-rights-of-indigenous-peoples

design, development and implementation that trigger the need for a mandate or decision by the Indigenous project owner participants.

2.6.3 Initial FPIC

The FPIC processes and resources used in the Vuri project are described in Table 2.6.3. The evidence documentation linked to the FPIC processes (for example, signed meeting minutes and attendance lists of key decision processes) is provided in the ***Vuri PDD Annex 5***.

Table 2.6.3: Processes and decisions that require FPIC in the Vuri project

FPIC trigger	FPIC process in the Vuri project	Resources and tools used
1. Registry of a legally constituted project owner entity that represents all rights holders	The Vuri Clan Conservation Association (VCA) is the legal body that represents all Vuri rights holders and project beneficiaries. It consists of seven members which were appointed during the registration process. The members were endorsed at the annual general meeting ***(see Vuri PDD Annex 4 – item 4.2.3)***	Vuri Clan Conservation Association Constitution ***(see Vuri PDD Annex 2 - item 2.1.3)***.
2. Agreement with the terms and conditions of the Project Agreement	Education, consultation and agreement on benefit-sharing arrangements between the Vuri project parties and within the Vuri project owner. Consultation of the terms and FPIC before the signing of the Vuri project agreement by the VCA	Vuri Project Agreement ***(see Vuri PDD Annex 12)***
3. Agreement to PA establishment and rules and regulations as per PA management plan	Consultation process and signing of MoU on protected area boundaries with neighbouring tribes. The PA management committee was appointed through a tribal meeting ***(see Annex 5- item 5.3.4)*** The PA constitution is formally endorsed through a landowner consultation meeting ***(see Vuri PDD Annex 5- item 5.3.4)***.	Spatial data on Vuri land and PA boundaries ***(see Vuri PDD Annex 1)***. Vuri PA management plan ***(see Vuri PDD Annex 11)***.
4. Endorsement of PDD to be submitted for verification	Key elements of PDD presented and consulted for endorsement by the VCA before submission to Plan Vivo. ***(see Vuri PDD Annex 5- item 5.2.1)***.	Vuri PDD

3 Project design

Baselines

3.1 Baseline scenario

This section provides a stepwise analysis to demonstrate that commercial logging is the most realistic and credible baseline scenario for the Vuri project. The baseline assessment follows the procedures of the

CDM Methodological tool 02 version 1.0- Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities.

Step 0 – Preliminary screening of the project activity

This step involves confirmation that incentive from the planned sale of Plan Vivo Certificates was seriously considered in the decision to proceed with the forest conservation activity. This is evidenced by demonstrating that the start of the Vuri carbon project occurred before or at the same time as the start of the legal registration of the Vuri protected area.

Table 3.1a: Evidence of the preliminary screening requirements for the Vuri project

Action	Requirement	Documentation/evidence in the Vuri project
Start of project activity	The start of the Vuri carbon project occurred before or at the same time as the start of legal forest conservation.	The Vuri carbon project development agreement was signed in October 2019 (***see Vuri PDD Annex 2, item 2.2.2***) The Vuri protected area was registered on 21 March 2022 *(**see Vuri PDD Annex 2- item 2.1.5**)*.

From the evidence provided, we can substantiate that the incentive from the planned sale of Plan Vivo certificates was seriously considered in the decision to proceed with the forest conservation activity.

Step 1: Alternative land-use scenarios

Sub-step 1a: Compilation of alternative land-use scenarios

Step 1a consists of a compilation of credible and realistic future land-use scenarios which would occur in the Vuri project area in the absence of the project intervention, as follows:

Land-use scenario 1: Commercial logging and timber milling

Commercial logging is a widespread land-use activity in all provinces of the Solomon Islands and concentrated in lowland (production) forest below 400 metres elevation (although there is significant evidence of logging illegally penetrating elevations well above 400m). Commercial logging occurs as unplanned and unsustainable timber harvesting that leads to significant forest degradation and carbon emissions. Commercial logging is normally accompanied by timber milling where landowning groups locally process logs using portable sawmills with assistance from machinery owned by the logging companies. The existence and threats posed by commercial logging activities in the Babatana region is evidenced by numerous active logging operations in concession areas surrounding the Vuri project as well as other Nakau projects (***see Vuri PDD Annex 1 – item 1.2.4***).

Land-use scenario 2: Forest conservation without carbon project

This scenario constitutes the establishment of a protected area without being registered as a Plan Vivo project and in the absence of carbon market finance. This land-use scenario may be evidenced by the occurrence of current or historical forest conservation efforts in the project area/project region.

Sub-step 1b- Legal compliance of alternative land-use scenarios

Step 1b provides a verification of consistency of identified alternative land-use scenarios with enforced mandatory applicable laws and regulations.

Table 3.1b: Outcome of sub-step 1b: Legal compliance of land-use scenarios in the Vuri project area.

Land-use scenario	Legal context in the Solomon Islands	Context in the Vuri project
Commercial logging and milling	Commercial logging is legally sanctioned in areas below 400 metres elevation.	There are no areas above 400 metres elevation in Vuri land and the whole Vuri forest area is legally eligible for commercial logging.

Land-use scenario	Legal context in the Solomon Islands	Context in the Vuri project
	Commercial logging and timber milling require a felling and a milling license from the Ministry of Forestry and Research (MOFR) Source: Forest Resources and Timber Utilisations (Amendment) Act 2000, Chapter 40 (2000), Cap. 133, 44r ***(see Vuri PDD – supporting documents SD10)***.	Source: Vuri PA topographic map (***see Vuri PDD Annex 2, item 1.2.3***)
Forest protection without carbon project	Under Solomon Islands legislation, only areas that possess significant genetic, cultural, geological or biological resources are eligible to become protected areas. Source: Solomon Islands Protected Areas Act 2010 Part 3A ***(see Vuri PDD – supporting documents SD11)***.	The whole Vuri project area is eligible for legal forest protection under the Solomon Islands PA Act 2010. The Vuri project is located within the Mount Maetambe-Kolombangara River basin Key Biodiversity Area (KBA) that constitutes the habitat for fauna and flora of unique national importance. Sources: World Database of Key Biodiversity Areas: Mount Maetambe Key Biodiversity Area (Site ID 27490): https://www.keybiodiversityareas.org/kba-data

Step 2 — Barrier analysis

In the second step, a barrier analysis was carried out for each land-use scenario identified under step 1. The objective of the barrier analysis is to substantiate which of the alternative land-use scenarios would be prevented by barriers. The barrier analysis is carried out at two levels:

1. The national level — high-level analysis of barriers to prevent identified land-use scenarios in the Solomon Islands context.
2. The project level — analysis of barriers to prevent identified land-use scenarios in the site-specific context.

Sub-step 2a: Identification of barriers

Sub step 2a assesses eight barriers that could prevent each of the alternative land-use scenarios identified in step 1b at the national and at the project level.

Table 3.1c: Outcome of sub-step 2a: List Barriers that would prevent of commercial logging/milling in the national and Vuri project context.

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
Investment barriers	There are no investment barriers to prevent commercial logging/milling in the Solomon Islands. Tribal groups do not need to provide financial inputs to engage in logging. On the contrary, community members are usually incentivised to permit logging on their land through significant advance	There are several logging concessions in the vicinity of the Vuri project which demonstrates that logging companies are active and not experiencing investment barriers in the project region.

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
	payments. Logging operations are fully financed by the logging contractors.	Source: Map of logging concessions in the Babatana region (*see Vuri PDD Annex 1 – item 1.2.4*).
Institutional barriers	There are no institutional barriers from the Solomon Islands Government to prevent commercial logging/milling in production forest below 400m elevation. Logging revenue is the mainstay of the Solomon Islands economy and therefore is incentivised where legally possible. The Ministry of Forestry and Research is mandated with the issuance of felling and milling licenses in production forest.	The whole eligible forest area of the Vuri project is located within production forest below 400 metres elevation which can legally be logged. There are several active logging licenses in the Babatana region which demonstrate the lack of institutional barriers to logging in this area. Source: Map of logging concessions in the Babatana region (*see Vuri PDD Annex 1 – item 1.2.4*).
Technological barriers	There are no technological barriers that would prevent commercial logging/milling in the Solomon Islands. Logging contractors own or have access to the necessary equipment and human resources to carry out operations.	Timber harvesting plans produced by logging companies need to include a description of the equipment and machinery to be used in the logging operation. Source: Sample of timber harvesting plan in the Babatana region: Delta Timber Harvesting Plan, operation summary (*see Vuri PDD – supporting documents SD4*).
Barriers related to local traditions	There are no barriers related to local traditions to prevent commercial logging/milling except for sacred (tambu) sites. Trespassing into such sites can lead to heavy penalties imposed by the landowners.	Timber harvesting plans produced by logging companies include maps with locations of tambu sites to prevent trespassing and penalties. These sites only cover a minimal extent of the harvestable forest area. Source: Sample of timber harvesting plan in the Babatana region: Delta Timber harvesting Plan, map CY 2013 (*see Vuri PDD – supporting documents SD4*).
Barriers related to prevailing practice	There are no barriers related to prevailing practice to prevent commercial logging/milling in the Solomon Islands. Commercial logging and milling are among the most common land uses throughout the country as shown by numerous active and inactive logging licenses covering all provinces.	Commercial logging is common practice in the area surrounding the Vuri project as shown by numerous active and inactive logging licenses. Source: Map of logging concessions in central Choiseul (*see Vuri PDD Annex 1 – item 1.2.4*).
Barriers related to	There are no ecological barriers to prevent commercial logging/milling in	The whole Vuri project area is covered by undisturbed forest. Forest inventory

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
environmental conditions	undisturbed natural forests in the Solomon Islands. Undisturbed and moderately disturbed forests hold valuable commercial timber stocks that would allow for feasible logging/milling operations. The majority of the legally permissible production forest area is suitable for logging in terms of topography and access.	results demonstrate the existence of significant commercial timber resources Source: Vuri forest inventory data (**see *Vuri PDD Annex 6a***). The topography of the Vuri EFA is mostly accessible to commercial logging Source: Vuri PA topographic Map (***see Vuri PDD Annex 1 – item 1.2.3***).
Barriers related to socioeconomic conditions	There are no socioeconomic barriers to prevent commercial logging/milling in the Solomon Islands. At the remote village level, people often welcome logging as an opportunity for development, money, jobs, roads and services. Decision making on logging (through a timber rights hearing) is usually manipulated and done without the consent of the majority of rightsholders who may have objections. Benefit distribution from logging in the communities is not transparent or inclusive and mostly disproportionally benefits groups. Source: Minter. T. et al. 2018, from Happy Hour to Hungry Hour: Logging, Fishing and Food Security in Malaita (***see Vuri PDD – supporting documents SD5***).	There are no socioeconomic barriers that would prevent commercial logging/milling in the Vuri project. The livelihood baseline survey demonstrates that two-thirds of the households in Vuri earn less than SBD 1000 (USD 125) per month. It is the necessity of cash paired with the lack of income opportunities which is the main driver of commercial logging/milling in remote communities such as Vuri. Source: Vuri livelihood baseline report 2022 (***see Vuri AR 2022-24, Annex 6***).
Barriers related to land tenure	There are no barriers to prevent commercial logging/milling in areas of customary land tenure. The Forest Resources and Timber Utilisation Act provides a legal pathway to separate timber rights from customary land ownership, thereby enabling timber rights to be legally transferred to third parties. Source: The Forestry Resources and Timber Utilisation Act Part III: Approved timber agreements affecting customary land (***see Vuri PDD – supporting documents SD10a***).	There are no barriers related to land tenure in the Vuri project

Table 3.1d: Barrier analysis of forest protection (without a forest carbon project) in the national and Vuri-project context

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
Investment barriers	There are investment barriers to prevent the establishment of protected areas by communities in the Solomon Islands. The regular costs related to PA establishment amount to about SBD 200,000 and include a biodiversity survey, meetings and funding visits from the Solomon Islands Government. There may be substantial additional costs related to legal services to settle objections. The costs are prohibitive for rural communities and require external funding.	There are investment barriers to prevent the establishment of a legal protected area in Vuri. The establishment of the Vuri PA was financed with donor support from the Critical Ecosystem Partnership Fund, Bread for the World and New Zealand Ministry of Foreign Affairs and Trade (channelled through NRDF) since the start.
Institutional barriers	There are institutional barriers to prevent the establishment of protected areas in the Solomon Islands. The Solomon Island Government, through the PA Act 2010, sets eligibility criteria for PAs related to the presence of significant genetic, cultural, geological or biological resources. Source: Solomon Islands Protected Areas Act 2010 Part 3A (***see Vuri PDD – supporting documents SD11***). Commercial logging is the mainstay of the Solomon Islands economy, and the government is wary of an increasing number of PAs in areas which it considers production forest. Source: Information on annual revenue from round log exports: https://www.cbsi.com.sb/publications/annual-report/	There are no institutional barriers to prevent the establishment of protected areas in the Vuri project. All Nakau projects in the Babatana region enjoy government support from the MECDM due to their location within the Mount Maetambe-Kolombangara River Basin Key Biodiversity Area. Source: World Database of Key Biodiversity Areas: Mount Maetambe Key Biodiversity Area (Site ID 27490): https://www.keybiodiversityareas.org/kba-data
Technological barriers	There are technological barriers to prevent the establishment and adequate management of protected areas by rural communities in the Solomon Islands without external support and finance. The protected area process involves the preparation of a biodiversity survey and protected area management plan, and both require specialised expertise not readily available in rural communities.	There are technological barriers to prevent the establishment and adequate management of a protected area in Vuri without external support. The whole protected area process and preparation of the management plan were supported with technical expertise and on-the-ground support by NRDF.

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
	Source: Protected Areas Toolkit (see Vuri PDD – supporting documents SD12).	
Barriers related to local traditions	There are barriers related to local traditions to prevent the establishment of protected areas in the Solomon Islands. Traditionally, nature conservation follows customary law and there is limited knowledge in remote communities about establishing legal protected areas.	There are barriers from local traditions related to the establishment of a legal PA. Traditional protected areas (community-based conservation areas) follow traditional (kastom) rules that might be very different from the PA regulations defined by the government. Landowners usually have little knowledge on the PA regulations and are often harbour concerns about negative impacts on customary land tenure and resource rights.
Barriers related to prevailing practice	There are barriers related to prevailing practice to prevent the establishment of protected areas in the Solomon Islands. More than a decade after the institution of the Protected Area Act 2010 and its regulations, the instrument is still relatively unknown and adoption is of limited scale. There are currently only eight PAs established in the country, most of them in the Babatana area and all in combination with forest carbon projects. Source: Solomon Islands Environmental data portal. https://solomonislands-data.sprep.org/dataset/world-database-protected-areas	There are no barriers to prevailing practice in the Babatana region where the Vuri project is located. Vuri is the 4th PA that was established in the region, out of a cluster currently 8 PA sites (4 active and 4 proposed) Source: PA cluster Babatana map (**see Vuri PDD Annex 1 – item 1.2.6)**.
Barriers related to ecological conditions	There are barriers related to ecological conditions to prevent the establishment of a protected area in the Solomon Islands. The PA Act 2010 prescribes that PAs can only be established in places that possess significant genetic, cultural, geological or biological resources. Source: Solomon Islands Protected Areas Act 2010 Part 3A. (***see Vuri PDD supporting documents - SD11***).	There are no barriers related to ecological conditions to prevent the establishment of a protected are in the Vuri project. Vuri is located within the Mount Maetambe-Kolombangara River Basin Key Biodiversity Area which is recognised by the Solomon Islands Government to hold significant biodiversity value. Sources: World Database of Key Biodiversity Areas: Mount Maetambe Key Biodiversity Area (Site ID 27490): https://www.keybiodiversityareas.org/kba-data
Barriers related to	There are socioeconomic barriers to prevent the establishment of protected areas in the Solomon Islands. There is	There are socioeconomic barriers to prevent the establishment of a protected area in the Vuri project. The whole PA

Barrier type	Barrier description and evidence in the Solomon Islands context	Barrier description and evidence in the Vuri project context
socioeconomic conditions	little incentive for landowners to establish protected areas because these cannot generate income for the landowners. This is a serious socioeconomic deterrent to this sort of land use. This is demonstrated by the fact that all terrestrial protected areas in the Solomon Islands are currently linked with forest carbon projects.	process was financially supported with donor support from the Critical Ecosystem Partnership Fund, Bread for the World and the New Zealand Ministry of Foreign Affairs and Trade (channelled through NRDF).
Barriers related to land tenure	There are barriers related to land tenure to prevent the establishment of protected areas in the Solomon Islands. There is widespread landowner concern that PA establishment leads to loss of ownership or access to resources. These concerns have proven to be strong barriers to landowner engagement in formal forest conservation. To overcome this, significant time is needed for awareness-raising and community consultation from the project coordinator side. Source: Price, S. (2022) Protected Area Memo (***see Vuri PDD – supporting documents SD15***). The PA process often triggers objections due to disagreement over locking up the area for forest conservation or over land ownership. Objections often need to be formally settled through onerous and costly legal processes that would deter the PA establishment without external financial support.	There are barriers related to land tenure to prevent the establishment of the Vuri PA. The Vuri PA public notice issued in December 2019 triggered an objection by the Varapaka Tribe (***see Vuri PDD – supporting documents SD8***) who claimed ownership over part of Vuri land (denominated reserved area, see Figure 1.2.2). The disputed area was subsequently excluded from the PA, thereby reducing the extent of the PA by 43 hectares. The dispute was ultimately ruled in favour of the Vuri Clan by the high court in October 2022 (***see Vuri PDD-supporting documents- item SD22***). The legal fees required by the high court case were covered by NRDF. The Vuri case demonstrates how land disputes can disrupt the PA and carbon project development processes.

Sub-step 2b: Summary of barriers by alternative land uses

Sub-step 2b summarises the identified barriers under sub-step 2a in each of the alternative land-use scenarios.

Table 3.1e: Summary of barriers by alternative land uses

Alternative land-use scenario	Number of barriers identified in the Vuri project
Land-use scenario 1: Commercial logging/milling	0
Land-use scenario 2: Forest conservation (without a forest carbon project)	5

From Table 3.1e we can substantiate that in the context of the Vuri project, the barriers identified as preventing the realisation of land-use scenario 2 are valid and conclusive.

Sub-step 2c – Determination of the baseline scenario

The outcome of sub-steps 2a and 2b demonstrates that commercial logging is the only land-use scenario that is not prevented by any barriers and therefore is the baseline scenario in the Vuri project.

Step 3 – Investment analysis

An investment analysis is required only if the outcome of sub-step 2b reveals more than one land-use scenario that is not prevented by any barriers. An investment analysis is not required in the Vuri project context because commercial logging is the only the land-use scenario which is not prevented by any barriers.

Step 4 – Common practice analysis

The common practice analysis complements the barrier analysis with an analysis of the extent to which forest conservation activities have already diffused in the geographical area of the proposed project activity.

