Halo Verde Timor
Community Forest Carbon
Annual Report 2021

Photo Credit: F-COTI HV Team

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Contents

Acronyms and Abbreviations

CSU: Charles Sturt University

db: Database

DI: Darwin Initiative

F-COTI: Fundação Carbon Offset Timor

FGs: Farmers group (s)

FMNR: Farmer Managed Natural Regeneration

GHG: Greenhouse gases

GTNT: Group Training Northern Territory

ha: Hectares

HH: Households

HV: Halo Verde

NGOs: Non-Governmental Organisation (s)

No: Number

PES: Payment for Ecosystem Services

PSC: Project Steering Committee

PV: Plan Vivo

PVCs: Plan Vivo Certificates

RAEBIA: Resilient Agriculture and Economy through Biodiversity in Action

SOC: Soil organic carbon

SOP: Standard operating procedure (s)

t: Tonnes

t CO_2: tons of carbon dioxide equivalent

T-L: Timor-Leste

WV: World Vision

Summary

Project overview	
Reporting period	June 2020 – November 2021
Geographical areas	Laclubar and Soibada, Manatuto District, Timor-Leste.
Technical specifications in use	a) Reforestation by planting trees in agroforestry systems, woodlots and live tree fencing. b) Improved land management through soil management.

Project indicators	Historical	Added/ Issued this period (2021)	Total
No. of Participants with PES agreements (114[1] HH + one high school)	115	0	115
No. community groups in the project	5	0	5
Approximate number of households (or individuals) in these community groups	115	0	115
Area under management (ha) where PES agreements are in place	74.3	0	74.3
Total PES payments made to participants (USD)	0	0	0
Total sum held in trust for future PES payments (USD)	0	$13,707.37	0
Unsold Stock at time of Submission (PVC)	17,315	0	17,315
Total Unsold Stock (PVC)	17,315	0	17,315
Allocation to Plan Vivo buffer (tCO_2) as per request below			**0**
Total Plan Vivo Certificates (tCO_2) requested for issuance (Saleable)			**0**
Plan Vivo Certificates requested for issuance 2020-2021			0
Plan Vivo Certificates (PVCs) issued to date			18,015
Total PVCs sold to date (including this report)			700
Total Vintage 2011-2019*			**18,015**

[1] In the last annual 2020 report, there was a typo error in the number of HH with PES agreements signed. The correct number is 115 consisting of 114 HH and 1 High-School

PART A: INTRODUCTION

A.1. About Fundação Carbon Offset Timor (FCOTI)

F-COTI is a newly founded Timorese non-governmental organization (NGO) with a Board of Directors, an independent audit council, and a local Timorese Chief Executive Officer (CEO). The establishment of FCOTI is possible through financial, moral, and technical support from its long-time donor the Group Training Northern Territory - GTNT. GTNT remains to this day a principal partner and the biggest donor and shareholder of FCOTI.

F-COTI was registered formally at the Ministry of Justice of Timor-Leste as an independent Timorese Non-Governmental Organization on 3rd October 2018 with the following registration number 54/DNRN-MJ/X/2018. F-COTI's main objectives are to grow communities that contribute and benefit from a better world by combating climate change impacts through community reforestation activities, sustainable socio-economic development activities, and carbon credit sales. Their targeted beneficiaries are rural communities in Timor-Leste and smallholder farmers in communities in Timor-Leste, including villages along with coastal areas. Target beneficiaries also include students in private and public schools across the country but particularly in rural communities.

Since 2010, F-COTI has been working towards reducing the devastating impact of climate change on local communities. Operating across grass-roots initiatives, community engagement, and policy advocacy, F-COTI focuses on reforestation, and the provision of microloans to rural women in Timor-Leste's municipality of Manatuto. Through collaborations with a range of local and international partners, FCOTI also provides training and additional services to the communities. Over 257,000 trees have been planted on 90 hectares via 184 sites, and 146 family households are involved, with over 950 individual farmers benefiting.

Since 2011, F-COTI has supported local farmers to plant trees in their land to improve the environment and provide future income. In June 2020, F-COTI received a carbon accreditation for over 100 households who will be able to earn carbon income for the carbon stored in trees for the next 30 years.

This will require ongoing monitoring of carbon stocks, social impacts, and biodiversity benefits. Reforestation expansion is required, but there has been no systematic landscape assessment to determine the best areas to re-vegetate based on environmental, social, and community needs. There is a lack of information on biodiversity values across the landscape, including the potential for linking forest remnants. This project aims to integrate reforestation efforts, biodiversity conservation, and carbon markets into landscape management in the central highlands of Timor-Leste and along with the identified coastal areas.

A.2. About Halo Verde Timor Community Forest Carbon Project (HV Project)

Halo Verde Timor Community Forest Carbon Project (HV Project) is a project that was developed and implemented by FCOTI in close partnership with GTNT and with initial technical

assistance from Charles Sturt University (CSU). The goal of the project since its inception has been to create carbon certificates, and through sales of the certificates to ensure ongoing financial support to participating farmers and much more importantly to offset greenhouse gases from the atmosphere to mitigate the adverse impact of climate change. The project interventions consist of ecosystem rehabilitation through reforestation and improved land management through soil management.

The project is in the central mountains of Timor-Leste. It initiated its activities in 2011 by conducting reforestation activities with smallholders on their farms. The reforested area has been gradually incremented on a year-by-year basis reflecting availability of resources.

In June 2020 HV project was internationally certified by UK based Plan Vivo Foundation and since then the project has been selling carbon credits in the international market.

Reforestation activities have started to show the return of birds, small mammals, and reptiles in areas where previously fauna was absent or scarce. The project is empowering the community through creation of farmers groups, environmental educational campaigns and promotion of other livelihood activities that includes a female microfinance initiative and scholarships for secondary and tertiary local students, amongst other initiatives.

The climate benefits of the project were assessed using the Plan Vivo-approved SHAMBA (Small-Holder Agriculture Mitigation Benefit Assessment) model by calculating the changes to biomass and soil pools. The outputs from SHAMBA were also used to calculate carbon stored in harvested wood products. A baseline of 2.86 tCO2e/ha and a 15% risk buffer were applied to the gross estimations accounting for a net climate benefit average of 247.4 tCO2e/ha.

The full certification process is a major achievement for the HV team as formal recognition of climate benefit activities generated by farmers has been an aspiration of project participants since 2011. Project participants are grateful for whatever help they can get to plant trees, but without financial incentives it has been demonstrated that most - if not all - won't have the capacity to look after their trees. Securing carbon certification is a game changer for farmers as this opens possibilities for them to secure on-going technical assistance and a chance to gain direct financial benefits for their carbon and efforts rehabilitating some of their lands.

A.3. Intention of This Report

The intention of this report is for F-COTI to provide updates to Plan Vivo Foundation and the HV project partners on activities that have been implemented since the last report submitted to Plan Vivo in 2020. The submission of this report is also based on the requirement by Plan Vivo Standard to which HV Project is adhering to. This report contains information on carbon credit sales, the expansion of reforestation activities, the monitoring of the existing sites, the social indicators and challenges the project is facing amid Covid-19 pandemic and natural disaster that occurred in Timor-Leste in early April 2021.

Finally this report serves as a preliminary information on what needs to be expected from the issuance of new additional credits from Plan Vivo to the HV project. This current report is not

yet intended to seek the issuance of new additional credits. However, it provides a heads up of estimated carbon stock that will be requested. The follow report with the request of credit issuance will be presented to PV in 2022.

PART B: CARBON CREDIT SALES

1. Carbon Credit Sales until End of October 2021

Until the end of October 2021, a total of 700 credits have been sold out from the PV certified 18,015 credits (2011-2019 Vintage). The buyers from these credits are both individual and companies based in Australia and western Europe. The sale has generated more than $13,000 US of which 60% will be paid to the farmers based on PES Agreement and based on monitoring results.

The payments from carbon buyers were made by transferring the funds directly to HV project account in ANZ Dili. The buyers were issued with certificates by FCOTI and its GTNT partner. The credits were either retired by FCOTI on behalf of the buyers in the case where buyers have no account or credits are transferred directly to the account of the buyers in case buyers have an account. The transactions of credits retirement/transfers are done in IHS Markit Registry through the following link: https://products.markit.com/home/login.jsp.

A full list of buyers and the number of credits that have been purchased is presented in this report as ANNEX 1.

2. Issued Carbon Credits Certificates

Issued carbon certificates designed by FCOTI are sent to buyers to certify their carbon credit purchase. Each certificate has a unique serial number which is auto generated from IHS Markit Registry Platform. Two examples of issued certificates are presented below. More samples of issued certificates are available upon request.

Carbon Credit Certificate issued to a client in Western Europe

Carbon Credit Certificate issued to a client in Australia

Several discussions have been further held with potential buyers from Europe. FCOTI and its partners continue to strive to market the sale as intensively as possible. FCOTI pro-bono partner Strategy 3 based in New South Wales Australia represented by Benjamin Bardon has been working tirelessly to promote the sale both in Australia and in Europe. FCOTI also receives voluntary assistance from Jorge Ramos and Joanne Millar from CSU.

3. Carbon Credit Payment to Eligible Participating Farmers

Although there have been more than $13,000 US obtained from carbon sales, the HV project is struggling to make the sales quick enough. In terms of payment delivered to the farmers, until end of October 2021 no payment has been made to the farmers. The main reason is because there needs to be an agreement and clarification on how the payment will be shared among farmers given that there is a 10-year contract with each of them and there are 5 payments envisioned in that contract period.

The issue has been raised with PV and there is a discussion that in terms of how farmers are paid, payments should be made in line with how it is described in the PES agreements. Other projects which operate with ex-ante crediting and smallholder farmers tend to expand based on prior-made sale agreements, so ensuring that the money will be available to the farmer after the PVCs have been issued. However, in the case of HV project it is at a point where the project needs to pay (for farmers meeting targets) above and beyond what sales have been made already, due to the project retroactively crediting. PV has advised that the payment arrangement is up to the project to decide but two suggestions are offered[2]:

a. Pay off farmer by farmer in full, meaning that some get their payments prioritised over others. In this instance, you may want to complete participatory meetings to find who might need the income the most and to have consensus on this (if possible).
b. All farmers have payments made proportional to the sales made (and their allocated contribution).

FCOTI considers that Option b is fairer but may be more time consuming. FCOTI is striving to use strong communication with the participants to ensure that everyone understands what is happening and that they will all get their payments eventually. That way, there are no disgruntled farmers.

Close communication and more clarity and advice will be sought from PV before the farmer payment takes place. FCOTI envision that the payment to farmers will take place latest by the first quarter of 2022.

PART C: ANNUAL MONITORING OF TREES PLANTED BETWEEN 2011-2019

The monitoring of PES for trees planted between 2011-2019 were conducted in November 2020. Based on the PES agreement and monitoring table, the year 2020 marks the first year of the ten-year contract between FCOTI as project developer and participating farmers. The result demonstrated that 78% (118 sites) achieved TPH Target (100%) threshold, 10% (15 sites) achieve TPH Threshold and 12% (18 sites) are under threshold and corrective actions are being taken to address the gap. The corrective actions are mainly to restock them. The 18 sites of

[2] Email communication with Luke Howard with email title: *Queries from FCOTI about annual report and payment to farmers*, August 23rd, 2021.

under threshold and 15 sites of threshold are being included in restocking plan. A full list of monitoring for 151 sites is presented below. A more detailed one with farmers names which should remain confidential unless required by law is presented in ANNEX 2.

Table 1: Monitoring Result of 2011-2019 planting

NO	ID PV	Ha	Suco	Monitoring Date	Site Category (Agroforestry or Woodlot?)	PY	Monitoring Results
1	MN02 2	0.2	Manelima	Nov-Dec 2020	Woodlot	2011	TPH Threshold Achieved
2	MN02 1	0.6	Manelima	Nov-Dec 2021	Woodlot	2012	TPH Target Achieved
3	SO30	0.2	Soibada	Nov-Dec 2022	Agroforestry	2019	Under Threshold
4	FN28	0.4	Funar	Nov-Dec 2023	Agroforestry	2011	TPH Target Achieved
5	OR53	0.3	Orlalan	Nov-Dec 2024	Agroforestry	2014	TPH Target Achieved
6	BT62	0.1	Batara	Nov-Dec 2025	Agroforestry	2019	TPH Threshold Achieved
7	OR51	0.3	Batara	Nov-Dec 2026	Agroforestry	2014	TPH Target Achieved
8	BT02 1	0.1	Batara	Nov-Dec 2027	Woodlot	2011	TPH Target Achieved
9	BT02 2	0.3	Batara	Nov-Dec 2028	Woodlot	2016	TPH Target Achieved
10	BT18 2	0.3	Batara	Nov-Dec 2029	Woodlot	2011	TPH Threshold Achieved
11	BT18 1	1.4	Orlalan	Nov-Dec 2030	Woodlot	2018	TPH Target Achieved
12	BT64	0.1	Batara	Nov-Dec 2031	Agroforestry	2011	TPH Target Achieved
13	SN20	0.5	Sananain	Nov-Dec 2032	Woodlot	2011	TPH Target Achieved
14	OR37	0.3	Orlalan	Nov-Dec 2033	Woodlot	2011	TPH Target Achieved
15	SO02 3	0.2	Soibada	Nov-Dec 2034	Agroforestry	2015	TPH Target Achieved
16	SO02 2	0.3	Soibada	Nov-Dec 2035	Agroforestry	2016	TPH Target Achieved
17	SO02 1	0.8	Soibada	Nov-Dec 2036	Agroforestry	2016	TPH Target Achieved
18	FN33	0.1	Funar	Nov-Dec 2037	Agroforestry	2019	TPH Target Achieved
19	OR49	0.3	Orlalan	Nov-Dec 2038	Woodlot	2017	TPH Target Achieved
20	SO09	0.6	Soibada	Nov-Dec 2039	Agroforestry	2019	Under Threshold
21	BT60	0.1	Batara	Nov-Dec 2040	Woodlot	2019	TPH Threshold Achieved
22	MN16	0.1	Manelima	Nov-Dec 2041	Woodlot	2019	TPH Target Achieved
23	BT51	0.1	Batara	Nov-Dec 2042	Woodlot	2011	TPH Target Achieved
24	BT33 1	0.4	Batara	Nov-Dec 2043	Agroforestry	2014	TPH Target Achieved
25	BT33 2	0.6	Batara	Nov-Dec 2044	Agroforestry	2014	TPH Target Achieved
26	OR10 2	0.3	Orlalan	Nov-Dec 2045	Woodlot	2011	TPH Target Achieved
27	OR10 1	1.4	Orlalan	Nov-Dec 2046	Woodlot	2011	TPH Target Achieved
28	SO01	1.6	Soibada	Nov-Dec 2047	Woodlot	2015	TPH Target Achieved
29	MN18	0.3	Manelima	Nov-Dec 2048	Agroforestry	2019	TPH Target Achieved
30	OR14 2	0.1	Orlalan	Nov-Dec 2049	Woodlot	2011	TPH Target Achieved
31	OR14 1	0.2	Orlalan	Nov-Dec 2050	Agroforestry	2011	TPH Target Achieved
32	OR55	1.1	Orlalan	Nov-Dec 2051	Agroforestry	2011	Under Threshold