Outcome of step 4

Forest conservation without the option of carbon finance is not an activity that has diffused into the Babatana region. There are currently seven protected areas in the region that were established or are in the process of being established, all with the intention to develop a forest carbon project and trade carbon credits. In 2009, the Babatana region was included in an effort to create a large forest conservation area covering the whole of south-western Choiseul Island. The attempt ultimately failed due to lack of income opportunities, and most of the areas have since been commercially logged. This shows that forest conservation activities without carbon finance do not work in the Babatana region or elsewhere in the Solomon Islands.

Source: WWF 2009, Report on the biodiversity of three proposed protected areas on south-west Choiseul Island. ***(Vuri PDD – supporting documents SD9)***

3.2 Carbon baseline

The carbon baseline equals the net baseline emissions (NBE) as shown in the table below:

Table 3.2: Net baseline emissions (NBE) by rotation in the Vuri project

Rotation	Years	Net baseline emissions NBE (t CO_2e yr^{-1})
Annual average rotation 1	01–15	15,091
Annual average rotation 2	16–30	5,056
Annual average crediting period	01–30	10.073

3.3 Livelihood baseline

3.3.1 Initial livelihood status

Each Nakau project in the will conduct a livelihood baseline assessment to understand the livelihood status of the primary project participants prior to the first issuance of PVCs. The livelihood baseline specifically targets the project participants (project owners) and provides the benchmark for monitoring project-related livelihood changes. The results of the livelihood baseline assessment are documented in the livelihood baseline report, that is provided as an annex with the first annual report.

The livelihood baseline data for the Vuri project was collected through a survey using formal standardised questionnaires consisting of both open-ended and close-ended questions. The interviews were conducted in Sasamungga, in the villages Vavudu, Vua and Pirini where the members of the Vuri clan reside. The survey was carried out on 20–25 June 2022 through interviews in in 21 households. The interviews were carried out with 9 men and 11 women.

The methodology used to conduct the Vuri livelihood baseline survey is provided in the Vuri monitoring plan, ***(see Vuri PDD Annex 13)***, The data and report of the Vuri livelihood baseline survey are provided as supporting documents to the first ***Vuri Annual Report – AR Annex 6***.

Table 3.3.1: Summary of initial livelihood status in the Vuri project.

Livelihood criteria	Livelihood status
Access to land	Secure
Access to resources	Secure
Main land uses	Subsistence and commercial agriculture Collection of non-timber forest products Hunting/fishing Small-scale timber harvesting for domestic purposes
Livelihood activities and income sources (% of households)	Sale of cash crops: 80% Informal employment: 38.5% Formal employment: 43% (Total) 33% 1 household member 10% 2 household members Remittances from outside: 15%
Income contribution (% of households)	Men contribute most: 23.8% Women contribute most: 9.5% Both genders contribute equally: 66%
Education (% of households)	Tertiary school graduation: 25% Secondary school graduation: 48% Vocational school graduation: 15%
Income level (SBD per month)	SBD 1–500: 33% SBD 500–100: 33% SBD 1000–2000: 33%
Main expenditures	Food Household goods School fees Clothes Church donations
Expenditure level in SBD per month (% of households)	SBD 0–500: 48% SBD 500–1000: 43% >SBD 1000: 8%
Percentage of households that can save some money	Yes (typical month): 33% Yes (some months): 61%

Livelihood criteria	Livelihood status	
	No	5%
Power source (% of households)	90% use solar energy as the only power source. 10% have access to a generator	
Water source (% of households)	Mains water supply Rainwater tank River	81% 38% 30%
Sanitary (% of households)	Flush/pour flush toilet Open-pit toilet Seaside or bush	53% 5% 40%
Housing (% of households)	Permanent house Traditional leaf house Semi-permanent house	57% 9.5% 33%

3.3.2 Expected livelihood change

Table 3.3.2 provides a summary of expected change to livelihood status for local and secondary stakeholders under the baseline scenario of commercial logging.

Table 3.3.2: Expected livelihood change of project owners in the baseline scenario

Stakeholder group	Expected livelihood change in baseline scenario
Project owner	Livelihood benefits from commercial logging are provided mainly in four areas: • income from logging royalties • income from timber milling and timber sales • improved access/market conditions for agricultural products • employment benefits. The following section describes the expected benefits and in each of the abovementioned areas. Several studies have highlighted that the royalties paid by logging companies in the Solomon Islands provide only low and short-term benefits for rural communities. This is mainly due to an unequal distribution of benefits where the majority is captured by an elite group of individuals and only a fraction remains to be distributed among the rest of the beneficiaries. Royalties income at the household level is commonly quickly used up in everyday expenditures and is seldom enough to provide investment opportunities or lasting livelihood improvements. Timber milling normally occurs in conjunction with logging. Logging companies often help transport logs to milling sites, and sometimes provide portable sawmills to landowners. Depending on the scale, milling income can be significant but is usually high for a few (e.g. owners of portable sawmills and other machinery) and low for most (the workforce). Milling is relatively short-lived and ceases with the completion of the logging operations. One of the logging impacts that is welcomed by many landowners is the logging road network that creates access to previously less accessible forest areas. This gives

Stakeholder group	Expected livelihood change in baseline scenario
	landowners the opportunity to create new gardens and cultivate crops that can easily be transported and sold. Logging operations further tend to create new market sites as log ponds and logging camps concentrate workers. Again, this benefit is relatively short-lived as the logging infrastructure is transient and quickly deteriorates without maintenance, and the improved access and marketing conditions diminish. Local employment in logging is short-term and characterised by low wages and long working hours which make it unattractive to many villagers. In summary, commercial logging does create livelihood benefits for communities, but they are mostly short-lived and not fairly distributed. Logging companies act out of purely commercial interests and do not have community livelihoods as a priority. At the community level and over the long-term (i.e. compared to a 30-year carbon market project), the livelihood status of the project owners is not expected to improve under a logging baseline and may in fact deteriorate due to reduced ecosystem services and greater vulnerability of communities to extreme weather events resulting from forest degradation.
Neighbouring tribes	Logging provides little direct impact and livelihood change for neighbouring communities. Depending on the circumstances, neighbouring landowners may negotiate 'bush deals' with logging companies to harvest trees within their tribal land boundaries outside the concession boundaries to earn income or trade for hiring the logging machinery for clearing land or roads in their area.
Solomon Islands Government	The Solomon Islands Government would earn revenue from log export duty.

Source: Minter et al., 2018 (***see Vuri PDD supporting document SD5***)

3.4 Ecosystem baseline

3.4.1 Initial ecological conditions

All Nakau avoided-logging projects aim to protect undisturbed or moderately disturbed natural rainforest forest which could be legally logged in the baseline (e.g. forest areas below 400m elevation).

According to the Solomon Islands forest classification, the existing forest habitat types are lowland and hill rainforest, swamp forest, riverine forest and coastal forest. The minimum requirement for establishment of the ecosystem baseline is to undertake a biodiversity review of published literature. Where resources allow, projects should also implement a baseline biodiversity survey. Where relevant, projects should identify species that have local cultural significance. The following section describes the initial ecological conditions in the Vuri project.

Forest types: The whole Vuri EFA is covered by undisturbed old-growth natural forest. According to data from the National Forest Resource Inventory, the main forest habit types in the area are lowland (LM) and hill rainforest (HM), on well-drained soils ***(see Vuri PDD Annex 1 – item 1.25)***. Other forest types which occur on a smaller scale are riverine forest (bordering rivers and streams) as well as swamp forests (on poorly drained soils)

Key species: A comprehensive baseline biodiversity inventory in the forest habitats of the Mount Maetambe-Kolombangara River Basin was carried out in 2014, which includes the area of the Vuri-project (see ***Vuri PDD – supporting documents SD13***). The results from this work provide a comprehensive list of fauna and flora species that inhabit the region. 13 species were identified as potential key species of high conservation value and/or concern (see section 4.4). The criteria for the selection of key species were:

- At least vulnerable status as per the IUCN red list, and/or
- Endemism/limited geographical range, and/or
- Threats from human disturbance

3.4.2 Expected ecosystem change

This section provides a description of how ecological conditions in Nakau projects are expected to change under a commercial logging baseline. The initial ecological condition in avoided logging projects is undisturbed or slightly disturbed natural forest.

Several studies have shown that commercial logging is highly unsustainable and destructive in the whole country.[7] The lack of adequate regulations and enforcement result in overharvesting and significant forest damage and loss. Forests are usually repeatedly logged with such high intensities that the ecological functions and regenerative potential of the forest ecosystems are severely impaired. Under a logging baseline, all forest ecosystems in Nakau projects would be subjected to severe disturbance, causing changes to ecological conditions and ecosystem services, as described in Table 3.4.2 below.

Table 3.4.2: Expected ecosystem change in a commercial logging baseline

Driver of ecosystem change	Description of ecosystem change
Unsustainable, high intensity timber harvesting	Reduction of large, mature trees and the ecological functions these provide
	Changes to species composition and loss of diversity through depletion of valuable commercial tree species
	Destabilisation of forest structure and increased vulnerability to strong winds
	Damage and destruction of residual stand and natural regeneration from felling
	Mortality and impaired natural regeneration through post invasion of degraded residual stand by climbers (particularly *Merremia peltata*)
Excessive forest clearing for logging infrastructure	Loss and fragmentation of forest cover, degradation of forest habitats and reduction of biodiversity and carbon stocks
	Loss of sensitive fauna species that depend on undisturbed, closed canopy forest
	Increase of fauna species that thrive in open vegetation and xylophagous species
	Increase in pioneer species and climbers
	Mortality of forest habitats through impaired drainage from blockage of waterways with logs and soil
	Changes to water quality and loss of sensitive river species that depend on high water quality
	Soil pollution from leakage of oil and lubricants from heavy machinery used in logging operations
	Loss of vulnerable and endangered fauna through increased hunting pressure
Increase of post-logging clearing of	Further loss and fragmentation of forest cover and loss of biodiversity and carbon stocks

[7] Global Witness, *Paradise lost: How China can help the Solomon Islands to protect its forests*, 2018. https://www.globalwitness.org/en/campaigns/forests/paradise-lost/; T Minter, G Orirana, D Boso and J van der Ploeg, *From happy hour to hungry hour: logging, fisheries and food security in Malaita, Solomon Islands*, 2018, WorldFish. https://hdl.handle.net/20.500.12348/689

Driver of ecosystem change	Description of ecosystem change
forest for agriculture along logging roads	Agricultural activity creates pathways for population with invasive species in forest clearings and drives changes in species composition
	Increase in pioneer species and climbers in fallows

Theory of change

3.5 Project logic

The following results diagram (Figure 3.5) and project logic (Table 3.5a) are applied to all avoided logging and forest protection projects developed by the Nakau Programme. The diagram steps through the long-term and medium-term outcomes resulting from the project outputs and activities.

Aim: To provide a viable alternative for sustainable economic participation that:

- protects forests, forest biodiversity and the ecosystem services they provide
- supports and strengthens Indigenous Peoples' rights to land, resources and cultural well-being
- provides a fair distribution of benefits that results in positive community development outcomes.

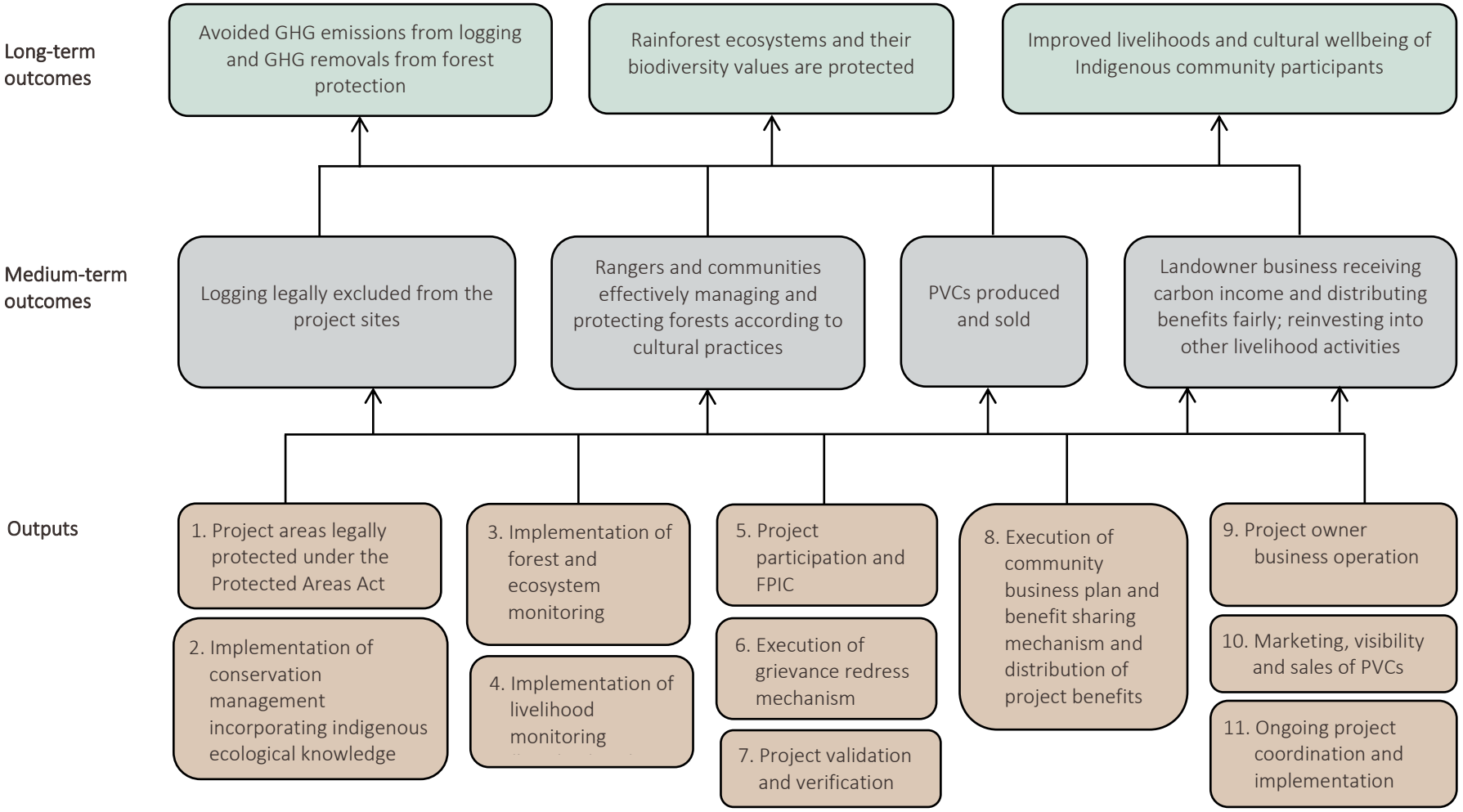

Figure 3.5: Nakau results diagram for avoided logging projects

Table 3.5a: Project logic for avoided logging projects

Problem

The project seeks to address the baseline activity of unsustainable commercial logging that creates long-term impacts on the environment and communities. The problems include:

- environmental damage to forests, waterways and loss of biodiversity
- carbon dioxide emissions that contribute to climate change
- social impacts, including conflict and breakdown of traditional governance
- cultural impacts, including loss of cultural resources (e.g. medicinal plants) and damage to sacred sites
- unequal and unfair distribution of benefits from development
- lack of viable alternative models for sustainable economic activities centred on forest resources.

Project aim

The project objective is therefore to provide a viable alternative for sustainable economic participation that:

- protects forests, forest biodiversity and the ecosystem services they provide
- supports and strengthens Indigenous Peoples' rights to land, resources and cultural wellbeing
- provides fair distribution of benefits that results in positive community development outcomes.

Long-term outcomes	Assumptions
Avoided GHG emissions from logging or land use change, and/or enhanced GHG removals from forest restoration	Commercial/industrial scale logging would occur in the baseline scenario.
Rainforest ecosystems and their biodiversity and cultural values protected	Logging is the main threatening process to the project forest areas and that it's exclusion will protect its values. Other threatening processes (e.g. invasive species or land clearing over-will further degrade forest ecosystems after logging
Improved livelihoods and cultural wellbeing of Indigenous community participants	PVCs are created and sold, and sufficient income is returned to participants in a way that has positive, culturally appropriate livelihood impacts
Medium-term outcomes	**Assumptions**
Logging and mining legally excluded from project sites	Protected Areas Act 2010 and PA regulations 2012 enforced by the Government
Rangers and communities managing forests according to forest conservation plan and sound scientific and cultural practices	The capacity of rangers to implement the forest conservation management plan
Plan Vivo Certificates produced and sold	Solomon Islands Government policy and regulations allow VCM activities Suitable market conditions, stable buyer demand
Landowner businesses receiving carbon credit income and distributing benefits fairly; reinvesting into other livelihood activities	Local capacity and good governance, access to markets and opportunities

Table 3.5b details the outputs and activities required to achieve project outcomes and identifies the expected results and assumptions in the Vuri project.

Table 3.5b: Project outputs and activities.

Outputs and activities	Expected results	Assumptions
Output 1: Vuri project area legally protected under the Protected Areas Act 2010	Logging and mining legally excluded from project area	MEDCM supports PA establishment
Activity 1a: The Vuri Project owner maintains the protected area status throughout the project period		
Output 2: Implementation of conservation management incorporating Indigenous Ecological Knowledge	Vuri PAMC and rangers managing the forest and enforcing the rules of the CMP	PAMC and rangers have capacity to undertake the work
Activity 2a: The Vuri PA management committee actively manages the Vuri PA Activity 2b: Vuri PA management effectively prevents commercial logging and mining from entering the area Activity 2c: Vuri rangers implement PA conservation activities Activity 2d: The Vuri CMP is revised and updated regularly by the PAMC Activity 2e: The Vuri PA management infrastructure is maintained		
Output 3: Implementation of forest and ecosystem monitoring	The integrity of the Vuri PA is monitored and maintained	PAMC and rangers have capacity to undertake the work
Activity 3a: Vuri PA maintains adequate ranger staff to implement forest monitoring Activity 3b: Implementation of field-based forest and ecosystem monitoring activity Activity 3c: Implementation of remote forest monitoring (forest change assessment) Activity 3d: Implementation of ecosystem monitoring		
Output 4: Livelihood monitoring	Livelihood indicators measured	Communities / households agree to participate
Activity 4a Vuri livelihood monitoring survey is regularly conducted Activity 4b: Project impacts on livelihoods are regularly evaluated		
Output 5: Project participation and FPIC	Informed landowner participation and ability to provide or withhold FPIC	Participatory approaches are effective to achieve broad community and stakeholder engagement.
Activity 5a: Implementation of inclusive PES education and training activities, including knowledge/information exchange Activity 5b: Streamlining GEDSI into project governance Activity 5c: Broad stakeholder engagement		
Output 6: Grievance redressal mechanism (GRM)	Grievances or disputes communicated and addressed	Participants agree to utilise dispute resolution system
Activity 6a: Implementation of grievance redressal mechanism (if grievances arise)		
Output 7: Execution of benefit sharing mechanism and distribution of benefits	Project benefits are fairly and transparently distributed according to	Vuri Clan Association has the capacity to manage benefit distribution

Outputs and activities	Expected results	Assumptions
	the business and benefit sharing plan	
Activity 7a: Disbursement of sales revenue in accordance with benefit sharing plan. Activity 7b: Monitoring of benefit distribution		
Output 8: Landowner business entity operation	Landowner business operation is managed according to business and financial plan	Vuri Clan Association has the capacity to manage business operation
Activity 8a: Tribal business operation, monitoring and reporting Activity 8b: Business and financial plans are updated regularly		
Output 9: Marketing, visibility, and sales of Plan Vivo Certificates	Buyer, donor and investor support for the project	Positive response to marketing and visibility actions
Activity 9a: Development of marketing materials for Nakau channels including stories, photos and case studies. Activity 9b: Marketing and sales of carbon credits		
Output 10: Ongoing project coordination/implementation support	Adherence to and maintenance of project implementation systems; meeting all Plan Vivo requirements	Ongoing capacity and viability of project operator (Nakau) and project Coordinator (NRDF)
Activity 10a: Technical support & training for project monitoring, project governance, project verification, business management and development of livelihood activities Activity 10b: Provision of information and data management services.		