NO	ID PV	Ha	Suco	Monitoring Date	Site Category (Agroforestry or Woodlot?)	PY	Monitoring Results
33	MN17	1	Manelima	Nov-Dec 2052	Agroforestry	2019	TPH Target Achieved
34	MN15 2	0.3	Manelima	Nov-Dec 2053	Woodlot	2018	TPH Target Achieved
35	MN15 1	0.6	Manelima	Nov-Dec 2054	Agroforestry	2018	TPH Target Achieved
36	SO26	1.1	Soibada	Nov-Dec 2055	Agroforestry	2018	TPH Target Achieved
37	BT54	0.1	Batara	Nov-Dec 2056	Agroforestry	2011	TPH Target Achieved
38	SO03 4	0.4	Soibada	Nov-Dec 2057	Woodlot	2015	TPH Target Achieved
39	SO03 2	0.7	Soibada	Nov-Dec 2058	Woodlot	2018	TPH Target Achieved
40	SO03 1	1	Soibada	Nov-Dec 2059	Woodlot	2018	TPH Target Achieved
41	SO03 3	1.1	Soibada	Nov-Dec 2060	Woodlot	2019	TPH Target Achieved
42	MN19	0	Manelima	Nov-Dec 2061	Agroforestry	2019	TPH Threshold Achieved
43	BT36	0	Batara	Nov-Dec 2062	Woodlot	2014	TPH Target Achieved
44	BT30	0.7	Batara	Nov-Dec 2063	Woodlot	2011	TPH Target Achieved
45	BT40	0.3	Batara	Nov-Dec 2064	Agroforestry	2011	TPH Target Achieved
46	SO19	0.5	Soibada	Nov-Dec 2065	Agroforestry	2019	TPH Target Achieved
47	SO36	0.4	Soibada	Nov-Dec 2066	Agroforestry	2019	Under Threshold
48	SO23	0.1	Soibada	Nov-Dec 2067	Woodlot	2019	TPH Target Achieved
49	OR11 2	2.5	Orlalan	Nov-Dec 2068	Woodlot	2011	TPH Target Achieved
50	OR11 1	3.6	Orlalan	Nov-Dec 2069	Woodlot	2013	TPH Target Achieved
51	OR13	0.7	Orlalan	Nov-Dec 2070	Woodlot	2012	TPH Threshold Achieved
52	BT49	0.3	Batara	Nov-Dec 2071	Agroforestry	2018	TPH Target Achieved
53	MN20	0.4	Manelima	Nov-Dec 2072	Agroforestry	2019	TPH Target Achieved
54	OR17 2	0.2	Orlalan	Nov-Dec 2073	Woodlot	2011	TPH Target Achieved
55	OR17 1	0.5	Orlalan	Nov-Dec 2074	Woodlot	2016	TPH Target Achieved
56	SO22	0.5	Soibada	Nov-Dec 2075	Woodlot	2019	TPH Target Achieved
57	SO10	0.5	Soibada	Nov-Dec 2076	Agroforestry	2019	TPH Target Achieved
58	OR58	0.2	Orlalan	Nov-Dec 2077	Agroforestry	2011	TPH Target Achieved
59	OR38	0.5	Orlalan	Nov-Dec 2078	Woodlot	2015	TPH Target Achieved
60	MN11	0.1	Manelima	Nov-Dec 2079	Woodlot	2014	TPH Target Achieved
61	FN32	0.3	Funar	Nov-Dec 2080	Agroforestry	2019	TPH Target Achieved
62	SO17	0.8	Soibada	Nov-Dec 2081	Agroforestry	2019	TPH Target Achieved
63	MN12	0.5	Manelima	Nov-Dec 2082	Agroforestry	2013	TPH Target Achieved
64	SO05	0.1	Soibada	Nov-Dec 2083	Woodlot	2019	TPH Target Achieved
65	SO15	0.2	Soibada	Nov-Dec 2084	Agroforestry	2019	TPH Threshold Achieved
66	BT35	0.1	Batara	Nov-Dec 2085	Woodlot	2014	TPH Target Achieved
67	SO25	0.6	Soibada	Nov-Dec 2086	Woodlot	2019	TPH Target Achieved
68	BT56	0.1	Batara	Nov-Dec 2087	Agroforestry	2014	TPH Target Achieved
69	SO06 2	0.8	Soibada	Nov-Dec 2088	Woodlot	2018	TPH Target Achieved

NO	ID PV	Ha	Suco	Monitoring Date	Site Category (Agroforestry or Woodlot?)	PY	Monitoring Results
70	SO06 1	1.4	Soibada	Nov-Dec 2089	Woodlot	2019	TPH Target Achieved
71	BT47	0.2	Batara	Nov-Dec 2090	Woodlot	2019	TPH Target Achieved
72	SO12	0.6	Soibada	Nov-Dec 2091	Agroforestry	2019	TPH Threshold Achieved
73	SN32	0.3	Sananain	Nov-Dec 2092	Woodlot	2011	TPH Target Achieved
74	FN29	0.3	Funar	Nov-Dec 2093	Agroforestry	2011	TPH Target Achieved
75	SO11	0.4	Soibada	Nov-Dec 2094	Agroforestry	2019	TPH Threshold Achieved
76	OR63	0.2	Orlalan	Nov-Dec 2095	Woodlot	2019	Under Threshold
77	BT52	0.1	Orlalan	Nov-Dec 2096	Woodlot	2017	Under Threshold
78	OR56	0.2	Batara	Nov-Dec 2097	Agroforestry	2014	Under Threshold
79	BT53	0	Batara	Nov-Dec 2098	Woodlot	2014	TPH Target Achieved
80	SO28	0.4	Soibada	Nov-Dec 2099	Woodlot	2019	Under Threshold
81	MN07 1	0.2	Manelima	Nov-Dec 2100	Agroforestry	2013	TPH Target Achieved
82	MN07 2	0.6	Manelima	Nov-Dec 2101	Woodlot	2014	TPH Target Achieved
83	BT50	0.3	Batara	Nov-Dec 2102	Agroforestry	2014	Under Threshold
84	BT58	0.2	Batara	Nov-Dec 2103	Woodlot	2019	TPH Target Achieved
85	OR59	0.1	Orlalan	Nov-Dec 2104	Woodlot	2018	Under Threshold
86	MN21	0.2	Manelima	Nov-Dec 2105	Woodlot	2019	TPH Target Achieved
87	MN03 2	0.9	Manelima	Nov-Dec 2106	Agroforestry	2011	TPH Target Achieved
88	MN03 1	1	Manelima	Nov-Dec 2107	Agroforestry	2013	TPH Target Achieved
89	SO35	0.5	Soibada	Nov-Dec 2108	Agroforestry	2019	Under Threshold
90	SO14 1	0.1	Soibada	Nov-Dec 2109	Agroforestry	2019	Under Threshold
91	SO14 2	0.2	Soibada	Nov-Dec 2110	Woodlot	2019	TPH Target Achieved
92	SO14 3	0.2	Soibada	Nov-Dec 2111	Woodlot	2019	Under Threshold
93	MN01 2	0.2	Manelima	Nov-Dec 2112	Woodlot	2011	TPH Target Achieved
94	MN01 1	0.4	Manelima	Nov-Dec 2113	Agroforestry	2011	TPH Target Achieved
95	MN09	0.2	Manelima	Nov-Dec 2114	Woodlot	2013	TPH Target Achieved
96	OR50	0.3	Orlalan	Nov-Dec 2115	Woodlot	2018	TPH Target Achieved
97	MN08	0.6	Manelima	Nov-Dec 2116	Agroforestry	2014	TPH Target Achieved
98	SO24	0.3	Soibada	Nov-Dec 2117	Woodlot	2019	Under Threshold
99	BT29	0.5	Batara	Nov-Dec 2118	Agroforestry	2011	TPH Target Achieved
100	OR57 2	0.4	Orlalan	Nov-Dec 2119	Agroforestry	2018	Under Threshold
101	OR57 1	0.5	Orlalan	Nov-Dec 2120	Agroforestry	2019	TPH Threshold Achieved
102	SO13	0.5	Soibada	Nov-Dec 2121	Woodlot	2019	TPH Target Achieved
103	BT46 1	0.3	Batara	Nov-Dec 2122	Woodlot	2014	TPH Target Achieved
104	BT46 2	0.2	Batara	Nov-Dec 2123	Agroforestry	2014	TPH Target Achieved
105	OR52 1	0.1	Orlalan	Nov-Dec 2124	Agroforestry	2012	TPH Target Achieved
106	OR52 2	0.1	Orlalan	Nov-Dec 2125	Agroforestry	2015	TPH Target Achieved

NO	ID PV	Ha	Suco	Monitoring Date	Site Category (Agroforestry or Woodlot?)	PY	Monitoring Results
107	OR60	0.2	Orlalan	Nov-Dec 2126	Agroforestry	2019	TPH Target Achieved
108	SO34	0.5	Soibada	Nov-Dec 2127	Woodlot	2019	TPH Target Achieved
109	SO18	0.4	Soibada	Nov-Dec 2128	Agroforestry	2019	Under Threshold
110	SO20	0.3	Soibada	Nov-Dec 2129	Agroforestry	2019	TPH Target Achieved
111	BT61	0.4	Batara	Nov-Dec 2130	Agroforestry	2019	TPH Target Achieved
112	BT48	0.1	Batara	Nov-Dec 2131	Agroforestry	2019	TPH Threshold Achieved
113	OR08	1.1	Orlalan	Nov-Dec 2132	Woodlot	2011	TPH Target Achieved
114	BT38	0.1	Batara	Nov-Dec 2133	Agroforestry	2011	TPH Target Achieved
115	BT63	0.1	Batara	Nov-Dec 2134	Woodlot	2014	TPH Target Achieved
116	BT17	0.3	Batara	Nov-Dec 2135	Woodlot	2011	TPH Target Achieved
117	BT32 1	0.4	Batara	Nov-Dec 2136	Woodlot	2014	TPH Target Achieved
118	BT32 2	0.5	Batara	Nov-Dec 2137	Woodlot	2014	TPH Target Achieved
119	SO16	0.3	Soibada	Nov-Dec 2138	Agroforestry	2019	Under Threshold
120	SO38	0.2	Soibada	Nov-Dec 2139	Agroforestry	2019	TPH Target Achieved
121	SO27	0.1	Soibada	Nov-Dec 2140	Woodlot	2019	TPH Threshold Achieved
122	SO04 2	0.6	Soibada	Nov-Dec 2141	Agroforestry	2018	TPH Target Achieved
123	SO04 1	1.4	Soibada	Nov-Dec 2142	Woodlot	2019	TPH Target Achieved
124	SO21	0.2	Soibada	Nov-Dec 2143	Agroforestry	2019	TPH Threshold Achieved
125	OR48	0.1	Orlalan	Nov-Dec 2144	Agroforestry	2014	TPH Target Achieved
126	FN31	0.2	Funar	Nov-Dec 2145	Agroforestry	2019	TPH Threshold Achieved
127	FN34	1.1	Funar	Nov-Dec 2146	Agroforestry	2019	TPH Threshold Achieved
128	MN13 2	0.2	Manelima	Nov-Dec 2147	Woodlot	2014	TPH Target Achieved
129	MN13 3	0.2	Manelima	Nov-Dec 2148	Agroforestry	2015	TPH Target Achieved
130	MN13 4	0.2	Manelima	Nov-Dec 2149	Agroforestry	2016	TPH Target Achieved
131	MN13 1	0.8	Manelima	Nov-Dec 2150	Agroforestry	2018	TPH Target Achieved
132	OR54	0.5	Orlalan	Nov-Dec 2151	Agroforestry	2011	Under Threshold
133	BT34 2	0.1	Batara	Nov-Dec 2152	Woodlot	2014	TPH Target Achieved
134	BT34 1	0.6	Batara	Nov-Dec 2153	Woodlot	2014	TPH Target Achieved
135	OR09	2.8	Orlalan	Nov-Dec 2154	Woodlot	2011	TPH Target Achieved
136	BT19	1.3	Batara	Nov-Dec 2155	Woodlot	2011	TPH Target Achieved
137	SO07 1	1.5	Soibada	Nov-Dec 2156	Woodlot	2018	TPH Target Achieved
138	SO07 2	3	Soibada	Nov-Dec 2157	Woodlot	2018	TPH Target Achieved
139	BT31	0.2	Batara	Nov-Dec 2158	Agroforestry	2011	TPH Target Achieved
140	BT03	0.1	Batara	Nov-Dec 2159	Agroforestry	2011	TPH Target Achieved
141	BT01 2	0.2	Batara	Nov-Dec 2160	Woodlot	2011	TPH Target Achieved

NO	ID PV	Ha	Suco	Monitoring Date	Site Category (Agroforestry or Woodlot?)	PY	Monitoring Results
142	BT01 1	0.3	Batara	Nov-Dec 2161	Woodlot	2018	TPH Target Achieved
143	BT01 3	0.3	Batara	Nov-Dec 2162	Woodlot	2011	TPH Target Achieved
144	BT57	0.2	Batara	Nov-Dec 2163	Agroforestry	2014	TPH Target Achieved
145	SO08	0.2	Soibada	Nov-Dec 2164	Woodlot	2019	TPH Target Achieved
146	MN14	0.9	Manelima	Nov-Dec 2165	Woodlot	2018	TPH Target Achieved
147	SO37	0.3	Soibada	Nov-Dec 2166	Agroforestry	2019	TPH Target Achieved
148	MN05 2	0.3	Manelima	Nov-Dec 2167	Woodlot	2011	TPH Target Achieved
149	MN05 3	0.5	Manelima	Nov-Dec 2168	Agroforestry	2011	TPH Target Achieved
150	MN05 4	1	Manelima	Nov-Dec 2169	Agroforestry	2016	TPH Target Achieved
151	MN05 1	1.4	Manelima	Nov-Dec 2170	Agroforestry	2016	TPH Target Achieved
	TTL	74.4					

Aerial view of one of the planting sites with adult mahogany trees

The plan for the 2022 planting includes restocking of sites classified as “under threshold” in 2011-2019 planting. The payment may be prioritized for those achieving 100% target (TPH target achieved) depending on consensus and communication with communities.

PART D: TREE PLANTING EXPANSION IN 2020 AND 2021

1. Tree Planting Expansion in 2020

FCOTI continue to expand to new sites and include more newly recruited participants in the

project. The new planting in 2020 reached well above 15 ha plus one large area of communal land outside the project area of 21 ha. Most sites have been GIS mapped. However, these new farmers have not signed PES agreements yet. There will be training delivered to them as a preparation before PES agreements can be signed. The Covid-19 pandemic has impacted this activity particularly hard. Total new seedlings planted in 2020 accounted for more than 15,000 trees. A list of new planting sites in 2020 is presented below. A more detailed list with farmers names is presented in ANNEX 3.