Technical specification

3.6 Project activities

Table 3.6: Summary of activities and inputs in the Vuri project

Project intervention	Project activities	Inputs
Avoided forest degradation-Logged to Protected Forest (AFD-LtPF)	The project activity consists of establishing and maintaining a legally protected area (PA) that prevents the issuance of logging or mining licenses in the Vuri project area. The project activity will involve the active conservation management of the Vuri PA through the PA management committee (PAMC) and rangers, with the objective to minimize damage to forest ecosystems and biodiversity, as well as loss of forest carbon stocks. Conservation management actions are depicted in the Vuri Conservation Management Plan	Inputs to the project activities are provided by different actors, as follows: Vuri PAMC: Oversees PA conservation management according to the CMP, holds regular PA management meetings and reports to the MECDM Vuri Rangers: Carry out forest and ecosystem field monitoring, collect field data and report to PAMC and NRDF

Project intervention	Project activities	Inputs
	(CMP), and will focus on regular forest and ecosystem monitoring, carried out through field inspections as well as remote sensing. Additional activities include education, capacity building, and research in forest ecology, conservation and nature based solutions.	VCA: Funds PA operational costs through sales of carbon credits NRDF: Provides on-site technical support and training in forest monitoring and carbon project management to the PAMC and forest rangers. Processes and stores forest monitoring data, and reports results to Nakau. Nakau: Provides methodology for carbon and ecosystem monitoring and project technical specification. Provides technical support and to NRDF and Vuri project owner. Oversees annual reporting to Plan Vivo.

3.7 Additionality

This section provides the main barriers to the implementation of the Vuri forest carbon project activity and a description and documented evidence of how these barriers will be overcome.

Table 3.7a: Barrier analysis of project activity in the Vuri project

Main barriers	Description of barriers in the Vuri project context	Activities to overcome barriers in the Vuri project
Investment barriers	PA and carbon project development requires significant investment which the Vuri community does not possess. Funding needs to be sourced externally with the help of a project coordinator.	Nakau and NRDF have sourced donor funding from NZ MFAT, Bread for the world, and FAO to finance the development of the Vuri PA and carbon project starting in 2017. NRDF have financially supported the court case to settle a dispute over Vuri land to enable PA establishment (see barriers related to land tenure).
Institutional barriers	In the Vuri project context, there are no institutional barriers. The project area is located in the Mount Maetambe-Kolombangara Basin Key Biodiversity Area[8] and therefore enjoys full support for protected are development through the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM).	n/a
Technological barriers	The Vuri customary landowners lack the technical skills and infrastructure to develop a protected area and	Nakau and NRDF have assigned a team of experts that provide technical assistance

[8] https://www.keybiodiversityareas.org/kba-data

Main barriers	Description of barriers in the Vuri project context	Activities to overcome barriers in the Vuri project
	forest carbon project without significant external support. For this purpose, they have signed a project development agreement with Nakau and NRDF.	and training to the project owners and who guide project development. NRDF has established a field office in Sasamungga, which provides services to support to the Vuri project owners.
Barriers related to local traditions	In the patrilineal society and leadership systems prevalent in Babatana communities including Vuri, women are traditionally marginalised in decision making over land use.	Nakau projects seek to strengthen marginalized groups through inclusive engagement and participation in project design and governance processes and the application of free, prior and informed consent (FPIC) throughout project development and implementation.
Barriers related to prevailing practice	Before the beginning of engagement with NRDF, legal forest protection under the PA Act 2010 and forest carbon approaches were new and poorly understood concepts to the Babatana communities including Vuri, and there were no previously established protected areas or carbon projects in the region.	Project development involves ongoing education and awareness-raising measures that aim to improve the project owners understanding and capacity to manage the Vuri protected area and forest carbon project.
Barriers due to environmental conditions	There are no barriers due to ecological conditions in Vuri. The project area is located within the Mount Maetambe-Kolombangara River Basin Key Biodiversity Area[2]. The KBA constitutes the habitat of species of wild fauna and flora of unique national and international importance and therefore meets the eligibility criteria for legal protection under the PA Act 2010.	n/a
Barriers related to social conditions	In the local leadership systems in Babatana including Vuri, decision-making over benefit distribution is traditionally placed on the chief and/or influential members of the tribe. This circumstance may represent a barrier to transparent and equitable benefit sharing.	Nakau has guided the community to establish a project governance and benefit sharing system that ensures equal participation in project decision-making and fair and transparent benefit distribution among project beneficiaries.
Barriers related to economic conditions	The prospect of logging income represents a socioeconomic barrier to the project activities in Vuri. Like many other communities, in the absence of forest carbon finance, Vuri project participants would have	To overcome economic barriers, Nakau and NRDF have sourced funding and invested years of work into the development of the Vuri protected area and forest carbon project. In the project implementation phase, Vuri beneficiaries will generate

Main barriers	Description of barriers in the Vuri project context	Activities to overcome barriers in the Vuri project
	likely given in to external and internal pressure to generate revenue from logging.	significant income through the sales of carbon credits that can compensate forgone income from alternative (non-conservation) land uses like logging in the project area.
Barriers related to land tenure	There are barriers related to land tenure that have disrupted the establishment of the Vuri PA. The public notice issued in December 2019 triggered an objection by the Varapaka Tribe **(see Vuri PDD – supporting documents SD8)** who claimed ownership over part of Vuri land (denominated reserved area, see Figure 1.2.2). To avoid significant delays in the PA process, the disputed area had to be excluded from both PA and carbon project, thereby reducing the extent of the project area by 43 hectares. The dispute was ruled in favour of the Vuri Clan by the high court nearly 3 years later in October 2022 (**see Vuri PDD- supporting documents- SD22**).	The legal fees required to pay for the high court case were covered by NRDF through donor funding from the New Zealand MFAT CFFC Project.

Table 3.7b: Regulatory surplus assessment

Project Intervention	Relevant laws, statues or other regulatory frameworks that could arguably promote intervention	How the interventions fall outside the scope of laws or how laws or not effectively enforced
Avoided commercial logging and legal forest protection	Commercial logging is legally prohibited in forest areas above 400m elevation.	The legislation is not applicable to Vuri as the whole project area falls below 400 metres elevation which can be legally logged.

3.8 Carbon benefits

This section provides a summary of the expected carbon benefits from the Vuri project over the first crediting period. Full details of procedures for estimating carbon benefits are provided in ***Annex 7 – Vuri technical specification***.

Table 3.8a: Expected carbon benefits summary in the Vuri project

Vuri project	Baseline emissions	Project emissions	Leakage emissions	Net carbon benefit
	(t CO_2e/ha)	(t CO_2e/ha)	(t CO_2e/ha)	(t CO_2e/ha)
Total Emissions	712.6	0.0	-15.3	697.3

Total Removals	-176.2	34.7	0.0	-141.5
Net Benefits	536.4	34.7	-15.3	555.8

Table 3.8b: Plan Vivo Certificates potential in the Vuri project

Project	Project Area	Net Carbon Benefit		Risk Buffer	Potential PVCs	
	(ha)	(t CO_2e)	(t CO_2e/ha)	(t CO_2e)	(t CO_2e)	(t CO_2e/yr)
Vuri Sub- Project	563.4	313,115	555.8	62,623	250,492	8,350

Risk management

3.9 Environmental and social safeguards

3.9.1 Exclusion list

There are no activities in the Vuri project that are part of the Plan Vivo exclusion list ***(see Vuri PDD Annex 8)***.

3.9.2 Environmental and social screening

Table 3.9.2 provides a summary of the environmental and social risk screening report for the Vuri project. This section may be updated from time to time subject to new information, research or changing conditions.

The E&S screening was carried out by Solomon Islands based Nakau and project coordinator staff that are intimately familiar with the project circumstances, and the scores for risk likelihood and magnitude have been provided by the Plan Vivo E&S reviewers. The detailed environmental and social screening report is provided in ***Vuri PDD Annex 9***.

Table 3.9.2: Summary of environmental and social risk screening in the Vuri-project

Risk area	Likelihood (1–5)	Magnitude (1–5)	Significance (low, moderate, high)
Vulnerable groups	2	3	Moderate
Gender equality	2	3	Moderate
Human rights	1	3	Low
Community, health, safety and security	1	3	Low
Labour and working conditions	2	2	Low
Resource efficiency, pollution, wastes, chemicals and greenhouse gas emissions	1	2	Low
Access restrictions and livelihoods	2	2	Low
Cultural heritage	1	2	Low
Indigenous Peoples	1	3	Low
Biodiversity and sustainable use of natural resources	1	2	Low
Land tenure conflicts	2	2	Low
Risk of not accounting for climate change	3	3	Moderate

Risk area	Likelihood (1–5)	Magnitude (1–5)	Significance (low, moderate, high)
Other – e.g. cumulative impacts	1	1	Low

3.9.3 Environmental and social assessment (ESRA)

Nakau has undertaken a country-wide approach to assess the environmental and social risks associated with avoided logging project interventions in the Solomon Islands. This generic scope is valid because the main social and environmental circumstances and risks are similar and comparable across Nakau projects in the Solomon Islands, including Vuri. The ESRA provides a thorough assessment of potential environmental and social risks and describes the strategies and activities designed to avoid, minimise or mitigate the risks that have been identified.

The assessment of the significance of potential environmental and social risks and impacts draws on data and findings from several studies and research activities conducted by Nakau and partners in the Solomon Islands. The studies represent a sufficiently broad representation of community circumstances to have country-wide relevance. These include:

- Solomon Islands Forest Value Enhancement Project (FoVEP) Site Selection/Site Screening Reports. Nakau, NRDF and Live & Learn Solomon Islands (2023)
- PES Options for Honiara Water Catchment Management. Nakau, Sustineo and Live & Learn Solomon Islands (2023)
- Siporae Social Impact Baseline Assessment report. Nakau, NRDF (2022)
- Padezaka Social Impact Baseline Assessment report. Nakau, NRDF (2022)
- Feasibility Assessment of Maloilalo Registered Land for Payment for Ecosystem Services (PES): Social Research Report (August 2022)
- Catchment Community Consultation Report. Honiara Catchment Management Project. Report commissioned by Solomon Water. Nakau and Live & Learn Solomon Islands (May 2020)
- Rapid Assessment of Perceptions: Forests, climate change and REDD in Choiseul Province, Solomon Islands. NRDF and Live & Learn Environmental Education (August 2012)
- Report on the status of REDD+ 'Readiness' in the Solomon Islands. Live & Learn Environmental Education (November 2011)
- Solomon Islands Law and implications for the design of a REDD+ pilot activity: A briefing paper. Live & Learn Environmental Education. (October 2011)
- Research of Aspirations and Perceptions. Combating commercial exploitation of children and violence against women in remote regions of the Western Pacific impacted by large scale commercial logging. Live & Learn Environmental Education. Solomon Islands, Papua New Guinea, Vanuatu (2010).

The ESRA was conducted by Nakau's multi-disciplinary team that has more than 10 years of experience in designing and establishing community forest carbon projects for the Melanesian context and has gained a deep understanding of the inherent risks related to the environment and social aspects of projects.

We have identified the main social risks for replicating Nakau Programme projects based on our project development experience and social research data collected through the above activities.

The details of the environmental and social screening assessment are provided in the ***Vuri PDD Annex 10***.

3.9.4 Environmental and social management plan

Table 3.9.4 outlines the mitigation measures for risks that have been identified in the environmental and social assessment described in section 3.9.3. The table further aligns the mitigation measures with project activities as per the project theory of change (section 3.5).

Table 3.9.4: Social and environmental risks and mitigation measures in the Vuri project

Risk and impact (PDD Annex 10)	Mitigation Measures	Alignment with project activities (section 3.5)
Social		
Elite capture of decision making or benefit sharing by powerful/influential project owner participants	1. Vuri project beneficiaries (carbon rights holders) are mapped and identified. 2. Selection of VCA representatives triggered FPIC process requiring a broad landowner mandate. 3. The Nakau benefit distribution system requires fairness & transparency and will be monitored & audited	Activities 8a, 8b
Project owner misuses or mismanages funds.	1. Nakau system for fair & transparent benefit sharing and financial discipline. 2. Provide financial literacy education to participants. 3. Undertake monitoring to track disbursement and alignment with benefit sharing and financial plans.	Activities 8a, 8b
Failure to consider broad community development needs, including food security, land for housing and short-term needs for income	1. Participatory land use and community development consultation and planning to ensure PES was developed in the context of other needs. 2. PES methodology allows for continued customary use of forests (e.g. harvesting of fuel wood and timber for local building). 3. Project activities (i.e forest monitoring, forest restoration work) provide income opportunities for local people 4. Undertake monitoring to track project impact on community livelihood outcomes.	Activities 3a, 3b, 4a, 5c
Community expectations are not met (for example delays in generating income, income less than expected).	1. Effective initial and ongoing engagement and education to ensure realistic expectations. 2. Demand for PES units and off-take agreements.	Activities 5a,10a, 11a
Project diminishes landowners land and resource rights (e.g. land registration)	1. Identify customary rights holders under the Protected Areas Act (FPIC process) 2. Alternatively, select indigenous participant groups with recorded land tenure under the Customary Lands Records Act (1994). 3. If we work on registered land title areas, ensure participatory governance.	Activities 5a-5c
Lack of support from central government, and/or relevant line ministries	1. PAs declared and protected under the Protected Area Act 2010; expected to receive	Activities 1a, 3b, 3c, 5c

Risk and impact (PDD Annex 10)	Mitigation Measures	Alignment with project activities (section 3.5)
	all the SIG support under the regulations of this ACT. 2. Landowners monitor and report illegal logging in the area. 3. Actively engage the relevant SIG ministries	
Insufficient local capacity to deliver project	1. Nakau provides capacity building activities (PES education & participatory planning) support and technical backstopping for local partners. 2. Nakau engages (licences) a local NGO as Project Coordinator that has sufficient capacity to support local implementation. 3. Nakau and partners organize Information/knowledge exchanges between participant groups.	Activities 11a, 5c
Land disputes	1. Assess project sites using the Nakau site screen criteria to avoid developing projects in areas where land rights are contested. 2. Ensure that a Chiefs Hearing is undertaken as part of the PA Application process to increase the reliability of boundary determination and strengthen the case for the PA in the instance of an appeal. 3. Where possible, undertake projects on sites where land is recorded under the Customary Lands Records Act (1994).	
Environmental		
Non-native / invasive species	n/a	n/a
Biosecurity- introduction of wildlife diseases	1. Protected area and restoration management plans must contain a code of conduct for overseas visitors that aims at minimizing the introduction of wildlife diseases 2. The code of conduct must be implemented by forest rangers	Activities 2a-2e
Habitat loss	1. Conservation activities will not include the clearing of vegetation that represents an important natural habitat for wildlife species	Activities 2a-2e
Unsustainable harvesting	1. The PA conservation management plan only allows small-scale tree harvesting for domestic purposes 2. Project activities do not involve harvesting of any animal or plant species for commercial purposes.	Activities 2a-2e
Soil erosion	n/a	n/a
Pollution	1. Forest conservation and reforestation management plans will include measures to minimize pollution from solid and liquid waste	Activities 2a-2e

Risk and impact (PDD Annex 10)	Mitigation Measures	Alignment with project activities (section 3.5)
Use of herbicides and pesticides	n/a	n/a

3.9.5 Native species

Table 3.9.5: Non-native species overview

Project Intervention	Non-Native Species Planted/ Introduced	Justification	Risk Assessment and Management
Avoided logging and forest protection	none	n/a	n/a

3.10 Achievement of carbon benefits

Not relevant for Plan Vivo version 4

3.11 Reversal of carbon benefits

In line with Plan Vivo requirements, 20% of the PVCs issued from the Vuri project during a verification period are allocated to a risk buffer. These credits remain unsold and function as an insurance against loss events and reversals of carbon benefits (see Table 3.8).

Table 3.11 describes the impact and likelihood of risks to the long-term maintenance of carbon benefits that can be applied to all Nakau projects, including Vuri. This generic approach is valid because the risks carbon benefit reversals are very similar and comparable across Nakau projects in the Solomon Islands. The risk assessment

In the impact and likelihood columns, we have used a score of 0, 1, 2, or 3 where 0 = none, 1 = low, 2 = moderate and 3 = high, and provided a description of the potential impact and likelihood of the risk factor on the carbon benefits achieved by the project, if the stated mitigation measures are in place. The determination of the scores was carried out through expert judgment by Nakau and Nakau partner team members who are based in the Solomon Islands and familiar with the local social, economic, environmental circumstances and the risks these potentially present for forest carbon project development and implementation.

In the score column, we have multiplied the impact and Likelihood scores to give a total score between 0 and 9. If the score is greater than 4 for any risk factor additional mitigation measures may be required to reduce the risk to an acceptable level.