Table 2: Trees Planted in 2020

No.	Site	Estimated Ha	Type of Plantations	Village	Type of Species					Total
					MH	KK	WT	BT	TS	
1	MN22	0.14	Woodlot	Manelima	450	0	0	0	0	450
2	BT67	0.82	Woodlot	Batara	250	0	0	0	193	443
3	SO39	0.38	Agroforestry	Fatumakerek	315	0	0	0	43	358
4	BT69.1	0.91	Woodlot	Batara	250	0	0	0	193	443
5	FN35	0.81	Agroforestry	Funar	0	1300	0	0	0	1300
6	BT65	2.30	Agroforestry	Batara	250	0	0	0	193	443
7	MN25	0.24	Agroforestry	Manelima	400	0	0	0	0	400
8	SO40	0.66	Agroforestry	Fatumakerek	200	0	0	0	93	293
9	OR69	0.44	Woodlot	Orlalan	300	0	0	0	133	433
10	MN24	0.27	Agroforestry	Manelima	440	0	0	0	0	440
11	OR63	0.41	Agroforestry	Orlalan	300	0	0	0	190	490
12	OR64	0.87	Woodlot	Orlalan	300	0	0	0	190	490
13	SO41	0.15	Agroforestry	Manlala	400	0	20	5	0	425
14	OR72	0.30	Agroforestry	Orlalan	350	0	0	0	0	350
15	BT66	2.57	Woodlot	Batara	250	0	0	0	193	443
16	MTT01	1.74	Agroforestry	Sau	1147	0	0	0	0	1147
17	BT68	2.15	Woodlot	Batara	250	0	0	0	193	443
18	OR68	1.25	Woodlot	Orlalan	1444	0	0	0	0	1444
19	FN36	0.63	Agroforestry	Funar	0	180	0	0	0	180
20	SO42	2.43	Woodlot	Manufahi	250	0	0	0	0	250
21	SO46	0.21	Agroforestry	Manlala	351	0	49	0	0	400
22	OR65	1.13	Woodlot	Orlalan	300	0	0	0	190	490
23	OR66	0.62	Agroforestry	Orlalan	300	0	0	0	190	490
24	OR73	0.65	Woodlot	Orlalan	260	0	0	0	333	593
25	OR71	0.22	Woodlot	Orlalan	475	0	0	0	175	650
26	SO43	0.20	Agroforestry	Manufahi	290	0	0	0	0	290
27	SO44	1.11	Agroforestry	Leohat	366	0	0	0	39	405
28	LC01	To be included	Agroforestry	Uma Tolu	2413	0	0	0	0	2413
29	SO45	2.10	Woodlot	Manlala	532	0	49	58	50	689
30	OR70.1	0.48	Agroforestry	Orlalan	45	100	0	0	333	478
31	OR70.2	0.13	Woodlot	Orlalan	260	0	0	0	188	448

No.	Site	Estimated Ha	Type of Plantations	Village	Type of Species					Total
					MH	KK	WT	BT	TS	
32	MN23	0.29	Agroforestry	Manelima	450	0	0	0	0	450
33	OR67	1.13	Woodlot	Orlalan	475	150	0	0	175	800
34	MTT02	21.39	Woodlot	Sau	0	18930	0	0	0	18930
TTL		**49.13**			**14,063**	**20,660**	**118**	**63**	**3,287**	**38,191**

Note: site highlighted in yellow in the above table has not been GIS mapped and it has not been included in the estimated carbon stock calculation.

One of the nurseries in Soibada

The tree planting expansion has been possible with the financial assistance FCOTI mobilized from GiZ local subsidy program. Most sites have been mapped and have been included in the carbon stock calculation. However, maps will be subject to verification and remapping which may also revise the carbon stock calculation. The carbon stock calculation will also be subject to review partly due to some participants who have expressed their intention not to be enrolled in the project. These farmers are being identified for confirmation of their intention. At least three farmers have confirmed. Please note that the site highlighted in yellow in the above table has not been GIS mapped and it has not been included in the estimated carbon stock calculation.

FCOTI and its HV project is not intending to claim/propose issuance of credits for the new plantings. This is being proposed to be done in 2022.

2. Tree Planting Expansion in 2021

FCOTI also continue to expand to new sites and include more newly recruited participants in the project in 2021. The new planting in 2021 reached 12 ha plus restocking of the one large area of communal land outside the project area of 21 ha that was planted in 2020. Most sites have been GIS mapped. However, these new farmers have not signed PES agreements yet. There will be training delivered to them as a preparation before PES agreements can be

signed. The Covid-19 pandemic has impacted this activity particularly hard. Total new seedlings planted in 2020 accounted for more than 20,000 trees. A list of new planting in 2021 is presented below while a more detailed list with farmers names is presented in ANNEX 4.

Table 3: Trees Planted in 2021

No.	Site	Estimated Ha	Type of Plantations	Suco	Type of Species					
					MH	KK	BT	TS	LC	Total
1	OR65		Woodlot	Orlalan	555	0	0	0	0	555
2	OR63		Agroforestry	Orlalan	555	0	0	0	0	555
3	OR66		Agroforestry	Orlalan	555	0	0	0	0	555
4	OR64		Woodlot	Orlalan	555	0	0	0	0	555
5	OR69		Woodlot	Orlalan	555	0	0	0	0	555
6	BT69.2	0.26	Woodlot	Batara	250	0	250	0	0	500
7	FN36		Agroforestry	Funar	0	1000	0	0	0	1000
8	MT02		Woodlot	Sau	0	0	0	0	6200	6200
9	OR73	0.97	Woodlot	Orlalan	460	0	0	0	0	460
10	OR74	0.46	Woodlot	Orlalan	459	0	0	0	0	459
11	OR78	0.45	Woodlot	Orlalan	460	0	0	0	0	460
12	OR79	0.36	Woodlot	Orlalan	0	431	0	0	0	431
13	OR80	1.06	Agroforestry	Orlalan	0	1504	0	0	0	1504
14	OR81	0.59	Woodlot	Orlalan	0	600	0	0	0	600
15	BT70	0.40	Agroforestry	Batara	250	0	0	250	0	500
16	BT71	0.77	Woodlot	Batara	0	0	500	0	0	500
17	BT72	0.38	Agroforestry	Batara	500	0	0	0	0	500
18	BT73	0.57	Agroforestry	Batara	500	0	0	0	0	500
19	FN37	0.61	Woodlot	Funar	0	1000	0	0	0	1000
20	MN26	0.77	Agroforestry	Manelima	0	1018	0	0	0	1018
21	MN27	1.14	Woodlot	Manelima	0	1100	0	0	0	1100
22	SO49	0.75	Agroforestry	Manlala	2026	0	0	0	0	2026
23	SO51	0.95	Agroforestry	Manlala	1226	0	5	0	0	1231
24	SO52	0.54	Woodlot	Leohat	1311	0	0	0	0	1311
25	SO53	0.38	Agroforestry	Manlala	1219	0	0	0	0	1219
26	SO54	0.91	Agroforestry	Manufahi	1460	0	0	0	0	1460
27	SO55	0.26	Agroforestry	Fatumakerek	500	0	0	0	0	500
TOTAL		**12.58**			**13,396**	**6,653**	**755**	**250**	**6,200**	**27,254**

Note: The sites highlighted in yellow in the above table has not been GIS mapped and they have not been included in the estimated carbon stock calculation.

Involving community and children in the opening ceremony of tree planting

One of the nurseries in Soibada

The tree planting expansion has been possible with the financial assistance FCOTI mobilized from UNDP GEF program. A report on this program can be made available upon request. Most sites have been mapped and have been included in the carbon stock calculation. However, maps will be subject to verification and remapping which may also revise the carbon stock calculation. The carbon stock calculation will also be subject to review partly due to some participants who have expressed their intention not to be enrolled in the project. These farmers are being identified for confirmation of their intention. At least three farmers have confirmed. Please note that the sites highlighted in yellow in the above table has not been GIS mapped and they have not been included in the estimated carbon stock calculation.