Table 3.11: Description of reversal risks and mitigation measures across Nakau projects including Vuri

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
Social				
Land tenure and/or rights to project benefits are unclear or disputed	High (3) The impacts of any dispute over land and resources is potentially high and can lead to disruptions in to project implementation.	Low (1) The likelihood of disputes emerging during the project implementation phase is low due to the application of appropriate measures in the project design phase.	• As part of the PA process the landowners of the project area have been formally recognised (through a chief hearing), and determined as the true rightsholders of the land and forest (Activity 1a). • As part of the PA process, project owners have mapped their land boundaries and formally agreed on them with neighbouring tribes (Activity 1a). • Each tribe participating in the Nakau Conservation program has mapped project beneficiaries and developed a fair and transparent benefit sharing mechanism (Activities 8a-b). • Project governance and benefit sharing arrangements have been broadly consulted in the community and agreed on under application of free prior and informed consent (Activity 5c)	3
Political or institutional barriers threaten forest carbon project feasibility and operation	Moderate (2) We consider the impact of potential political or institutional barriers, including potential taxes imposed on carbon projects, to be moderate. Out of self-interest, we do not anticipate the government to impose heavy financial burdens or other restrictions which would jeopardize the feasibility of	Moderate (2) The likelihood of the emergence of political or institutional barriers for VCM carbon projects is considered moderate. Solomon Islands is yet to develop a policy and legislation to regulate carbon trading on the VCM and there is uncertainty around how the government will shape regulations and how	• Timely and consistent engagement with the relevant SIG agencies to foster a strong relationship, which in turn allows Nakau to understand and react to potential changes to forest sector policies, which could potentially impact the circumstances for forest carbon projects (Activity 5c) • Nakau engages with the Solomon Islands Government to support creating a carbon market policy and regulatory framework that would ensure the feasibility of voluntary market forest carbon projects in the long term (Activity 5c)	4

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
	VCM carbon projects and carbon trading.	these will affect the business environment for project developers and owners.		
Community interest in and support for operating the forest carbon project is not maintained	Moderate(2) Potential negative impacts related to declining community support for the carbon project are considered moderate: While there may be dwindling support due to unrealistic expectations regarding project benefits among some individuals, this will hardly have a significant impact on project support from the community as a whole.	Low (1) The likelihood of declining community support for the forest carbon project is low as communities depend on the generated income and benefits and therefore have a strong interest in continuing with the project.	• The project owner provides employment for community members through the project to ensure community support (Activity 3a, 9a). • Carbon credit income streams enable the project owner to implement the benefit-sharing, community development and business plans and improve community livelihoods (Activities 8a). • Carbon credit income create new opportunities for alternative community livelihood activities that positively impact communities' wellbeing and willingness to maintain the project activity (Activity 8a). • Nakau and project coordinator will provide ongoing support to the project owner to ensure community members are sufficiently engaged in and are benefiting from the carbon project (Activities 11a-c)	2
Failure to implement management and monitoring activities for forest and biodiversity conservation	High (3) Failure to implement forest monitoring activities could lead to undetected forest loss and potentially, reversals. The impact is potentially high, particularly in the case of logging encroachment from neighbouring logging concessions.	Low (1) The likelihood of failing to implement forest monitoring is low due to established forest monitoring procedures and support provided by Nakau and the project coordinator.	• Nakau and NRDF have developed and supervise forest and ecosystem monitoring procedures and monitoring schedule • Forest rangers are employed, trained and supported to carry out actions guided by the conservation management plan. (Activities 2a-e, 3a-b.) • Nakau and NRDF operate a remote forest monitoring system allows for timely detection of potential disturbance incidents (Activity 3c)	3
Economic				

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
Lack of financial sustainability to support project activities	Moderate (2) Potential negative impacts related to a lack of the projects financial sustainability are moderate. In such a situation, Nakau and/or NRDF would reduce project support and associated costs to a sustainable level while keeping negative impacts to project owners at a moderate level.	Low (1) The likelihood of a lack of financial stability is low and has been mitigated through appropriate measures and safeguards that ensure sound project design and financial governance.	• As the Nakau project scope grows, carbon credit income will increase until it can sustainably cover project operator and coordinator costs to support project activities without reliance on donor funding. • Over time, the capacity of the project owner entities to manage the activities increases and reliance on external support will decline, thus reducing programme operator and coordinator costs (Activity 9a) • Nakau has established strong relationships with buyers to sell credits at a price agreed to with the project owners, which will support the ongoing finance of the project implementation (Activity 10a). • Nakau, the project coordinator and the project owners develop a financial plan to ensure the ongoing project support is sufficiently financed that is updated regularly (Activity 9b) • The disbursement of carbon income is monitored and controlled by Nakau to mitigate the risk of misuse and financial bottlenecks on the project owner side (Activity 8b) • Nakau and the project coordinator will provide ongoing support to the project owner to adequately manage carbon income in line with the financial plan (Activity 11a).	2
Alternative (including commercial extractive) land uses become more attractive	High (3) The impact of a shift from forest conservation to extractive industries such as logging and mining would be high, as this would lead to the	Low (1) While the community enjoys the benefits of the carbon project, the likelihood of quitting forest conservation and shift to alternative land-	• All Nakau projects in the Solomon Islands are registered as protected areas under the Protected Areas Act 2010, which ensures that commercial extractive activities are legally prohibited (Activity 1a). • Active conservation management strictly follows a management plan that was developed and endorsed by	3

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
to the project owner and local community	premature termination of the PA and carbon project.	use and income from logging or mining is considered low due to the associated uncertainties. There is however a risk of this shift happening after the end of the project cycle and flow of carbon income. This should be mitigated through the development of livelihood activities that aim to compensate the carbon income after the end of the project life. We recognize however that this risk cannot be fully mitigated through the project coordinators because these cannot exert influence over the communities land-use decisions.	the project owner. Encroachment of prohibited land-use activities into the PA are monitored and reported by the project owners and project coordinator (Activities 2.c, 4.e). • Carbon credit income that is earned through forest conservation activities provides compensation for forgone income from commercial logging and creates opportunities for investment into alternative livelihood activities as per the business and benefit sharing plan (Activity 8a). • Land-use planning is carried out prior to the designation of conservation areas to leave sufficient land reserves for future agriculture and food production to ensure that pre-project land uses and livelihoods can continue and provide food security • Small-scale timber milling for domestic purposes is allowed in the PA if sanctioned by the conservation management plan, to ensure supply of timber for domestic purposes (Activity 2c). • The distribution of financial benefits and impacts of investments are monitored and create incentives for all participants to continue to engage in forest conservation activities. Community benefit-sharing will be monitored more closely with community participants that may be at risk of breaking the project agreements (Activity 8b). • In areas and project participant sites at higher risk of portable timber milling or illegal logging, community engagement will occur more often, especially with communities that may be at risk of breaking project agreements (Activities 2c, 3a-b).	

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
			• During the project period, the project coordinator will assist the project owner to develop sustainable livelihood activities that aim to compensate the carbon income after the end of the project cycle (Activity 11a)	
Environmental				
Small-scale loss of forest cover and carbon stocks due to human disturbance (by parties internal and external to the project)	Low (1) The impacts of small-scale human disturbance (such as timber harvesting for domestic purposes) on forest cover are low due to the limited extent of these activities	Moderate (2) The likelihood of small-scale forest cover loss due to human disturbance is considered moderate. Members of the tribe may be allowed to harvest timber from the project area, and neighbouring tribes are not always aware of the exact location of land boundaries and may unknowingly fell trees inside the PA. Further, there is a moderate risk of small-scale agriculture encroaching into the PA.	• The PA process includes consultations with the Ministry of Forestry and the Ministry of Mines to ensure that there is no overlap between the PA and logging concessions and mining tenements (Activity 1a) • Nakau and the project coordinator have subscribed to a web-based remote-sensing forest monitoring application, where the integrity of forest cover can be monitored in all project sites on a monthly basis (Activity 3c) • Forest rangers frequently monitor the EFA boundaries and the interior of the -project area to detect potential encroachment or other illegal activities (Activities 2c, 3a-b). • Areas for future agricultural use are defined and mapped through participatory land-use planning and excluded from the project crediting area. This mitigates the risk that agricultural activities will not take place inside the EFA and prevent associated forest loss	2
Large-scale loss of forest cover and carbon stocks due to human disturbance (by parties internal	High (3) The impacts of encroachment of logging from neighbouring concessions are potentially high due to highly destructive logging practice.	Low (1) The likelihood of large-scale encroachment of logging into the protected area is low. Neighbouring tribes are aware of the PA and PA boundaries which they	• Each Nakau project is registered as a PA under the Solomon Islands Protected Areas Act 2010. In PAs, commercial extractive industries are prohibited, which prevents the issuance of logging or mining permits while the PA is in effect.	3

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
and external to the project)		formally agree to through signed MoUs with the project owners.	• Illegal logging or mining activities in the PA are subject to heavy penalties under the PA regulations (Activity 1a), which would deter potential trespassers. • Nakau and NRDF operate a remote forest monitoring system in near-real time. If a threat is detected by remote sensing, rangers are deployed to investigate the occurrence and the area is closely monitored until the threat is considered removed. (Activities 2b-c, 3b-c).	
Forest cover loss from fire	Low (1) The impact of forest cover loss from fires is low. Fires are unable to penetrate deeply into intact humid natural forest	Low (1) The likelihood of forest cover loss from fires is low in a landscape of intact humid natural forest	• Actively protecting natural forest ecosystems from logging degradation is in itself a mitigation measure against potential environmental damage from fires, pests and diseases and extreme weather and geological events..	1
Forest cover loss from pest and disease attacks	Nil (0) The impact of pests and diseases on forest cover is zero. Undisturbed mature forests such as Vuri are structurally and biologically diverse and stable ecosystems in which pests and diseases are unable to have detrimental impacts.	Nil (0) The likelihood of forest cover loss from pests and diseases in intact natural forest is zero		0
Forest cover loss from extreme weather or geological events	Moderate (2) The impact of extreme weather and geological events (cyclones and landslides) on	Moderate (2) Although cyclones frequently occur in the Solomon Islands, the likelihood of strong and		4

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
	forests in the Solomon Islands is moderate. Due to the generally weak or moderate strength of cyclone winds, the impact is limited to damaging or uprooting individual trees, rather than causing loss of forest cover. This can be seen by the concentration of tall trees along exposed areas such as ridges, a phenomenon that is not observed in countries prone to frequent strong cyclones, such as Vanuatu or Fiji, where trees along ridges tend to be stunted. Landslides after extreme rainfall events can lead to forest loss, but the impact is generally localized and limited to small areas on very steep slopes.	damaging cyclones is moderate. Solomon Islands experiences an average of 3 cyclones per year and only 27% attain category 3 or stronger. The most cyclone-prone provinces in the Solomon Islands are Renell & Bellona, Temotu and Makira while Choiseul province is less affected (***see Vuri PDD supporting documents-SD26***). The likelihood of extreme rainfall is moderate and limited to isolated events during the rainy season.		
Administrative				
Capacity of the project coordinator to support the project is too low	High (3) The impact of a lack of project coordinator capacity to support the Vuri project would be high. The project	Low (1) NRDF is a highly qualified organization with over 10 years of experience in carbon project development	• Nakau provides education and capacity building activities, technical assistance and backstopping for NRDF and other local project coordinators (Activities 11a-b). • Nakau and NRDF have teams of experienced experts to deliver ongoing support to project owners where	3

Risk factor	Impact	Likelihood	Mitigation measures and reference to project activities (section 3.5Error! Reference source not found.)	Score
	coordinator plays a vital role in providing on-the-ground support to the project owner in implementing the project activities according to Plan Vivo requirements.	and implementation. The likelihood of a loss in project coordinator capacity is low while NRDF continues to be engaged as the project coordinator organization.	necessary, and a proven track record of successful forest carbon project development and implementation (Activities 11a-b). • Nakau and NRDF promote information and knowledge exchanges between project owners in different parts of the Solomon Islands and regionally in the Pacific (Activity 5c)	
Technical capacity of project owner to implement project activities is too low	Low (1) The impact of a lack of project owner capacity to implement the project is low. Project owners initially do not possess the technical capacity to implement project activities but are able to do so with the support from Nakau and NRDF.	High (3) The likelihood of a lack in project owner capacity is high. Tribal association members often have low levels of education and little or no experience in project or financial management. This lack of capacity is mitigated through the engagement of a project coordinator who provides support and training in the areas where the project owner lacks capacity.		3

3.12 Leakage

Table 3.12 details the site-specific leakage risks and mitigation measures for the Vuri project.

Table 3.12: Potential leakage risks and mitigation measures in the Vuri project

Leakage type	Leakage risk	Mitigation measures
Activity shifting leakage from displacement or intensification of commercial logging and timber milling in areas outside of the EFA that are owned/controlled by the project owner.	The leakage risk in this category is negligible. The Vuri clan members do not own suitable areas to which commercial logging or timber milling could be displaced. The reserve area not reserved for gardening is too small (33 ha) for viable commercial logging or milling.	Not applicable
Activity shifting leakage from displacement of agriculture activities to areas outside the project area due to forest conservation activities.	The leakage risk in this category is moderate	Vuri land includes a 43 hectare area that was previously under dispute and excluded from the PA. Inside the reserve area, a 10-ha area was demarcated for future gardening. (see Figure 1.2.2). Due to this measure, the incentive to shift agricultural activities elsewhere outside of Vuri land due to project activities has been mitigated.
Activity shifting leakage from displacement of small-scale timber milling to areas outside the project area due to forest conservation activities.	nil	Has been mitigated by allowing small-scale timber milling in the PA
Market leakage: Changes in the timber markets equilibrium caused by forgone timber supply due to project activities	Currently insignificant at the current scale of Nakau projects in the country	Will be monitored

3.13 Double counting

Solomon Islands has initiated a national REDD+ Programme with support from UNREDD and FAO, but which has not progressed beyond early development due to lack of a clear strategy and funding. In a scenario where the REDD+ programme progresses to implementation stage, double counting of carbon benefits could become an issue if current and future Nakau project areas are not excluded from the programmes' geographic scope (i.e. through a jurisdictional nested approach). Although the risk posed by this situation is currently assessed as very low, Nakau has established procedures to monitor potential double counting, through the monitoring of the progress of the national REDD+ programme (refer to carbon indicators in section 4).

Table 3.13: Overview of climate action programmes in the Solomon Islands

Project, program or initiative	Scope	Carbon credit generation	Risk mitigation
Solomon Islands National REDD+ Programme	The Solomon Islands REDD+ Programme was initiated in 2012 as a national-level climate action program reducing GHG emissions by slowing, halting and reversing forest loss and degradation by increasing of GHG removals through the conservation, management and expansion of forests. The national REDD+ programme was initiated with support through the UNREDD programme and the FAO.	Thirteen years after its inception, the national REDD+ Programme hasn't moved beyond very early progress, and doesn't yet meet the minimum requirements of the Warsaw Framework, including the institution of a national REDD+ strategy, a forest monitoring and reporting system (MRV) and a safeguards system mechanism. Due to a lack of funding and understaffing, the national REDD+ Programme is not expected to generate transferable carbon credits for the foreseeable future.	Nakau has established procedures to monitor the progress of the REDD+ Programme (refer to sections 4.2 and 4.7 in this PDD). Nakau is involved in shaping the national carbon regulations through membership in the carbon policy technical working group. Nakau maintains regular communication with the key government stakeholders through participation in biannual meetings of the Project Governance Group. Nakau further maintains regular contact with the National REDD+ focal point and officer(s) through participation in forest sector related events.

Agreements

3.14 Land management plans

Nakau projects that are linked with protected area (PA) are required to develop site-specific PA management plans (PAMP) which are provided in PDD Annex 11. The *Protected Areas Act 2010* and *Protected Areas Regulations 2012* provide the legal framework for establishing protected areas in the Solomon Islands. The development of a conservation management plan is a legal requirement under the protected area process as described in the Solomon Islands *Protected areas toolkit 2013*.[9]

The PAMPs are developed through participatory land-use and conservation planning processes with the project participants and following the PA management plan guidelines and template.[10]

PAMPs should include descriptions of:

- PA location and biophysical features (boundaries with neighbouring tribes, habitats and ecosystems, fauna and flora, land use)
- PA key values (biophysical and cultural)
- Threats to the ecosystems
- PA rules and regulations
- PA zoning and management

[8] Landowners' Advocacy and Legal Support Unit (LALSU), *Protected areas toolkit: a step-by-step guide to creating protected areas in Solomon Islands*, 2013. https://library.sprep.org/content/protected-areas-toolkit-step-step-guide-creating-protected-areas-solomon-islands

[10] Solomon Islands *Information and guidelines for writing a protected area management plan* [Nakau internal document]; Solomon Islands PA management plan template [Nakau internal document].

- PA monitoring procedures
- Benefits and opportunities for livelihood activities.

PAMPs are prepared by the PA Management Committees with support from the project coordinators. Table 3.14 maps the measures to be applied in Nakau-projects in accordance with Plan Vivo requirements.

Table 3.14: Plan Vivo requirements for land management plans and measures to be applied in Nakau projects

Plan Vivo requirements	Description of measures in Nakau projects
PA management plan shall provide information on location and extent of project area.	Maps and spatial data are provided of tribal, PA and project area boundaries, land cover and topography.
PA management plan shall provide details how to estimate carbon benefits.	The PA is developed through a participatory co-design process. Agreement to the PA management plan including project boundaries and management regime for the project area is an FPIC trigger (see section 2.6)
Measures have been taken to ensure details of estimating carbon benefits are fully understood and agreed to by tribal members.	
PA and project activities have the potential to enhance the livelihoods of the project owners.	Community priorities to enhance livelihoods are detailed in project business and benefit-sharing plans.
The establishment of the PA and forest carbon project do not risk undermining the food security and/or income security of project owners.	PA management plans are developed through participatory land-use and conservation planning processes that PA management plans will allow project owners to carry out gardening or other sustainable livelihood activities inside the PA.

In the Vuri context, the project area is quite distant from settlements where landowners reside and is not considered readily accessible for gardening or daily use. In this scenario, the PAMP does not need to include non-conservation land uses. The Vuri PA management plan is provided in the ***Vuri PDD Annex 11***.

3.15 Crediting period

The intention of Nakau projects is to provide for forest protection in perpetuity but in a manner that respects the rights of Indigenous peoples and other private landowners in relation to the ability to make land use decisions in future generations. This is provided by adopting a crediting period of 30 years across Nakau project activities This project period cycle is designed to provide a degree of intergenerational equity that would not be available to landowners under a permanent covenant. This enables future generations of project owners to make informed decisions concerning the management of their forests in light of a re-evaluation of the realities of forest resource management every 30 years. Nakau has adopted this approach to demonstrate respect for future landowners under the premise:

- That the governance rights (including strategic development decisions) over forest resources should not be permanently locked by past generations as a consequence of participation in carbon market activities, and
- That there is a degree of uncertainty concerning the future existence of carbon markets beyond 30 years from the present and where an adaptive management approach would need the flexibility to change with changing circumstances.

The start date of the crediting period must be on or after the 1st of January 2015 and be based on evidence that determines the date on which landowners switch from pursuing baseline activities to agreeing to undertake project activities.

The crediting period of the Vuri project is 1 January 2022 until 31 December 2051. The crediting period is specified in *clause 1.5* of the Vuri Project Agreement ***(see Vuri PDD Annex 12)***.