3. Carbon Stock Calculation for Trees Planted in 2020 and 2021

Carbon Stock calculation for trees planted in 2020 and 2021 have been done by the forest specialist Jorge Ramos. The carbon stock calculation is being reported for further verification and certification by Plan Vivo and inclusion in the Plan Vivo Standard. The carbon stock

calculation remains an estimated stock at this stage. Further internal verification by HV team will be carried out to finalize the carbon calculation and will be updated in the next report which will include request for issuance of additional credits. The carbon calculation will be further reviewed and refined to request the issuance of credits from Plan Vivo. This is expected to occur in 2022, based on the estimated carbon stock for planting in 2020 and 2021 as presented in the tables above. Carbon Pools and Emissions included in this Carbon Estimation are summarised in the following table:

Table 4: Carbon Pools

Carbon pool	Included	Justification
Tree biomass (above and below ground)	Yes	A significant carbon pool resulting from trees planted by the project
Soil organic carbon	Yes	Changes in soil management are increasing SOC
Long lived harvested products	Yes	The project will increase the stock of wood products when compared to the baseline
Tree litter	Yes	The model assumes that tree litter will remain on the ground due to fire suppression
Dead wood	Yes	The model assumes that all C in tree deadwood will be removed from the system for firewood
Emission sources	Included	Justification
Organic fertilisers	No	Not applied by farmers
Synthetic fertilisers	No	Not applied by farmers
Biomass burning	Yes	Included as an emissions flux for SOC and the estimation of climate benefits.

The project estimates carbon from rehabilitated degraded areas. It does not displace agricultural activities elsewhere or deforest land to then plant trees. Like previous carbon activities conducted by HV, key project interventions are ecosystem rehabilitation (reforestation) and improved land management (soil management) through promotion of ground cover and elimination of slash and burning.

The detailed report on carbon stock estimation for Trees Planted in 2020 and 2021 is presented as ANNEX 5 of this report.

PART E: PROPOSED NEW SPECIES AND POSSIBLE REVISION OF PDD

The compilation of 2020 and 2021 carbon estimations generated by new plantings includes key elements for technical specifications for the Plan Vivo Foundation for two new species namely ***Toona Sureni*** and ***Lannea Coromandelica*** (2 new species adopted by the Halo Verde project -HV-). A possible third specie, which is not included in the current estimation but has been requested and demanded by farmers is ***Azadirachta indica*** (Neem Tree -Mimba).

The inclusion of these new species is based on the request of the communities and also based on compatibility of the species to some of the soil types specially in the future inclusion of degraded areas along northern coastal zones of the island of Timor-Leste. As indicated above, the carbon calculation and inclusion of new sites outside the HV project AOI and the inclusion of new species will be further reviewed and refined to request the issuance of credits from Plan Vivo. This is expected to occur in 2022. FCOTI will mobilize resources for the revision of PDD.

PART F: SOCIO-ECONOMIC ACTIVITIES WITH COMMUNITIES

1. **Scholarship Assistance to High School Students in Laclubar**

In December 2020, FCOTI and its partner Friends of Laclubar led by GTNT paid a total amount of $3,360 US for the Laclubar High School. The amount covers scholarship for 40 high school students from Lalcubar 50% of which are female.
The list of students receiving the scholarship is presented below.

Table 5: Scholarship for High-School Students in Laclubar

NO.	Names	SEX		Grade	Village	Amount Recived
		M	F			
1	Adriano Batista	M		11th	Orlalan	$84 US
2	Alda Faria		F	10th	Batara	$84 US
3	Ana F. da Silva		F	11th	Orlalan	$84 US
4	Ana Maria		F	11th	Orlalan	$84 US
5	Ana Maria G. de Jesus		F	10th	Ermera	$84 US
6	Arlindo Sarmento	M		10th	Batara	$84 US
7	Armandina R. Ximenes		F	11th	Soibada	$84 US
8	Arménia de Jesus Carvalho			11th	Fatumakerek	$84 US
9	Aurélia Soares		F	11th	Batara	$84 US
10	Beatriz Soares		F	11th	Orlalan	$84 US
11	Bibiana Nunes		F	10th	Batara	$84 US
12	Clara P. de Jesus		F	10th	Batara	$84 US
13	Cristovão A. da Silva	M		10th	Orlalan	$84 US
14	Domingos D. Soares	M		11th	Batara	$84 US
15	Edviges S. Alves		F	11th	Orlalan	$84 US
16	Emaldino M. Soares	M		10th	Orlalan	$84 US
17	Félix Siqueira	M		11th	Orlalan	$84 US
18	Filipio M. Batista	M		11th	Funar	$84 US
19	Filomino Martins	M		12th	Orlalan	$84 US

NO.	Names	SEX		Grade	Village	Amount Recived
		M	F			
20	Flavia Mota de Jesus		F	11th	Orlalan	$84 US
21	Gerzita da Silva		F	12th	Orlalan	$84 US
22	Graciana de Canossa		F	10th	Orlalan	$84 US
23	Hermenegildo Soares	M		11th	Orlalan	$84 US
24	Hermenegildo P. N. Pereira	M		10th	Orlalan	$84 US
25	Ida Sejuina		F	11th	Orlalan	$84 US
26	Jenilo R. S. Doutel	M		12th	Orlalan	$84 US
27	Joaquim Maia Soares	M		11th	Orlalan	$84 US
28	Jorge da Silva	M		10th	Orlalan	$84 US
29	Jorge de Oliveira	M		11th	Orlalan	$84 US
30	José Maria Hornai	M		10th	Orlalan	$84 US
31	José Joel da Silva	M		11th	Orlalan	$84 US
32	Julieta Sarmento		F	11th	Orlalan	$84 US
33	Julito da Costa	M		10th	Orlalan	$84 US
34	Lucas Nuno	M		11th	Batara	$84 US
35	Márcia A. M. Sarmento		F	10th	Orlalan	$84 US
36	Martinho Tasi	M		11th	Orlalan	$84 US
37	Miquelina S. da Costa		F	11th	Orlalan	$84 US
38	Rotia S. Manuela		F	10th	Orlalan	$84 US
39	Serafina do Espírito Santo		F	10th	Orlalan	$84 US
40	Virgílio da Silva Soares	M		10th	Orlalan	$84 US
TOTAL 40 PESSOAS		**20**	**20**			$3,360 US

2. Scholarship Assistance to University Students in Dili

In addition to scholarships for High school students in Laclubar, FCOTI and its partner Friends of Laclubar led by GTNT paid 13 university students who are studying at various universities in Dili. The list of students receiving the scholarship and updates about each of students is presented in ANNEX 6.