3.16 Benefit-sharing mechanism

All Nakau projects will adopt a benefit-sharing mechanism following the principles and general model outlined in the Nakau Methodology (updated periodically) and as described in the section that follow. The participatory approach for developing the benefit-sharing mechanism is outlined in Section 2.4. All Nakau projects will provide evidence for the participatory processes in Annex 4.

The Vuri benefit-sharing mechanism was developed through a series of community consultations and workshops ***(see Vuri PDD Annex 4 – item 4.3)***. The steps include identifying beneficiaries through a genealogy survey ***(see Vuri PDD Annex 4 – item 4.2.1)***, holding a business and benefit-planning workshop ***(see Vuri PDD Annex 4 – item 4.3.1)*** and development of the Vuri business and benefit-sharing plan ***(see Vuri PDD Annex 16)***.

The benefit-sharing arrangements and terms of the Vuri project agreement were agreed under the application of free, prior and informed consent (see section 2.6). The Vuri Project Agreement is provided in the ***Vuri PDD Annex 12***. Documentation on the application of FPIC in the process of the signing of the project agreement is provided in the ***Vuri PDD Annex 5 – item 5.2***.

3.16.1 Benefit-sharing model

The Vuri benefit-sharing model shown in the figure below, which illustrates the percentage allocation of income from the sale of Plan Vivo certificates to different stakeholders. Percentage allocations shared between parties can be varied on agreement provided that a minimum of 60% is provided to the project owner.

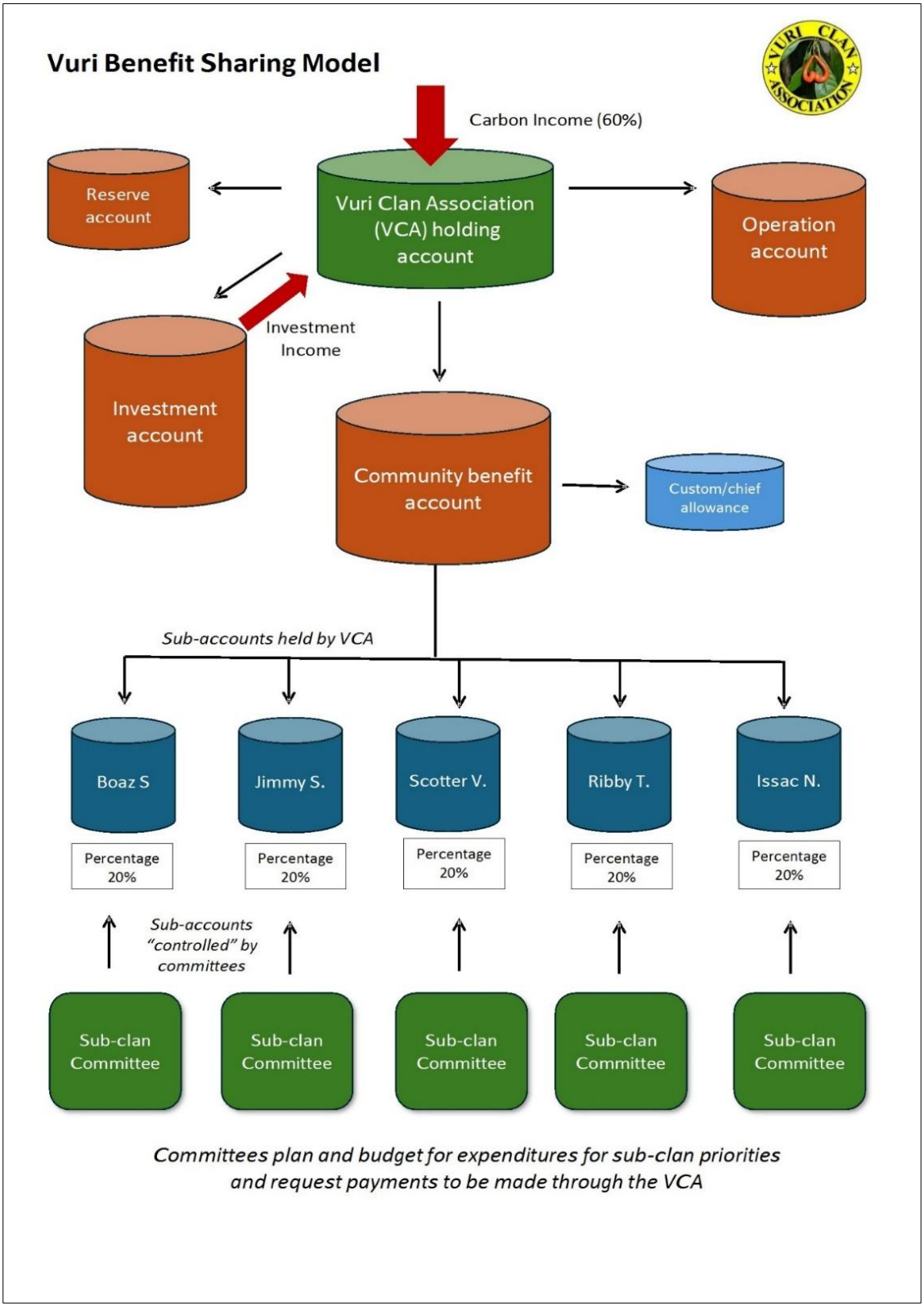

Figure 3.16.1: Benefit sharing model in the Vuri project

3.16.2 Sales of Plan Vivo Certificates (PVCs)

The Vuri Clan Association has appointed Nakau as the sales and carbon credit registry agent, who will transact PVC sales on behalf of the project owner. This is defined in the terms of the project agreement, and has been consulted and agreed to by the project owner through an FPIC process (see section 2.6).

Nakau is also appointed as the registry agent to manage credit issuances, transfers and retirements for the Vuri project. Nakau will open a separate registry-account for each project. All PVCs generated by the Vuri project will be managed in the Markit Registry.

3.16.3 Project bank account

Nakau will open a bank account and receive 100% of PVC sales income (from the buyer) for the Vuri project. The project bank account shall be established entirely for the purpose of financial administration of the carbon sales income and be separate from other Nakau accounts.

The project agreement will define how income received into the Vuri project bank account will be disbursed as; (a) fees for services required to operate the project, (b) taxes and levies (if required), and (c) income for disbursement to the VCA. The project bank account may also be used to directly pay other sub-contractors (e.g. third-party verification auditors) if required, subject to the project agreement conditions.

Nakau will establish a system to maintain records of all PVC sales income and project-related transactions from the project bank account, including amounts transacted, transaction dates, conditions and contact details of parties involved. Nakau will produce financial transaction reports on project bank account activity that must be provided to the VCA at least every 6 months.

3.16.4 Fees for services delivered by Nakau and the project coordinator

Nakau (the project operator) and NRDF (the project coordinator will receive payments from the project bank account for the provision of agreed services to the project, in accordance with their responsibilities (see section 2.2). The project agreement will establish the services to be provided and the service fee payable to each party as a percentage of sales income. The fee percentage taken by Nakau and the project coordinator will amount to 40% of the total sales income.

In the case that the government introduces a carbon credit export levy (or equivalent duty), the percentage paid to each party will be calculated after the levy has been subtracted.

3.16.5 Disbursements to the project owner (VCA)

The VCA will receive payment of 60% of the price of each unit sold from the project. The timing of revenue disbursements must occur in a manner that is fair, based on performance (e.g. implementation and reporting on agreed activities), and maintains the incentive for project permanence.

The disbursement payment to the VCA is due quarterly, subject to the project owner meeting the conditions or dependencies for receiving the payment. The amount paid to the project owner shall not exceed one-quarter of the financial value of one year's volume of units, based on the average sale price, unless agreed by Nakau. The Nakau Programme guarantees that the balance of income owed to the project owner will be held in trust until subsequent quarterly payments are due.

To receive a payment, the project owner must provide the Nakau Programme with the following:

a. invoice for the quarterly instalment
b. quarterly forest management report
c. quarterly financial report.

The Nakau Programme may withhold payment of the invoice if the reports, (a–c) above, are not provided, or do not contain sufficient information, or if the reports indicate non-compliance with the requirements of the project agreement or project design. However, Nakau will not unreasonably withhold payment and will recognise the capacity of the project owner to produce the reports.

On the agreement of the Nakau Programme, the project owner may receive a payment that exceeds the 'default' quarterly disbursement value; however, the Nakau Programme will consider project risks and require a satisfactory justification.

3.16.6 Project owner business and benefit sharing plan

The Vuri-project participants have developed a project business and benefit sharing plan which is provided in the *Vuri PDD Annex 16*. The business plan must be referenced in the signed project agreement and will describe how the project owner entity (VCA) will manage and distribute the funds received from carbon sales.

Nakau outlines the following principles that underpin the business and benefit-sharing plan:

a. Transparency: group members should be able to see how project finances and their benefits are managed.
b. Fairness: all group members should benefit.
c. Accountability: those responsible for managing the funds should be accountable to the group. Good practice financial management practices should be employed to reduce risk of financial mismanagement (e.g. fraud or theft).
d. Participation: those managing the distribution of benefits should be representative of participants' diversity (e.g. sub-groups). This includes gender.
e. The project should not simply focus on the distribution of cash payments. Wherever possible it should include project/activity ideas that support local livelihoods (supporting micro-enterprise with equipment, improving local transport, small infrastructure, paying school fees, social equity and inclusiveness initiatives, cultural programs etc.).

The business plan will clearly describe how income is used for 'community benefit' and delineate income set aside to ensure the ongoing viability of the VCA as the 'business' responsible for the implementation of the project on the ground. The community benefit-sharing plan shall clearly describe how the VCA will allocate the surplus derived from PVC sales for the benefit of the project owner members and community (after costs have been met).

The plan must include:

a. rules determining the allocation of money for (a) group benefit and (b) individual benefit (if there are to be individual payments)
b. identification of priority investments/activities capable of delivering sustained group or community benefits (linked to budgets where possible)
c. rules for financial discipline and governance of community benefit-sharing plan – which will include provision for review and change over time.

The community benefit-sharing plan can begin as a simple plan and increase in complexity through time as a living document. The project coordinator is required to provide support, and where appropriate, assist to facilitate a process to identify group benefits in a strategic way.

The business plan will further include a financial plan that includes the following elements:

- Budget forecast (for the verification period)
- Recommended targets for operations (business money accounts)
- Target for a reserve account (contingency funds or 'safety money')
- A plan for determining the allocation of money for community benefit-sharing
- Rules for financial delegations, financial discipline and governance
- Process for communicating financial reports to group members

3.17 Grievance mechanism

All Nakau projects will adopt a grievance mechanism, following the Nakau Methodology, which contains a framework and guidance for projects in complaint handling and a dispute resolution.

The Nakau grievance mechanism works from the principle that complaints, disputes and conflicts can be resolved at least cost if issues are addressed as soon as possible and preferably in the form of prevention rather than cure. Informal and customary forms of dispute resolution relevant to the Solomon Islands context are preferred wherever possible.

In the Solomon Island context, disputes are most often resolved through an informal or customary process. Usually when a complaint or conflict arises, an informal way of resolving the issue is followed before it is decided whether to refer conflicts or disputes to other, more formal, levels.

In most if not all cases of community-level conflict in the Solomon Islands, a trusted third party (or independent arbitrator) is called upon in helping to resolve the conflict. This role can be played by different individuals or groups for different conflict types, to ensure they are trusted by both parties, but are also a non-conflicted party themselves. Therefore, independent arbitrators will need to be selected for disputes on a case-by-case basis. Examples of different types of third parties may include:

- Informal dispute resolution process
    - third party individual (family, clan or tribal members)
    - community leaders (chief, tribe elder, women's group leader, church leader)
- Customary dispute resolution process
    - third party tribal group (e.g. neighbouring tribes in case of land/ownership issues)
    - village committees
- Formal dispute resolution process
    - Ministry of Peace and Reconciliation, for conflict resolution
    - pro-bono, conflict resolution services (by an NGO or Legal Aid) – for example in Choiseul the 'Lauru Land Conference of Tribal Communities' – or a public solicitor
    - paid legal representation (local lawyer and legal firms).
    - The Provincial Peace Building Officer for the Solomon Islands Ministry of Traditional Governance, Peace and Ecclesiastical Affairs is nominated as the independent arbitrator of last resort for all projects in the Solomon Islands, in line with Plan Vivo Standard requirement 3.17.3.

The-specific grievance mechanism for the Vuri project is provided in as an annex ***(see Vuri PDD Annex 17)***. The grievance mechanism was designed by Nakau and NRDF staff during the project development phase and adopted by the Vuri landowners in a participatory process with the following steps ***(see Vuri PDD Annex 4 – item 4.8):***

- Consultation with Vuri project owners regarding the details of the grievance mechanism.
- Confirmation of nominated roles, responsibilities and procedures related to grievance management.
- Details of grievance mechanism shared with all relevant clan members and stakeholders.

3.18 Project agreements

The Project Agreement is a tripartite contract between the project owner, the project coordinator and the programme operator that sets out each of the parties' roles and responsibilities in project development and implementation under the Nakau methodology.

Nakau has developed a project agreement template that will be applied to each project. The project agreement will continue for the duration of the project period, with the provision for review every five years, for example, to accommodate improvements or in response to regulatory changes.

The Project Agreement includes a clause (see 'Project agreement template', Clause C) which states that the 'Agreement does not alter or transfer in any way pre-existing customary rights of ownership, access to or use of resources over the land to which this Agreement relates.'

Table 3.18 identifies the specific content of the project agreements that meets key requirements of the PDDs.

Table 3.18: Plan Vivo requirements and related contents in Nakau project agreements

PDD section	Content of project agreements	Clause in project agreement
1.2.2 Land and carbon rights	Project participants have statutory or customary rights in the project area.	Clause (B)
2.2 Project coordination and management	A legally established project coordinator must take overall responsibility of the project.	Clause 1.1
2.4 Participatory design* Type I = Project Participants that are resident within the Project Region; who manage and use land or natural resources within the Project Region for subsistence or small-scale production; and are not structurally dependent on year-round hired labour for their land or natural resource management activities; Type II = Project Participants that do not meet the Type I definition. Participatory design	The project coordinator will assist the project owner with the design, development and implementation of the project.	Clause 4.1
	The tribal association will co-manage and co-monitor the project in accordance with the PDD for the project.	Clause 5.2 (a)
2.6 Free, prior and informed consent (FPIC)	The project coordinator will work with the project owner and commit to participatory decision-making processes and FPIC principles consistent with the Nakau Methodology.	Clause 4.2 (h)
3.9 Environmental and social safeguards	Nakau or the project coordinator shall undertake an environmental and social risk assessment and describe mitigation measures that are reviewed at the end of each monitoring period.	Clause 4.2 (e)
3.11 Reversal of carbon benefits	Risk buffer and buffer account rules.	Clause 3.2 (d) Schedule 3

PDD section	Content of project agreements	Clause in project agreement
	Detailed conditions for avoidable and unavoidable reversals.	Clause 11
3.14 Land management plans	The project owner shall establish a PA management committee to ensure continued compliance with the protected area management plan developed for the project.	Clause 5.2 (e)
3.15 Crediting period	The start date and project period are specified and will be valid for a period of 30 years unless otherwise stated.	Clause 1.5
3.16 Benefit-sharing mechanism	The parties agree to arrangements for the distribution of income from carbon credit sales. A detailed disbursement schedule is provided. The minimum amount distributed is established at 60% of sales revenue and a minimum sales price is established.	Clause 7.3 Schedule 2
3.17 Grievance mechanism	The project agreement includes a 'dispute' section that provides an agreed process to deal with grievances including agreement to follow the Nakau dispute resolution framework (see Nakau Methodology).	Clause 10
3.18 Project agreements	The project agreement term will continue for the duration of the project period (as per Clause 1.5) unless terminated earlier as permitted by the agreement or extended by mutual agreement between parties.	Clause 9
	The Nakau Programme is appointed as the registry and sales agent on behalf of the project owner.	Clause 3.2 (f), (h) Clause 6
4.10 Record keeping	The programme operator will maintain and store all documents in association with this project in accordance with the standard operating procedures for data quality, storage and security developed in compliance with the Nakau Methodology.	Clause 3.2 (k)
	The project coordinator will co-manage data quality, storage and security in accordance with the standard operating procedures for data quality, storage and security developed in compliance with the Nakau Methodology.	Clause 4.2 (s)
5.1 Governance structure	The project coordinator shall assist the project owner in the development and management of governance structures and assist to build the project owners' capacity to run a carbon enterprise.	Clause 4.2 (g)
5.3 Legal and regulatory compliance	The project coordinator shall identify and document all relevant local, national and international laws and regulations that impact on the project and ensure that the project complies with these laws.	Clause 4.2 (d)
	The project owner shall maintain the legal registration of the tribal association including compliance with all government registration requirements.	Clause 5.2 (g)

PDD section	Content of project agreements	Clause in project agreement
5.4 Financial plan	The project owner shall develop a business plan in accordance with the project owner business model and distribute all money received under this project in accordance with the business plan and benefit-sharing system.	Clause 5.2 (h), (i)
5.5 Financial management	The project owner shall ensure good governance, financial discipline and financial transparency standards are met as per the Nakau Methodology.	Clause 5.2 (g)
Annex 7- Technical Specification	Estimated carbon credit volumes from the project area(s) are detailed in the PDD, which is referenced in the Project Agreement. Signed agreement to submit the PDD is also a FPIC trigger (see PDD section 2.6).	PDD, Annex 7 'Technical specification'

For the Vuri project, Nakau has established a project agreement between the following parties:

- the Nakau Programme Pty Ltd (Nakau)
- the project owner entity (Vuri Clan Association), and
- the project coordinator (NRDF).

The Vuri project agreement was signed on 1 January 2024 ***(see Vuri PDD Annex 12)*** and is valid for the duration of the Vuri project until 31/12/2050. The signing of the Vuri Project Agreement followed an FPIC process (see section 2.6) which is documented in the Vuri project agreement consultation and FPIC reports ***(see Vuri PDD Annex 5 – items 5.2.1 and 5.2.2)***.

4 Monitoring and Reporting

Indicators

4.1 Progress indicators

Nakau will monitor the delivery of project activities using specific progress indicators based on outputs and linked to the theory of change and results diagram provided in section 3.5.

Progress indicators are monitored recurringly during the project implementation period, as shown in Table 4.1. A more detailed description of progress indicators is provided in the Vuri monitoring plan ***(see Vuri PDD – Annex 13)***.