Students Scholars Beneficiaries in Laclubar

3. Rural Women Micro Business Grant Program

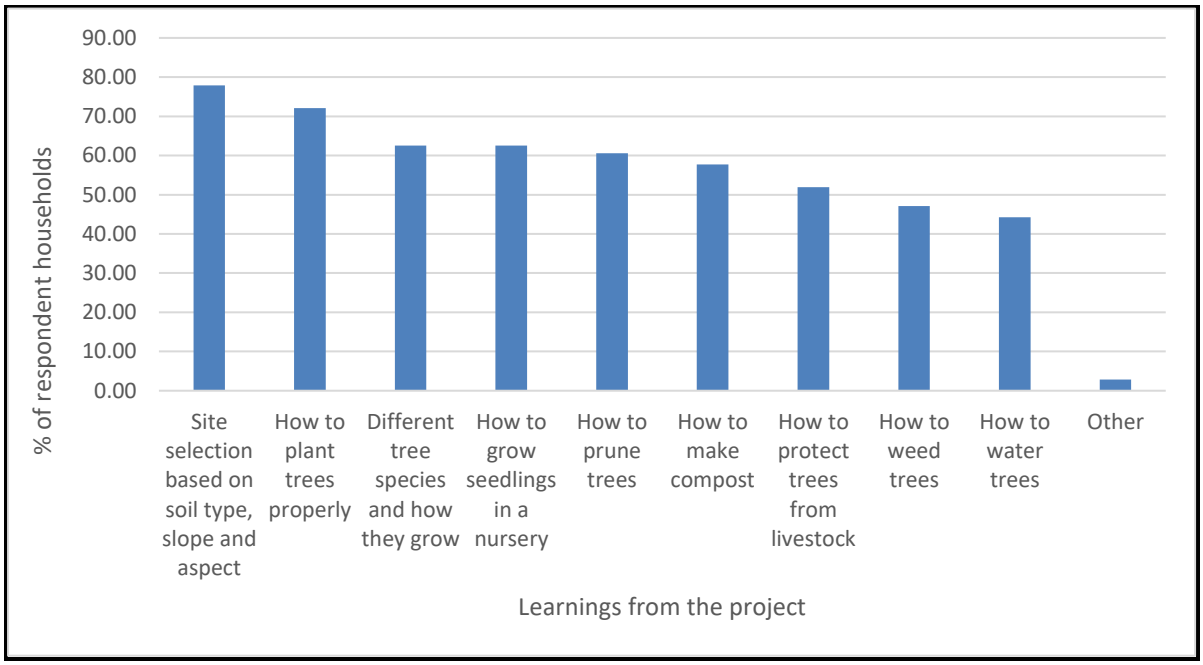
Due to the pandemic, the rural women micro grant has not been implemented well. Some businesses are closed due to low demand during the pandemic lockdown and travel restriction. For example, women who sell tamarind candies to school children must stop because schools are closed most of the time. However, many small businesses are still running. An example is the business of Madalena and Marcelina who are still cousins, they join forces to do the small business. They sell vegetables in the market and sometimes sell modern items such noodles and shampoo. Both recently won the cooking competition in Laclubar. More details about Rural Women Micro Business Grant Program is presented as ANNEX 7.

4. 2021 Household Survey Result and Analysis

To know more about the impact of HV project, the final HH survey was carried out in Laclubar and Soibada to assess the impact the project has made to the participants.

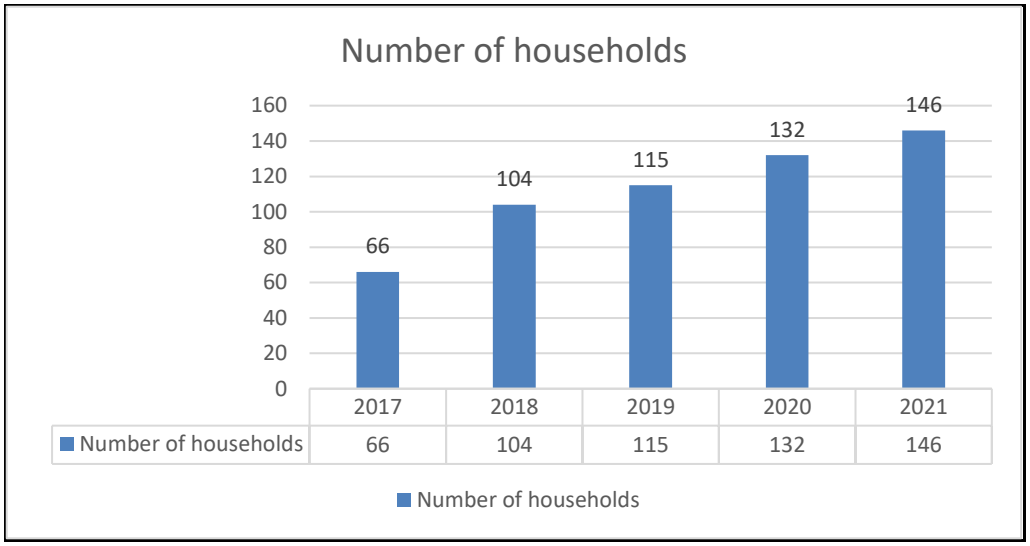
The figure below shows that most households interviewed in the final survey learnt skills in site selection and tree planting but less households reported learning about how to protect trees, indicating that follow up training in tree management is needed.

Figure 1: Key learnings from farmer training and on ground works (final survey data 2021)



The target of 100 households participating in the project with tree plantations was surpassed with 146 households now involved in the project from a 2017 baseline of 66 households (Figure 4). Farmer registration and planting records were the best means of verification. A *Tara Bandu* traditional law was introduced at the start of the project in conjunction with village leaders to encourage participants to plant trees and protect from grazing or burning.

Figure 2: Number of households participating in the project (project database)



Most plantations grow timber species only, but 30% are also used for growing annual or perennial understorey crops such as fruit, vegetables, maize and coffee. These crops are used for cash income and consumption. Thinnings and prunings are used for firewood. The final household survey conducted in February 2021 asked 109 participants to estimate whether income from plantation agroforestry products had changed, and by how much. Table 1 shows that 40% of respondents experienced an increase in income, 31% had no change and 21% did not have any income from their plantations yet. Only 4% had experienced a decrease in income, possible due to loss of trees or cessation of growing understorey crops. Crops are grown on a rotational basis and mostly in plantations that are close to the village or house.

Table 6: Estimated change in income from agroforestry products (2017 to 2021)

	Frequency	% of HHs that responded	% of total households
Increased	44	41.90	40.37
Decreased	4	3.81	3.67
No change	34	32.38	31.19
No income	23	21.90	21.10
Total	105		

The survey without analysis can be viewed at ANNEX 8.

PART G: INFORMATION AND COMMUNICATION

1. New Website of FCOTI

Through subsidy provided by UNDP GEF program, FCOTI was able to establish a website to inform stakeholders and partners and especially participants about HV project and FCOTI as the project developer. The website also contains information on how potential buyers can purchase carbon credits. The website link is www.carbonoffsettimor.com.

2. Documentary Film

A short documentary about the HV project and carbon sequestration project implemented by FCOTI was produced, also through resources allocated by UNDP GEF program. The documentary includes the former president of Timor-Leste Dr. José Ramos Horta endorsing the activities undertaken by FCOTI. The documentary can be viewed here: https://www.youtube.com/watch?v=Rz2miWHFqM8&t=45s.

The documentary film took place in Laclubar, Soibada, and Dili, which include the projects' activities, interviews with the farmers, local and national authorities. The first draft of the documentary film has been reviewed and completed, but due to the recent floods in April, two of the essential interviews from Dr. Ramos-Horta and Mr. Demetrio Amaral from Secretary of State for the Environment were damaged by flood; therefore, the interviews were re-filmed.

Interview with a farmer Apalonia Sarmento in Soibada

A German organization called Tap Tree featured FCOTI and Plan Vivo and has both PV and FCOTI website in their site. Their site is here: https://taptree.org/impact/. Part of video clip of the documentary was shown in German Television which can be viewed here: https://www.ardmediathek.de/video/aktueller-bericht/aktueller-bericht-28-09-2021/sr/Y3JpZDovL3NyLW9ubGluZS5kZS9BQl8xMDc2NTA/. Note: it starts at 23rd minute.

3. Involvement at National Level Discussion and National Level News

Aside from the new website and documentary film above, the executive director of FCOTI Alexandre RB Sarmento who is at the same time HV Project Manager has been invited twice to give interview to national news channel in RTTL and GMN-TV about HV project. The interview in Tetum can be accessed in this link: https://www.youtube.com/watch?v=ta4NaNYXdws. The executive director also has been attending national workshops organized by Secretary of State for the Environment such as GCF workshop and workshop to discuss the draft INDC report to UNFCCC.