Table 4.1: Progress indicators related to activities in the Vuri project

Output	Activity	Progress indicators	Means of verification	Indicator target	Monitoring frequency
Output 1: Vuri project area legally protected under the Protected Areas Act 2010	Activity 1a: The Vuri project owner maintains the protected area status throughout the project period	1.1 Permanence of the PA status	Notice to change or revoke the Vuri PA status	Changes to PA status are reported in the AR	Once per verification period
Output 2: Implementation of conservation management incorporating Indigenous Ecological Knowledge	Activity 2a: The Vuri PA management committee (PAMC) actively manages the Vuri PA	2.1: The Vuri PAMC holds regular PA management meetings	Vuri PAMC minutes of meetings	Vuri PAMC	Annual
	Activity 2b: Vuri PA management effectively prevents commercial logging and mining from entering the area	2.2: Recording of illegal logging incidents 2.3: Penalty documents issued for illegal activities	• Vuri annual monitoring activity report • Vuri remote monitoring report	Illegal incidents and penalties are reported in the AR	Annual
	Activity 2c: Vuri rangers implement the conservation activities depicted in the PA management plan	2.4 Rangers carry out conservation activities according to PA management plan	• Vuri annual monitoring activity report • Specific activity reports	Conservation activities are reported in the AR	Annual
	Activity 2d: The Vuri PA management plan is revised and updated regularly by the PAMC	2.5 PAMC holds meetings to revise PA management plan	• PAMC minutes of meeting	PA management plan is revised as necessary	Once per verification period
	Activity 2e: The Vuri PA management infrastructure is maintained regularly	2.6 Rangers carry out PA maintenance activities according to PA management plan	• Vuri annual monitoring activity report	PA infrastructure is maintained as necessary	Annual

Output	Activity	Progress indicators	Means of verification	Indicator target	Monitoring frequency
Output 3: Implementation of forest and ecosystem monitoring	Activity 3a: Vuri PA maintains adequate ranger staff to implement forest monitoring	3.1: Group of trained and certified forest rangers present in the project area	• Vuri annual monitoring activity report • Vuri annual reports	Initial number of rangers is maintained (±20%)	Annual
	Activity 3b: Implementation of on-site forest and ecosystem monitoring activity	3.2 Ranges carry out forest and ecosystem monitoring field activity according to monitoring plan		At least 1 field monitoring activity is carried out annually	
	Activity 3c: Implementation of remote forest monitoring	3.3 Remote forest change assessment conducted as per monitoring plan	• Vuri remote monitoring report • Vuri annual report	1 remote forest assessment report annually	Annual
	Activity 3d: Implementation of ecosystem monitoring	3.4: Ecosystem change assessment conducted	• Vuri ecosystem monitoring report	1 ecosystem change assessment carried out per verification period	Once per verification period
Output 4: Livelihood monitoring	Activity 4a Vuri livelihood monitoring is regularly conducted	4.1 Livelihood monitoring surveys conducted according to monitoring plan	• Livelihood monitoring report • Livelihood survey data	1 livelihood survey conducted per verification period	Once per verification period
	Activity 4b: Project impacts on Livelihoods are regularly evaluated	4.2 Results of livelihood surveys evaluated according to monitoring plan		Livelihood monitoring results assessed once per verification period	

Output	Activity	Progress indicators	Means of verification	Indicator target	Monitoring frequency
Output 5: Project participation and FPIC	Activity 5a: Implementation of inclusive PES education and training activities, including knowledge/information exchange	5.1: PES education or knowledge/information exchange activities implemented	• Minutes of meetings • Workshop reports	PES education and information/knowledge exchange activities are reported	Annual
	Activity 5b: Streamlining GEDSI into project governance	5.2 Increasing number of women in project governance or management positions	• Quarterly reports • AGM reports • PAMC reports	Increased women participation in VCA and PAMC	Once per verification period
	Activity 5c: Broad stakeholder engagement	5.3 Implementation of annual general meetings	• AGM minutes of meetings	1 annual general meeting annually	Annual
		5.4 Implementation of stakeholder engagement events	• Event reports	Events are reported in the AR	Annual
Output 6: Grievance redressal mechanism (GRM)	Activity 6a: Implementation of GRM	6.1 GRM used to report grievances if needed	• Grievance forms • Minutes of meeting	Grievances are reported in the AR	Annual
Output 7: Execution of benefit sharing mechanism and	Activity 7a: Disbursement of sales revenue in accordance with benefit sharing plan.	7.1 Annual percentage of Nakau and NRDF service fee commissions	• PVC sales figures • VCA annual reports	20% of sales Nakau 20% of sales NRDF	Annual

Output	Activity	Progress indicators	Means of verification	Indicator target	Monitoring frequency
distribution of benefits		7.2 Annual percentage of participant payment		60% VCA	Annual
	Activity 7b: Monitoring of benefit distribution	7.3 VCA report business and benefit distribution expenditure	• VCA quarterly reports • VCA annual reports	1 VCA annual financial report per year	Quarterly annual and annual
		7.4 VCA reports on community benefit investments (for example, goods, services, infrastructure, savings)		1 list of VCA annual financial records per year	Quarterly annual and annual
Output 8: Landowner business entity operation	Activity 8a: Tribal business operation, monitoring and reporting	8.1 VCA regularly reports financial results from business activity	• VCA annual return documents • VCA quarterly reports • Vuri annual reports	4 quarterly reports annually	Quarterly annual
		8.2: VCA holds regular (quarterly) meetings	Quarterly MoM	4 quarterly meetings annually	Quarterly annual
	Activity 8b: Business and financial plans are updated regularly	8.3: VCA holds meetings to update business and financial plan	Business/financial plan documents	1 update to business and financial plan per verification period	Once per verification period
Output 9: Marketing, visibility, and sales	Activity 9a: Development of effective marketing materials for Nakau channels including	9.1: Marketing materials designed and published	• Nakau website • Nakau media platform	Variable, according to need	Variable, according to need

Output	Activity	Progress indicators	Means of verification	Indicator target	Monitoring frequency
of Plan Vivo Certificates	stories, photos and case studies.		• Nakau Facebook page		
	Activity 9b: Marketing and sales of carbon credits	9.2 Annual volume and value of PVC sales or sales commitments	• Emission Reduction Purchase Agreements (ERPAs) • Vuri annual reports	1 ERPA signed for Vuri credits	Annual
Output 10: Ongoing project coordination/ implementation support	Activity 10a: Technical support and training for project monitoring, project governance, project verification, business management and development of livelihood activities	10.1 Technical trainings and support delivered as required	• Training reports	Trainings are reported annually	Annual
	Activity 10b: Provision of information and data management services.	10.2 Updated project data stored in cloud-based data storage/management system	• Project database and information system (MS SharePoint, Google drive)	Vuri project database updated as necessary	Continuous

4.2 Carbon indicators

A brief description of the carbon indicators monitored in the Vuri project is provided in Table 4.2. A detailed description of the procedures to monitor carbon indicators in the Vuri project is provided in the Vuri monitoring plan ***(see Vuri PDD – Annex 13)*** and the Vuri technical specification ***(see Vuri PDD Annex 7)***.

Table 4.2: Overview of carbon indicators in the Vuri project

Carbon indicator	Description	Means of verification	Monitoring frequency
Forest cover loss	Field monitoring of forest cover and measurement of forest cover loss incidents	• Forest monitoring activity report • Annual report	• Monitored annually in the field (or more frequently if threats exist)
	Remote monitoring of forest cover and measurement of forest cover loss incidents	• Remote forest monitoring report • Annual report	• Monitored monthly-bimonthly by remote sensing • Reported annually
Baseline scenario	Periodic assessment of potential forest sector policy and regulatory changes that could affect baseline assumptions and project additionality	• Technical specification • Annual report	Technical specification updated every 5 years
Carbon baseline	Remeasurement of the commercial stock in the project area and reassessment of net baseline emissions	• Technical specification • Annual report	Technical specification updated every 5 years
Activity shifting leakage	Monitoring of displacement of production activities to areas outside the EFA due to project activities	Technical specification	Not monitored (Activity shifting leakage is expected to happen and has been discounted from carbon benefits)
Market leakage	Monitoring of change in the timber supply and demand equilibrium caused by project activities that results in a shift of production elsewhere	Technical specification	Monitored once per verification period (combined for all Nakau projects)
Double counting	Monitoring of the progress of the Solomon Islands national REDD+ programme and other	• PDD • Annual report	Monitored once per verification period (combined for all Nakau projects)

	emerging emission trading schemes.		

4.3 Livelihood indicators

Livelihood monitoring is carried through the assessment of 4 main livelihood indicators and associated targets, as follows:

1. Food security: The project will have a positive or non-detrimental effect on the community's food security and access to land for food production and gathering of food items.
2. Water security: The project will have a positive or non-detrimental effect of community's water security, accessibility and sanitation.
3. Financial security: The project will have a positive or non-detrimental effect on the community's financial security and education
4. Project participation: The project will lead to an improvement in the community's participation and trust in the project

Table 4.3 provides an overview of the livelihood indicators, sub indicators and targets used for livelihood monitoring in the Vuri project. A more detailed description of livelihood indicators and monitoring procedures is provided in the Vuri monitoring plan ***(see Vuri PDD – Annex 13)***. The livelihood baseline report that provides initial target values for each indicator is provided as a supporting document to the Vuri annual report submitted at the first verification.

Table 4.3: Livelihood indicators and targets in the Vuri project

Livelihood Indicator	Livelihood sub-indicators and targets	Means of verification
1. Food security	1.1 No decrease in the average size of a household/family garden	• Livelihood survey data (Kobo tools) • Livelihood baseline report • Livelihood monitoring reports (once per verification) • Annual reports
	1.2 No change in types of crops grown in the family garden	
	1.3 No decrease in the frequency that food is eaten from the garden	
	1.4 Fewer households report running out of food	
	1.5 No decrease in the frequency that someone from the household goes to work in their garden	
	1.6 No decrease in the frequency that food or other products are harvested from the forest	
	1.7 No increase in the frequency food is purchased from the store	
2. Water security	2.1 Water sources available to households will remain the same or improve	
	2.2 Less households will run out of clean water	
	2.3 Access to toilets and sanitation improves, with more households having a flush toilet	
	2.4 Percentage of project owner budget spent on water/sanitation infrastructure each year	

Livelihood Indicator	Livelihood sub-indicators and targets	Means of verification
	2.5 Number of households receiving water tanks (or equivalent water supply infrastructure) over project period	
	2.6 Number of households receiving improved sanitation infrastructure (toilets etc.)	
3. Financial security	3.1 The housing condition will remain the same or improve	
	3.2 Access to electricity is consistent or does not decrease	
	3.3 Frequency of children's school attendance will not decrease	
	3.4 The household main expenditures will not change	
	3.5 More households can always save money on a monthly basis	
	3.6 Perceived alcohol and drug consumption doesn't increase	
	3.7 Percentage of community benefit-sharing allocation spent on education each year	
	3.8 Number of households receiving school fee support each year	
	3.9 Percentage of community benefit-sharing allocation spent on supporting livelihoods projects each year	
	3.10 Number of households benefiting from supported livelihoods initiatives each year (micro loans etc)	
	3.11 Percentage of community benefit-sharing allocation spent on women saving club accounts each year	
	3.12 Number of women/household members of savings groups supported by project	
4. Project participation	4.1 The community perception that they are learning skills from the project improves	
	4.2 The community's understanding of how to access information about the carbon project finances and activities improves	
	4.3 Participation or engagement of community members with the project is increasing.	
	4.4 More community members trust the project and feel that it is improving households and community wellbeing	

4.4 Ecosystem indicators

Ecosystem monitoring is carried out to assess and evaluate the ecological conditions and identify potential environmental risks in the Vuri project throughout the project period. Key fauna and flora species, which may be at risk despite forest protection, are used as indicators in ecosystem monitoring.

Table 4.4 provides an overview of the key species used as ecosystem indicators in the Vuri project and a rationale for the selection of each species.

A detailed description of ecosystem monitoring procedures is provided in the Vuri monitoring plan ***(see Vuri PDD Annex 13)***.

Table 4.4: Key species for ecosystem monitoring in the Vuri project

Species Group	Species Name	IUCN Status	Potential threats in the project area	Means of verification
Flora	Rosewood (*Pterocarpus indicus*)	EN	Rosewood is a valuable timber tree highly sought after on the Chinese market due to cultural value. In the Solomon Islands it has been widely depleted despite its status as a legal protected species and is globally endangered (EN) due to overexploitation.	• Ecosystem monitoring spatial data • Forest and ecosystem monitoring activity reports (annual) • Annual reports • Ecosystem monitoring report (at verification)
Fauna: Mammals	Admiralty flying fox (*Pteropus admiralitatum*)	LC	The Admiralty and Solomon flying fox are threatened by hunting and trade. Both are CITES-listed (Appendix II)	
	Solomon flying fox (*Pteropus rayneri*)	NT		
	Poncelet's giant rat (*Solomys ponceleti*)	CR	Poncelet's giant rats are critically endangered and threatened by hunting.	
	Bougainville giant rat (*Solomys salebrosus*)	VU	Bougainville giant rats are vulnerable and threatened by hunting.	
Fauna: Birds	Blyth's hornbill (*Rhyticeros plicatus*)	LC	Blyth's hornbill is threatened by live pet trade and CITES-listed (Appendix II). The species is further frequently hunted for food and threatened by forest loss.	
	Papuan eclectus parrot (*Eclectus polychloros*)	LC	The eclectus parrot is vulnerable due to live pet trade. The species is further threatened by forest loss.	
	Sanford's sea eagle	VU	Sanford's sea eagle is endemic to the Solomon	

Species Group	Species Name	IUCN Status	Potential threats in the project area	Means of verification
	(*Haliaeetus sanfordi*)		Islands and vulnerable. It is threatened by live pet trade. It is CITES listed (Appendix II).	
	Crested cuckoo dove *(Reinwardtoena crassirostris)*	LC	The crested cuckoo dove is potentially threatened by hunting and pet trade	
Fauna: Amphibians	Solomon leaf frog (*Cornufer guentheri*)	LC	The Solomon leaf frog is an endemic, forest frog species that is threatened by live pet trade.	
	Solomon giant tree frog (*Cornufer hedigeri*)	LC	The Solomon giant tree frog is threatened by live pet trade.	
Fauna: Reptiles	Solomon Islands skink (*Corucia zebrata*)	NT	The Solomon Islands skink is a large endemic reptile characteristic of closed canopy forest and is threatened by hunting and live pet trade. It is CITES-listed (Appendix II).	
	Western crocodile skink (*Tribolonotus pseudoponceleti*)	LC	The western crocodile skink is threatened by live pet trade.	

Monitoring

4.5 Monitoring plan

Monitoring in the Vuri project follows the monitoring guidelines and procedures established under the Vuri monitoring plan ***(see Vuri PDD Annex 13)***.

The Vuri monitoring plan was developed by Nakau and NRDF and describes the detailed procedures applied to monitor and report on progress, carbon, livelihood and ecosystem indicators in line with Plan Vivo project requirements v.4. The Vuri monitoring plan will be implemented by the project owner with technical support and training from NRDF and Nakau.

Prior to the verification of the Vuri project, Nakau and NDRF delivered capacity building to the Vuri protected area management committee and forest rangers through monitoring and data-collection trainings ***(see Vuri PDD Annex 4 – item 4.6)***. The workshops focus on training good practice and technology to facilitate monitoring project indicators and to empower the project owners to lead field monitoring activities. Over the course of the project period, NRDF will continue to strengthen the capacity of the project owners in project monitoring as long as necessary. The trainings will happen based on mutual agreement and at times, opportunistically, during NRDF field visits.

4.6 Progress monitoring

This section provides an overview over how project performance is monitored by means of progress indicators and provides information on milestones and potential corrective actions if indicators are not met. A detailed description of progress monitoring procedures in the Vuri project is provided in the Vuri monitoring plan ***(see Vuri PDD Annex 13)***. Progress monitoring results are reported by Nakau to Plan Vivo annually, in the annual reports (see section 4.9).

Table 4.6: Targets of progress indicators, and corrective actions if targets are not met

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
1.1 Permanence of PA status	PA status is maintained throughout verification period	PA status is maintained throughout verification period	PA status is maintained throughout verification period	PA status is maintained throughout verification period	PA status is maintained throughout verification period	PA status is maintained throughout verification period	PA status is maintained throughout verification period	Delay verification and credit issuance until PA reinstated
2.1: The Vuri PAMC holds regular PA management meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	Vuri PAMC holds annual meetings	NRDF to report lack of achievement to Vuri PAMC and provide support to improve performance
2.2: Recording of illegal logging incidents	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	All illegal logging incidents identified and reported	Rangers stop any illegal activities Rangers increase monitoring frequency to avoid renewed entry Incident is reported to the MECDM to issue infringement notice and penalize logging company Forest cover loss area is measured and reversals are deducted
2.3: Penalty documents issued for illegal activities	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	Penalties issued for all illegal logging incidents	

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
2.4 Rangers carry out conservation activities according to PA management plan	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	Ranger LOE in PA conservation activities achieved according to target	NRDF to support project owner to increase ranger LOE in conservation activities
2.5 PAMC holds meetings to revise PA management plan	PA management plan prepared	PA management plan revised/ updated once per verification period	PA management plan revised/ updated once per verification period	PA management plan revised/ updated once per verification period	PA management plan revised/ updated once per verification period	PA management plan revised/ updated once per verification period	PA management plan revised/ updated once per verification period	NRDF to support workshops to revise the Vuri PA management plan
2.6 Rangers carry out PA maintenance activities according to PA management plan	PA infrastructure is established	PA infrastructure is in good condition	PA infrastructure is in good condition	PA infrastructure is in good condition	PA infrastructure is in good condition	PA infrastructure is in good condition	PA infrastructure is in good condition	NRDF to support PA maintenance activities
3.1: Group of trained and certified forest rangers present in the project area	Group of rangers trained and certified	Trained and certified ranger group maintained	Trained and certified ranger group maintained	Trained and certified ranger group maintained	Trained and certified ranger group maintained	Trained and certified ranger group maintained	Trained and certified ranger group maintained	NRDF/Nakau to provide support to increase number of rangers

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
3.2 Ranges carry out forest and ecosystem monitoring field activity according to monitoring plan	Initial field monitoring completed	Forest and ecosystem field monitoring carried out annually	Forest and ecosystem field monitoring carried out annually	Forest and ecosystem field monitoring carried out annually	Forest and ecosystem field monitoring carried out annually	Forest and ecosystem field monitoring carried out annually	Forest and ecosystem field monitoring carried out annually	NRDF/Nakau to provide support to increase field monitoring frequency
3.3 Remote forest change assessment conducted as per monitoring plan	Remote forest monitoring system established	Remote forest monitoring report produced annually	Remote forest monitoring report produced annually	Remote forest monitoring report produced annually	Remote forest monitoring report produced annually	Remote forest monitoring report produced annually	Remote forest monitoring report produced annually	Delay verification and credit issuance until milestone have been met
4.1 Livelihood monitoring surveys conducted according to monitoring plan	Livelihood baseline report drafted	Livelihood changes assessed once per verification period	Livelihood changes assessed once per verification period	Livelihood changes assessed once per verification period	Livelihood changes assessed once per verification period	Livelihood changes assessed once per verification period	Livelihood changes assessed once per verification period	Nakau and NRDF to support project owner to catch up on livelihood survey
5.1: Forest carbon education or training activities implemented	Initial carbon education or training activities implemented	Refresher carbon education or training activities implemented	Refresher carbon education or training activities implemented	Refresher carbon education or training activities implemented	Refresher carbon education or training activities implemented	Refresher carbon education or training activities implemented	Refresher carbon education or training activities implemented	NRDF to support additional carbon education or training activities as required/requested
5.2 Increasing number of women in project governance or	Initial status	Increased number of women in project governance or	Increased number of women in project governance or	Increased number of women in project governance or	Increased number of women in project governance or	Increased number of women in project governance or	Increased number of women in project governance or	NRDF to increase efforts to strengthen women participation

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
management positions		management positions	management positions	management positions	management positions	management positions	management positions	in project governance and management
5.3 Implementation of stakeholder engagement or knowledge exchange events/trainings	Initial stakeholder engagement events completed	Further stakeholder engagement events completed	Further stakeholder engagement events completed	Further stakeholder engagement events completed	Further stakeholder engagement events completed	Further stakeholder engagement events completed	Further stakeholder engagement events completed	NRDF to provide guidance and support to increase stakeholder engagement
6.1 Grievance redress form used to report grievances if needed	Grievance mechanism established and trained	Grievance mechanism used by community as needed	Grievance mechanism used by community as needed	Grievance mechanism used by community as needed	Grievance mechanism used by community as needed	Grievance mechanism used by community as needed	Grievance mechanism used by community as needed	NRDF to provide support to community members in using the grievance mechanism
7.1: Annual reports (AR) reviewed and approved by Plan Vivo	First AR delivered and approved by Plan Vivo	Annual reports delivered in timely manner and approved	Annual reports delivered in timely manner and approved	Annual reports delivered in timely manner and approved	Annual reports delivered in timely manner and approved	Annual reports delivered in timely manner and approved	Annual reports delivered in timely manner and approved	Nakau will prioritise delivery of pending AR to avoid project suspension
7.2 Verification audit passed	First verification audit passed	Second verification audit passed	Third verification audit passed	Fourth verification audit passed	Fifth verification audit passed	Sixth verification audit passed	Seventh verification audit passed	Delay credit issuance until milestones have been met
8.1 Value of service fee commissions	Pre-revenue	Value of service fee commissions (40%) matches	Value of service fee commissions (40%) matches	Value of service fee commissions (40%) matches	Value of service fee commissions (40%) matches	Value of service fee commissions (40%) matches	Value of service fee commissions (40%) matches	Nakau to undertake actions to remedy payment amounts for compliance

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
		project agreement	project agreement	project agreement	project agreement	project agreement	project agreement	
8.2 Value of participant payment	Pre-revenue	Value of participant payment (60%) matches project agreement	Value of participant payment (60%) matches project agreement	Value of participant payment (60%) matches project agreement	Value of participant payment (60%) matches project agreement	Value of participant payment (60%) matches project agreement	Value of participant payment (60%) matches project agreement	Nakau to undertake actions to remedy payment amounts for compliance
8.3 VCA report business and benefit distribution expenditure	Pre-revenue	Vuri clan association achieves financial benefit-sharing targets	Vuri clan association achieves financial benefit-sharing targets	Vuri clan association achieves financial benefit-sharing targets	Vuri clan association achieves financial benefit-sharing targets	Vuri clan association achieves financial benefit-sharing targets	Vuri clan association achieves financial benefit-sharing targets	Nakau/Project Coordinator to provide support and capacity building for reporting For funds misuse or elite capture, implement localised strategy to remedy For serious non-compliance, delay payments until remedied
8.4 VCA reports on community benefit investments (for example, goods, services,	Pre-revenue	Investment targets and/or priorities established in Vuri business and benefit	Investment targets and/or priorities established in Vuri business and benefit	Investment targets and/or priorities established in Vuri business and benefit	Investment targets and/or priorities established in Vuri business and benefit	Investment targets and/or priorities established in Vuri business and benefit	Investment targets and/or priorities established in Vuri business and benefit	NRDF and Nakau to provide additional support and training as required

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
infrastructure, savings)		sharing plan are met	sharing plan are met	sharing plan are met	sharing plan are met	sharing plan are met	sharing plan are met	
9.1 VCA reports on financial results from business activity	Pre-revenue	VCA project budget and actual expenditures align	VCA project budget and actual expenditures align	VCA project budget and actual expenditures align	VCA project budget and actual expenditures align	VCA project budget and actual expenditures align	VCA project budget and actual expenditures align	Nakau and NRDF to provide support and training to improve VCA financial management capacity
9.2: VCA holds regular (quarterly) meetings	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	VCA achieves meeting frequency targets	Nakau to withhold payment until meeting report is provided by VCA NRDF and VCA to adjust meeting frequency if targets are systematically not met
9.3: VCA holds meetings to update business and financial plan	Initial business/ financial plan established	Business and financial plan updated once in verification period	Business and financial plan updated once in verification period	Business and financial plan updated once in verification period	Business and financial plan updated once in verification period	Business and financial plan updated once in verification period	Business and financial plan updated once in verification period	Nakau and NRDF to provide support and training to update business and financial plan
10.1: Marketing materials designed and published	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Marketing materials produced according to Nakau Comms plan	Nakau will increase efforts to produce marketing materials

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
10.2 Annual volume and value of PVC sales or sales commitments	Pre-issuance	Sales targets are met	Sales targets are met	Sales targets are met	Sales targets are met	Sales targets are met	Sales targets are met	Nakau to increase the efforts in sales and marketing
11.1 Technical trainings and support delivered during implementation as required	Pre-implementation	Delivery of training and support needs as identified annually in AGM	Delivery of training and support needs as identified annually in AGM	Delivery of training and support needs as identified annually in AGM	Delivery of training and support needs as identified annually in AGM	Delivery of training and support needs as identified annually in AGM	Delivery of training and support needs as identified annually in AGM	Nakau and NRDF to work with Vuri Clan Association and PAMC to improve delivery of training and support
11.2 Updated project data stored in cloud-based data storage/management system	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Up-to-date project data and documents made available to relevant project partners	Nakau and NRDF will improve efforts to provide updated project data and documents
11.3 Provision of monitoring reports containing project monitoring results and impacts	Initial status	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Livelihood and ecosystem monitoring results and impacts assessed, reported and shared with	Nakau and NRDF to increase efforts to achieve a timely delivery of monitoring results

Progress indicators	Targets by planned verification periods							Corrective actions if milestone is not met
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051	
		VCA once per verification period	VCA once per verification period	VCA once per verification period	VCA once per verification period	VCA once per verification period	VCA once per verification period	

4.7 Carbon monitoring

The carbon monitoring procedures in the Vuri project are detailed in the Vuri monitoring plan ***(see Vuri PDD Annex 13)*** and the Vuri technical specification ***(see Vuri PDD Annex 7)***.

Table 4.7: Overview of planned carbon monitoring schedule in the Vuri project

Carbon indicators	Activity	Planned carbon monitoring schedule by verification period						
		2022–2024	2025–2027	2028–2032	2033–2036	2037–2041	2042–2046	2047-2050
Forest cover loss	Forest field monitoring	Annually (starting 2023)	annually	annually	annually	annually	annually	annually
	Remote forest monitoring	once	Monthly, reported annually	Monthly, reported annually	Monthly, reported annually	Monthly, reported annually	Monthly, reported annually	Monthly, reported annually
Carbon baseline	Re-assessment of commercial stock	Initial values	-	once	once	once	once	once
Baseline scenario	Review of policy/ legislative changes	Initial status	once	once	once	once	once	once
Activity shifting leakage	Not monitored (potential leakage discounted from carbon benefits)							
Market leakage	Review of market leakage assumptions	once	once	once	once	once	once	once
Double counting	Review of changes to jurisdictional emission reduction schemes	Initial status	once	once	once	once	once	once

4.8 Livelihood and ecosystem monitoring

The livelihood monitoring procedures in the Vuri project are detailed in the Vuri monitoring plan ***(see Vuri PDD Annex 13)***. The livelihood indicators are monitored once per verification period.

Table 4.8a: Overview of livelihood indicators, baseline values and targets in the Vuri project

Livelihood indicators and sub-indicators	Baseline value	Target value
1. Food security		
1.1 No decrease in the average size of a household/family garden	0.3 hectares	≥ 0.3 hectares
1.2 No change in types of crops grown in the family garden	The common crops were potato (95%), cassava (90.5%), taro (81%) bananas (90.5%), cabbage (71%) and beans (48%).	No change in the most important crops
1.3 No decrease in the frequency that food is eaten from the garden	3 days	≥3 days
1.4 Fewer households report running out of food	10% of households	≤ 10% of households
1.5 No decrease in the frequency that someone from the household goes to work in their garden	1 day a week	≥1 day a week
1.6 No decrease in the frequency that food or other products are harvested from the forest	once every 17 days on average	≥ once every 17 days on average
1.7 No increase in the frequency food is purchased from the store	4 days a week	≤ 4 days a week
2. Water security		
2.1 Water sources available to households will remain the same or improve	81% of households have access to tap water 38% of households own rainwater tanks	≥ 81% of households have access to tap water ≥ 38% of households own rainwater tanks
2.2 Less households will run out of clean water	76% of households run out of clean water	≤ 76% of households run out of clean water
2.3 Access to toilets and sanitation improves, with more households having a flush toilet	53% of households own a flush toilet	≥ 53% of households own a flush toilet
2.4 Percentage of project owner budget spent on water/sanitation infrastructure each year	n/a at baseline	Determined annually at AGM
2.5 Number of households receiving water tanks (or equivalent water supply infrastructure) over project period	n/a at baseline	Determined annually at AGM
2.6 Number of households receiving improved sanitation infrastructure (toilets etc.)	n/a at baseline	Determined annually at AGM
3. Financial security		

Livelihood indicators and sub-indicators	Baseline value	Target value
3.1 The housing condition will remain the same or improve	57% of households own a permanent house	≥ 57% of households own a permanent house
3.2 Access to electricity is consistent or does not decrease	100% of households have solar power.	100% of households have access to solar power.
3.3 Frequency of children's school attendance will not decrease	38% of households have children that do not go to school	≤ 38% of households have children that do not go to school
3.4 The household main expenditures will not change	The main expenditures: Food (100%) household goods (90.5%) school fees (67%) and clothes (52%) are the most common household expenditures	No change
3.5 More households can always save money on a monthly basis	33% of households can save some money monthly	≥ 33% of households can save some money monthly
3.6 Perceived alcohol and drug consumption doesn't increase	80% of households observe an increase in alcohol consumption	≤ 80% of households observe an increase in alcohol consumption
3.7 Percentage of community benefit-sharing allocation spent on education each year	n/a	Determined annually at AGM
3.8 Number of households receiving school fee support each year	n/a	Determined annually at AGM
3.9 Percentage of community benefit-sharing allocation spent on supporting livelihoods projects each year	n/a	Determined annually at AGM
3.10 Number of households benefiting from supported livelihoods initiatives each year (micro loans etc)	n/a	Determined annually at AGM
3.11 Percentage of community benefit-sharing allocation spent on women saving club accounts each year	n/a	Determined annually at AGM
3.12 Number of women/household members of savings groups supported by project	n/a	Determined annually at AGM
4. Project participation		
4.1 The community perception that they are learning skills from the project improves	90% of households state they've increased knowledge and skill through the project	≥ 90% of households state they've increased knowledge and skill through the project

Livelihood indicators and sub-indicators	Baseline value	Target value
4.2 The community's understanding of how to access information about the carbon project finances and activities improves	52% of households state they can access information about the carbon project	≥ 52% of households state they can access information about the carbon project
4.3 Participation or engagement of community members with the project is increasing.	n/a at baseline	Steady or increase at each verification
4.4 More community members trust the project and feel that it is improving households and community wellbeing	85% of households state that the project improves community wellbeing	≥ 85% of households state that the project improves community wellbeing

The livelihood monitoring schedule in the Vuri project is presented in the table below.

Table 4.8b: Planned livelihood monitoring schedule in the Vuri project

Monitoring Activity	Planned livelihood monitoring schedule by verification periods						
	2022–2024	2025–2027	2028–2032	2033–2037	2038–2042	2043–2047	2048-2051
Livelihood survey	Baseline survey	Once per verification	Once per verification	Once per verification	Once per verification	Once per verification	Once per verification
Livelihood monitoring report with assessment of project impacts	Livelihood baseline report	Once per verification	Once per verification	Once per verification	Once per verification	Once per verification	Once per verification

The ecosystem monitoring procedures in the Vuri project are detailed in the Vuri monitoring plan ***(see Vuri PDD Annex 13)***.

Ecosystem indicators are monitored recurringly, and monitoring results reported by Nakau to Plan Vivo in the annual reports and once per verification.

Table 4.8c provides an overview of the monitoring schedule and targets throughout the project period.

Table 4.8c: Overview over ecosystem monitoring targets and schedule in the Vuri project

Ecosystem targets by verification periods						
2022-2024	2025-2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2051
Monitoring transects are established and first ecosystem monitoring field activity is completed	Ecosystem monitoring field activity is completed annually	Ecosystem monitoring field activity is completed annually	Ecosystem monitoring field activity is completed annually	Ecosystem monitoring field activity is completed annually	Ecosystem monitoring field activity is completed annually	Ecosystem monitoring field activity is completed annually

Ecosystem targets by verification periods						
2022-2024	2025-2027	2028-2032	2033-2037	2038-2042	2043-2047	2048-2051
A monitoring activity report is prepared	A monitoring activity report is prepared annually	A monitoring activity report is prepared annually	A monitoring activity report is prepared annually	A monitoring activity report is prepared annually	A monitoring activity report is prepared annually	A monitoring activity report is prepared annually
Initial ecosystem indicator values are reported at verification	Results of ecosystem change are reported once per verification period	Results of ecosystem change are reported once per verification period	Results of ecosystem change are reported once per verification period	Results of ecosystem change are reported once per verification period	Results of ecosystem change are reported once per verification period	Results of ecosystem change are reported once per verification period

Reporting

In the Vuri project, NRDF has the responsibility of supporting the VCA in conducting project monitoring activities according to the Vuri monitoring plan (***see PDD Annex 13***) and sharing and consulting the monitoring results with the VCA members and the broader community during the annual general meetings.

The business and benefit-sharing workshop has informed the business and benefit-sharing plan and investment priorities (***see PDD Annex 16 – Vuri financial plan***). The financial monitoring results are shared with the broader community through quarterly reports and each year, in the AGM.

The livelihood monitoring is repeated once per verification period, and the results are shared and consulted with the VCA and broader community. VCA representatives are engaged in interpretation of livelihood monitoring results as part of the report preparation process The monitoring report and results are shared and discussed with the VCA and broader community at the project monitoring meeting, at least once per monitoring cycle.

The results of annual forest and ecosystem monitoring are reported in monitoring activity reports, which are shared and consulted with the VCA and broader community at the project management meetings and the AGM. The results will further be shared and consulted with the ranger group and used to adjust monitoring activities accordingly (e.g. level of effort, targeted monitoring of a particular species, or monitoring of a specific location).

The monitoring results and community consultations will inform NRDF and Nakau on and help address potential issues in the monitoring system, for instance by adjusting monitoring parameters (e.g. level of effort, appropriateness of indicators or changes in monitoring procedures) to improve the effectiveness of the monitoring activities and/or produce more meaningful results. After modifications are made, these are reported in the annual reports and shared with the VCA in management meetings, after which monitoring plan are updated accordingly.

4.9 Annual report

Nakau will prepare annual reports for the Vuri project that cover each year of the project period and report on the activities specific to the year of project operation. The reports are submitted to Plan Vivo until the end of the year that succeed the reporting year. An exception to this is provided by the annual report submitted at the first verification – this will report on the activities which occurred throughout the project development period.

Table 4.9: Schedule for submission of annual reports in the Vuri project

Annual report number	Reporting period	AR due date
1	01/01/2022-31/12/2024	Together with Vuri PDD (2026)
2	01/01/2025-31/12/2025	Until 31/12/2026
3	01/01/2026-31/12/2026	Until 31/12/2027
4	01/01/2027-31/12/2027	Until 31/12/2028
5	01/01/2028-31/12/2028	Until 31/12/2029
6	01/01/2029-31/12/2029	Until 31/12/2030
7	01/01/2030-31/12/2030	Until 31/12/2031
8	01/01/2031-31/12/2031	Until 31/12/2032
9	01/01/2032-31/12/2032	Until 31/12/2033
10	01/01/2033-31/12/2033	Until 31/12/2034
11	01/01/2034-31/12/2034	Until 31/12/2035
12	01/01/2035-31/12/2035	Until 31/12/2036
13	01/01/2036-31/12/2036	Until 31/12/2037
14	01/01/2037-31/12/2037	Until 31/12/2038
15	01/01/2038-31/12/2038	Until 31/12/2039
16	01/01/2039-31/12/2039	Until 31/12/2040
17	01/01/2040-31/12/2040	Until 31/12/2041
18	01/01/2041-31/12/2041	Until 31/12/2042
19	01/01/2042-31/12/2042	Until 31/12/2043
20	01/01/2043-31/12/2043	Until 31/12/2044
21	01/01/2044-31/12/2044	Until 31/12/2045
22	01/01/2045-31/12/2045	Until 31/12/2046
23	01/01/2046-31/12/2046	Until 31/12/2047
24	01/01/2047-31/12/2047	Until 31/12/2048
25	01/01/2048-31/12/2048	Until 31/12/2049
26	01/01/2049-31/12/2049	Until 31/12/2050
27	01/01/2050-31/12/2050	Until 31/12/2051
28	01/01/2051-31/12/2051	Until 31/12/2052

4.9.1 Forest monitoring activity reports

NRDF will prepare an annual forest monitoring activity report each year, after the completion of the monitoring activity in the field. The report follows a standardized template that was developed by Nakau and NRDF, and reports on the forest and ecosystem monitoring activity, including methodology, maps, results and performance indicators. The procedures for the field monitoring are described in the Vuri

project monitoring plan ***(see Vuri PDD Annex 13).*** NRDF submits this report to Nakau annually. Nakau will add the monitoring report and spatial data as an attachment to the annual reports submitted to Plan Vivo.

4.9.2 Remote monitoring reports

Nakau will prepare a remote forest monitoring report annually, or more frequently if required, to report on the state of the forest cover in the Vuri PA and EFA. The report is created following the procedures described in section 4.2.1 of the Vuri project monitoring plan ***(see Vuri PDD Annex 13).*** The remote monitoring report is attached to the annual report submitted to Plan Vivo.

4.10 Record keeping

A description of the Vuri project's filing system is provided in the ***Vuri PDD Annex 14***. At verification events, the third-party validation and verification body and Plan Vivo are given access to the projects filing system and data for auditing.

5 Governance and administration

5.1 Governance structure

The Vuri project governance was established in accordance with the general governance structure common to all Nakau projects in the Solomon Islands. The Vuri-specific project governance structure, including local participants is shown in Figure 5.1.

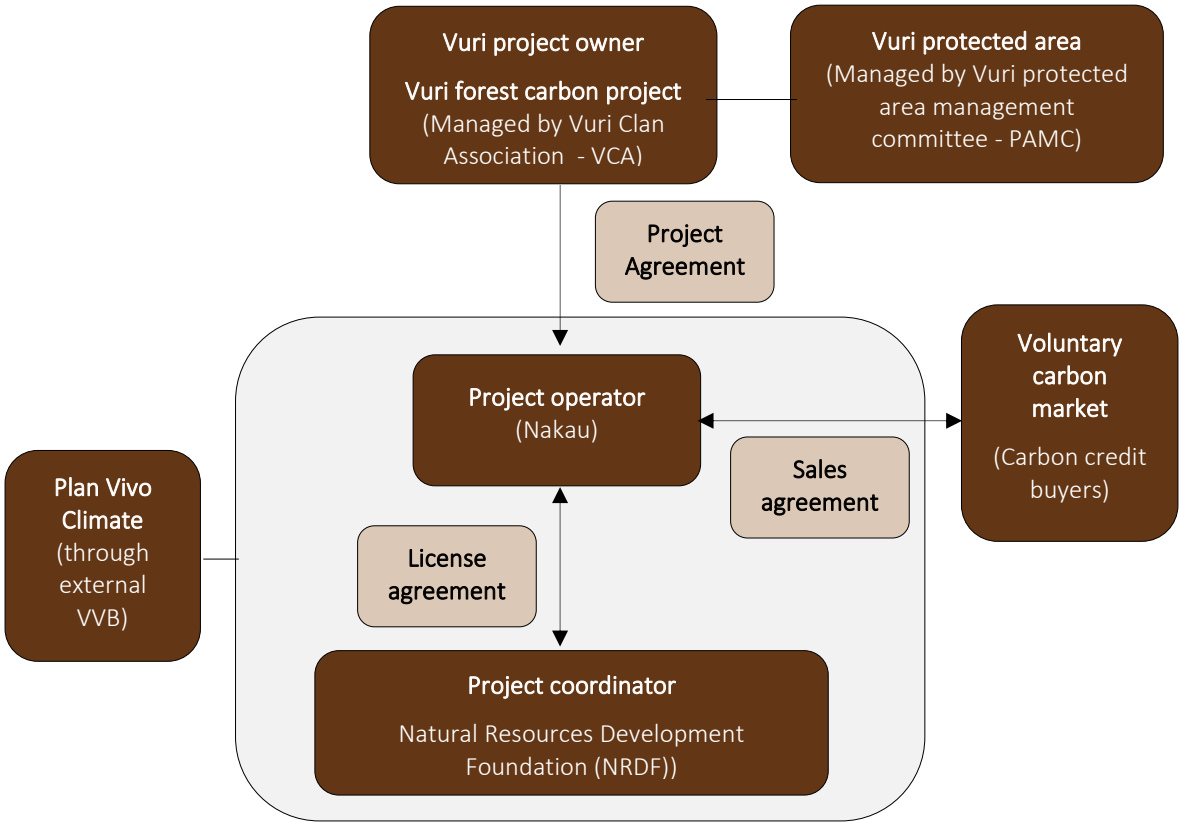

Figure 5.1: Vuri project governance structure

The Project Operator: Nakau

Nakau is a social purpose company based in Melbourne, Australia, and a leading developer of community-led forest carbon projects in the Melanesian Pacific region. Nakau's projects protect and restore natural forests and enhance community livelihoods and resilience in the Solomon Islands, Vanuatu, Fiji and Papua New Guinea. Nakau's engagement with forest conservation and PES began in 2012 with the Loru project in Vanuatu. Since then, Nakau has developed and refined its project development methodology. Nakau comprises a team of ten staff that are highly experienced in forest carbon project development with indigenous communities in the Pacific.

Nakau undertakes the role of project operator for the Vuri-project and has been supporting their PA and carbon project development since 2014. Nakau is the owner of the intellectual property rights over all projects applying the Nakau methodology, and provides oversight and capacity building for project design and implementation for the VCA and project coordinator. Nakau ensures project compliance with the requirements of the Plan Vivo Standard, and coordinates project validation and verification. Nakau further acts as the sales and project registry agent for Plan Vivo credits on behalf of the Vuri project.

The Project Coordinator: Natural Resources Development Foundation (NRDF)

NRDF is a local NGO registered under the Charitable Trusts Act ***(see Vuri PDD Annex 2 – item 2.1.2)***. NRDF was founded by long-term Solomon Islands resident Wilko Bosma in 2004 to address the problem of increasing forest degradation and habitat loss caused by commercial logging through Payment for Ecosystem Services (PES). NRDF is built on the core values that natural resources are fundamental to the wellbeing of local people and they provide sustainable resource management and climate resilience opportunities to communities — protecting natural resources for current and future generations. NRDF's engagement in forest conservation with carbon market activities began in 2012 when the organisation was introduced to the Nakau Programme and Plan Vivo. Since the inception of the partnership, NRDF has been building its position and capacity as a leading forest conservation organisation in the Solomon Islands. Today, NRDF is one of the main project coordinator organisations responsible for establishing carbon projects under the Nakau Programme in the Western and Choiseul Provinces of the Solomon Islands. Apart from the Vuri project, NRDF currently supports seven other projects in development (Siporae, Padezaka, Garasa, Lukolobere, Miqusava, Zoko, Viru Harbour) as well as one project in implementation (Sirebe, since 2012). Due to the successful development of the Sirebe project, NRDF has demonstrated the management skills and expertise to bring Nakau forest carbon projects to market. NRDF today has 11 local staff that are highly experienced in PES project development work. NRDF's head office is in Gizo, the provincial capital of Western Province. A field office is operated from Sasamungga village in Choiseul. Despite being a small organisation, NRDF is recognised and trusted by communities, national and international NGOs, and the Solomon Islands Government as a key stakeholder in PES and forest conservation activities and programs in the Solomon Islands. The NRDF team is particularly qualified at setting up project governance and community development components at the community level. This includes community engagement and participatory processes, establishing project governance groups and developing benefit-sharing systems. Throughout these processes, NRDF is guided by the principles of inclusion, fairness and transparency — and by free, prior and informed consent.

The Natural Resources Development Foundation (NRDF) undertakes the role of project coordinator for the Vuri project and has been supporting their PA and carbon project development since 2014. In it's role, NRDF directly engages with the VCA, PAMC and broader community to support and guide project design and development, including land use planning, forest monitoring, setting up the project governance structures, ensure participatory processes and FPIC, and provide capacity building and training.

The Project owner: Vuri Clan Conservation Association (VCA)

The Vuri Clan established and registered the Vuri Clan Conservation Association (VCA) as a charitable trust under the Solomon Islands Charitable Trusts Act 1996 on 23 August 2017 ***(see Vuri PDD Annex 2 – item 2.1.4)***. During the project governance design phase, Vuri Clan members agreed the VCA should be responsible for the coordination and management of the Vuri project. The VCA is the owner of the Vuri carbon credits and project owner carbon revenue, and responsible for local project governance,

business/financial management, and benefit distribution according to the Vuri benefit-sharing plan. Membership in the VCA is open to any individual (male or female), that belongs Sikipozo Tribe, either through ancestry or intermarriage. As per the Act, three members of the VCA are appointed as registered trustees in whom all the funds and property of the VCA are vested. Trustees are elected by majority vote during the VCA annual general meeting (see below). All the mandates of the VCA and the members are captured in the organisation's constitution ***(see Vuri PDD Annex 2 – item 2.1.3)***.

The responsibility to manage the VCA on a daily basis is placed on the executive committee consisting of twelve members, of which 4 are women. The members of the executive committee are the chairperson, vice-chairperson, secretary, treasurer youth representative, women's representative as well as six general members, which are appointed for a term of 4 years. As per the VCA constitution, executive members are nominated and elected by majority vote during the VCA annual general meeting, or through consultation meetings with the sub-clans and families. The first VCA executive members were re-confirmed and endorsed by the clan during the first VCA annual general meeting held on 15 November 2023 (***see Vuri PDD Annex 4 – item 4.2.3***).

As per the constitution, the VCA will hold annual general meetings (AGM), which serve as a governance, reporting and feedback mechanism. At the AGM, members will be informed on and receive the opportunity to review the work of the executive committee, including project finances and assets. Further, the AGM is the platform for the election of new executive members, trustees and grievance mediators. During the AGM, VCA members can further put forward motions to alter or amend project governance regulations, i.e., the VCA constitution articles and byelaws, the Vuri PA management plan regulations, the Vuri project agreement terms, or the Vuri grievance mechanism arrangements.

The Vuri Protected Area Management Committee (PAMC)

The Protected Area Management Committee (PAMC), formally established under the protected area regulations 2012, is responsible for the management of the Vuri protected area, the enforcement of the rules and regulations of the Vuri PA management plan (***see Vuri PDD Annex 11***) and forest field monitoring. The PAMC is comprised of 12 committee members, seven rangers and two inspectors.

The Carbon Standard: Plan Vivo Climate

The Vuri project is certified under the Plan Vivo climate standard, which provides the framework of project methodologies and requirements that the Vuri project needs to comply with, and guides and approves project validation/verification audits and issues the Vuri PVCs.

5.2 Equal opportunities

5.2.1 Employment procedures

All employment administered through the Vuri project will follow the laws as regulated by the Solomon Islands Ministry of Commerce, Industries, Labour and Immigration. Project coordinators must have employment policies and procedures which meet or exceed the minimum requirements established under Solomon Islands labour laws.

Community members, including women and members of marginalised groups, will be given an equal opportunity to fill employment positions in the project where job requirements are met or for roles where they can be cost-effectively trained. The participant groups will be actively engaged in education and planning processes designed to build consensus for expanding traditional gender roles, and hence the project will have a transformative impact. At the same time, necessary cultural protocols will be observed in filling positions that must undertake specific work or work in locations that are subject to customary restrictions.

Direct employment is created through the project governance groups. The VCA and PAMC require staff to fulfil the organisational functions as per constitutions and regulations. In return for their duties, staff receive adequate renumeration or allowances.

While staff will generally be selected based on skills and experience, there may also be allowances made for clan or family affiliation, such that opportunities for employment are equitably shared across a tribal group. The managers of the community company in the companies are selected by the VCA representatives based on their skills in project management. Forest rangers who are employees in the Vuri PAMC are selected by the Committee based on their knowledge of the forest area and are officially registered and recognised under the Protected Areas Act by the MECDM.

5.2.2 Avoiding elite capture

A description of elite capture risk and mitigation strategies is detailed in Table 3.9.. To avoid biased representation, the VCA was formed through an FPIC process, and is broadly representative of the Vuri tribe diversity (e.g. at the clan level). Decisions on employment and benefit-sharing are made by the executive committee of the VCA in consultation with members. This process of representation and accountability of representatives to the tribe is in place to ensure that decision making over opportunities are not skewed in favour of educated or otherwise powerful elites.

5.2.3 Women's projects

All Nakau-projects must demonstrate plans and initiatives to ensure women are engaged in decision making and have equal opportunity to benefit from project income and employment opportunities. Inclusion will be facilitated through the strategies detailed in section 2.4.3.

Strategies and initiatives may include support for women-only ranger groups, women's saving clubs or microloan schemes, or involve a specific portion of benefits being set aside for women and managed by women.

Throughout Vuri project development, NRDF and Nakau strengthened women's participation through inclusion in project design processes (***see Vuri PDD Annex 4***) and benefit sharing in a manner that does not result in cultural subjugation of Choiseul's patrilineal society.

In their benefit-sharing plan, the VCA has determined women's development as an investment priority, through capacity building and establishment of women savings clubs ***(see Vuri PDD Annex 16)***. The savings clubs act as a micro-banking service for women and provide small loans for household economic development. Currently, a women's savings club has already been established with 20 participating members. Some of the Vuri women's savings club participants have also received business training through NRDF, including financial literacy, computer literacy and bookkeeping ***(see Vuri PDD Annex 4 – item 4.6.5)***.

5.3 Legal and regulatory compliance

The Vuri project has been designed to be compliant with the following relevant Solomon Islands laws and regulations. Annex 15 provides a statement from the Climate Change Division of MECDM in support of all Nakau projects in the Solomon Islands. Table 5.3 details the legal and regulatory compliance measures of Nakau projects in the Solomon Islands.

Table 5.3: Legal and regulatory requirements and compliance measures applied in the Vuri project.

Legislation	Relevance	Compliance measures in the Vuri context
Customary Land Records Act 1994 and Land and Titles Act 1996	The Customary Land Records Act provides a legal mechanism to formally record customary land rights. It is the means to securing and protecting land rights and storing knowledge and information for reference of future generations.	The Vuri project is located on customary land, where the forests are owned by tribes and rights are regulated through customary law. In parallel, the Solomon Islands Government through the Land and Titles Act article 241 regulates that only Solomon Islanders can hold an 'interest' in customary land. The Vuri project complies by establishing the VCA as the customary project owner and rights holder.
Solomon Islands Protected Areas Act 2010 and Protected Area Regulations 2012	The Protected Areas Act and regulations enable the project to establish a legal protected area (PA). In PAs, extractive industries such as logging and mining are prohibited. The PA instrument is an important safeguard for project permanence.	In Vuri, a PAs was established in parallel with carbon project development. The *Protected Area Act 2010* prohibits commercial logging and mining in areas where it is applied, it is a strong legal instrument to demonstrate project permanence. Under the regulations of the Act, activities such as traditional harvesting of timbers, foods, non-timber forest products and other items are all acceptable, if described under the management plan and accepted by MECDM. Hence all project activities comply with the PA Act.
Solomon Islands Forest Resources and Timber Utilisation Act 2000 (FRTUA)	The purpose of the Act is to regulate the utilisation of forest resources and activities of stakeholders in the forestry sector relating to commercial forest management.	The FRTUA provides the forest management regulations that underpin the eligibility context for forest carbon project activities such as in Vuri. Projects that involve the avoidance of logging are only eligible in areas where timber harvesting is legally sanctioned and may include only legally harvestable species.

Legislation	Relevance	Compliance measures in the Vuri context
Environment Act 1998 (EA)	Solomon Islands has a comprehensive legislative framework for environmental impact assessments in the form of the EA. Under the EA, prescribed developments such as commercial extractive industries require approval in the form of a development consent from the Director of the Environment and Conservation Division of the MECDM, based on a public environment report or a more detailed environmental impact statement (EIS).	Nakau conservation project such as Vuri do not require an environmental impact assessment, since the activities are deliberately designed as alternatives to environmentally damaging, extractive practices.
National Forest Policy (NFP) 2020	The NFP aims to strengthen the enabling environment for climate and forest conservation and create incentives for forest conservation and rehabilitation finance mechanisms. The NFP further aims to strengthen the business enabling environment for forest-based micro- small and medium enterprises, community–private company partnerships and alternative economic sectors.	Nakau projects align well with the NFP goals to stimulate forest-based enterprises and innovative conservation finance mechanisms.
Solomon Islands Charitable Trust Act 1996	The Act regulates the establishment of charitable trusts.	The VCA has been established under the Charitable Trust Act 1996.
Labour Act 1996 and Employment Act 1996	The project owner employs staff in the Tribal Association	The VCA will comply with employment regulations of the *Labour Act 1996* and *Employment Act 1996*.

5.4 Financial plan

The Vuri project was developed with funding sourced through grants from donor agencies, mainly the New Zealand Ministry of Foreign Affairs and Trade (NZ MFAT).

Vuri project implementation activities that will be occurring after the project has reached first issuance are to be financed through PVC sales, as per the benefit-sharing arrangements detailed in Section 3.16. Project partners may also access further donor funding to supplement project implementation activities, for example for training, capacity building or to support new livelihood development.

Initially, the Vuri project has developed a 4-year financial plan that is incorporated into the business plan (***see Vuri PDD Annex 16***). The financial plan contains the VCA annual budget by bank accounts and cashflow

projection from carbon credit sales in 4-year intervals. An updated financial plan is developed every four years. NRDF has also developed and maintains annual budgets for its activities to support the Vuri project.

5.5 Financial management

The Vuri project must develop good financial practices for managing the finance generated from the sale of PVCs. The VCA will follow best-practice principles of financial management which include:

- Quarterly-annual review and updating of their business and financial planning
- Establishment of internal financial controls and clear segregation of duties
- Establishment of approved financial management policies and procedures
- A transparent approach to financial reporting to all project stakeholders.

The above will be adapted, as required, to suit changing needs and may be reviewed and updated from time to time.

5.5.1 Financial controls

The VCA is required to establish transparent and accountable systems for financial controls which include establishing of accounts to support project operations, as follows:

- Project account (operations)
- Reserve account (savings)
- Group benefit account (community funds).

The Vuri project will maintain an accounting system which is operated by a suitably skilled bookkeeper. The bookkeeper must create and share financial reports (e.g. profit and loss, balance sheet, budget/actuals) each quarter that are provided to NRDF and Nakau. The Vuri accounts must be signed off by NRDF before credit payments are released.

A minimum of 3 signatories are listed on the VCA accounts, and that all signatories are approved by the project governing board.

An annual audit of project finances will be conducted by an independent financial auditor within 12 months of the end of each financial year.

5.5.2 Transparency and accountability

All income received from the sale of Vuri project Plan Vivo Certificates is paid to a dedicated project bank account which is maintained by Nakau and accessible to the project owner.

The VCA is supported by NRDF to develop a system for effectively communicating the financial data in an accessible report presented to the members of the project owner group in quarterly meetings and at the AGM.

The VCA must follow the procedures for management PVC sales income in accordance with the benefit-sharing mechanism detailed in section 3.16. The financial management procedures are described in the Vuri business and benefit-sharing plan ***(see Vuri PDD Annex 16)***.

Annexes

Annex 1 – Vuri spatial data

Annex 2 – Vuri registration documents and partner agreements

Annex 3 – Vuri initial project participants

Annex 4 –Vuri participatory design evidence

Annex 5 – Vuri FPIC processes and evidence

Annex 6 – Vuri carbon calculations

Annex 7 – Vuri technical specification

Annex 8 – Vuri exclusion list

Annex 9 – Vuri environmental and social screening report

Annex 10 – SI environmental and social assessment report

Annex 11 – Vuri protected area management plan

Annex 12 – Vuri Project Agreement

Annex 13 – Vuri project monitoring plan

Annex 14 – Vuri project database

Annex 15 – Vuri letter of approval

Annex 16 – Vuri financial plan

Annex 17 – Vuri grievance mechanism