HV Project team provide update and briefing to Timor-Leste's former president Dr. Ramos Horta

PART H: CHALLENGES

1. COVID-19 Pandemic

With the drastic increase of COVID cases in Timor-Leste (TL), the government of Timor-Leste declared another state of emergency in early March 2021. It has affected F-COTI staff's movement in the field, between Dili and project locations, as authorities highly control local community movement. All schools in TL are closed.

Around five HV project staff tested positive for covid and had to be quarantined for 14 days or more during. Fortunately, all five recovered well. The pandemic has caused more than 100 deaths in Timor-Leste. This has caused delays in data collection for this report and has delayed many activities such as acquisition and treatment of seeds in preparation for the next planting in 2022, identification and recruitment of new participants and monitoring of existing sites.

Considering the pandemic, it is decided that new participants and new areas for 2022 will be minimized based on the available capacity that the project has. The project will instead be focusing on restocking and providing corrective actions to sites that have been planted in 2020 and 2021.

Until October 2021 there were 19,812 active COVID-19 cases in Timor-Leste of which 122 died, and the State of Emergency had been renewed for the 14th time until July 2021. Sanitary fences were in place in four of 13 municipalities, including Dili. Although restrictions have now been eased thanks to high vaccination rates in Timor-Leste. At the end of the third quarter of 2021, a total of 969,619 vaccine doses have been administered. (https://covid19.who.int/region/searo/country/tl)

At this time all, except one, of HV project staff have been vaccinated twice.

2. Natural Disaster on 4th April 2021

Management of COVID-19 cases in Timor-Leste was considerably complicated by heavy rain from 28 March-4 April accompanying Tropical Cyclone Seroja, resulting in the worst flooding in over 40 years. Revised figures on the impact of the cyclone and flooding include 34 fatalities (including 14 missing people, presumed dead), 22 of whom were in Dili. Updated figures from 15 July indicate that a total of 30,322 households across the country have been affected; 82% in Dili municipality. A total of 4,212 houses were damaged throughout the country. The pandemic situation has been further exacerbated by the nationwide flood that occurred on 4th of April 2021 and caused the loss of homes, properties and loss of lives[3].

The flood affected our project fields in Laclubar. More than 1,000 trees were damaged/dead. Sites in Batara, Funar and Orlalan were affected. It caused road damage and Laclubar was inaccessible for almost one month. The list of sites and number of trees affected by the flood is presented in ANNEX 9.

The restocking of these affected sites will take place in the early 2022.

PART I: OTHER KEY EVENTS AND ACTIVITIES

1. Refresher Training on PES Agreement and PES Monitoring to Staff and Farmers

During June 2020, the project conducted workshops with farmers and project staff to re-enforce the project's benefit sharing arrangements, monitoring targets and payment schedule arrangements. This was also an opportunity to receive feedback and directions from farmers on current and new technical specifications such as new species for planting. The latest refresher training took place on 27th October 2021 in Laclubar.

2. Nature Club and Forest Ecology

Nature club activities have been implemented in high school in Laclubar and nature club guidebooks have been printed and distributed to selected students in the schools of Laclubar. It has not been possible to conduct any nature club activities in schools in Ulmera-Liquiça due to travel restriction and sanitary fence imposed by the government. The Forest Ecology Book is presented as ANNEX 10.

3. Manual of Tree Planting in English and Tetum

FCOTI has also strengthen community understanding in Payment for Ecosystem Service (PES) Agreement based on Plan Vivo Approach. Aside from that FCOTI has also increased awareness of local authorities about the environment, importance of biodiversity and carbon sequestration scheme. This is done through the development of a manual guidelines that is also translated to local Tetum that serve as a guide to targeted participants. The guideline is

[3] UN Resident and Humanitarian Coordinator for Timor-Leste, Timor-Leste Floods - Situation Report No. 11(As of 16 July 2021)

simple and is full of illustrations for local communities with low level of literacy skills to comprehend. The aim of the manual is also to increase awareness of local authorities about the environment, importance of biodiversity and carbon sequestration scheme.

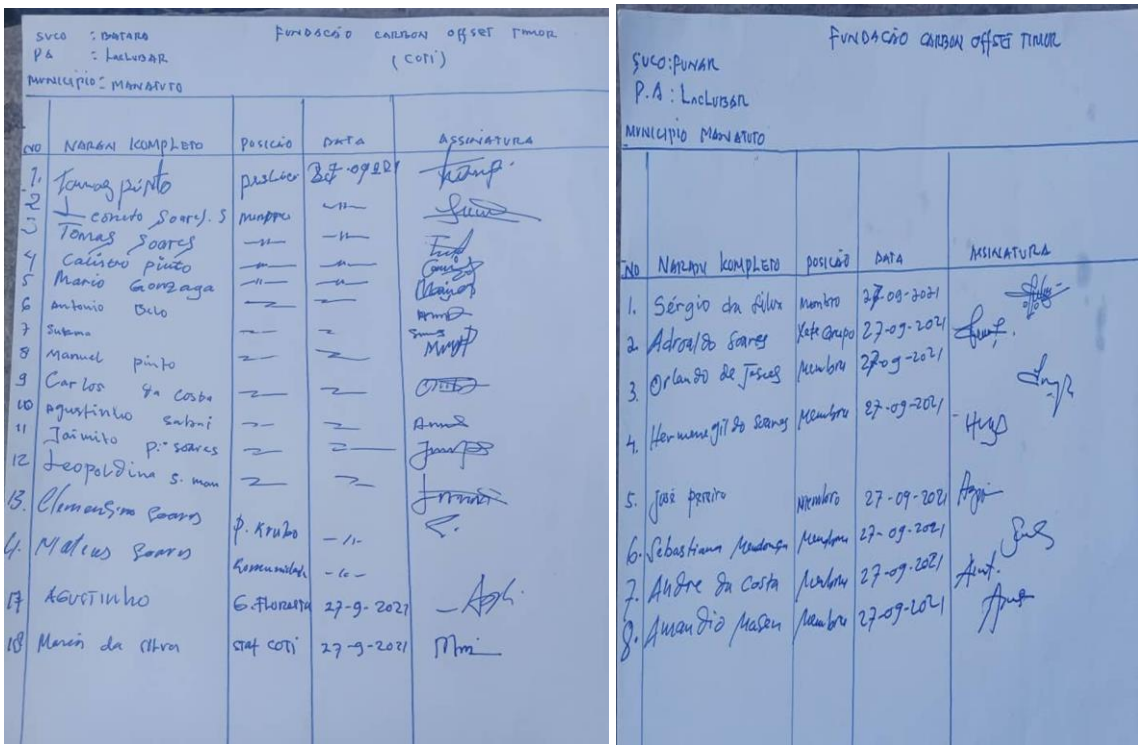
Due to the pandemic, the actual face-to-face training is not possible. There was no training for the community in the located areas due to COVID-19 lockdowns. So far, F-COTI has printed 40 'Forest Carbon' training manual books and 50 posters, all in Tetum. Fifteen training manual books have been distributed to Suco Chief, Administrative Post Administrator, farmers, and communities of Wenunuc, Metinaro and 10 manual books to Soibada delivered by one of F-COTI's field staff. The manual is distributed to targeted participants. A copy of the manual is presented in ANNEX 11.

4. Socioeconomic Monitoring Results

Table 7: Result of the monitoring for socio-economic

No	Socio-economic indicators	Result
1.	Changes in income of HV participants as a result of carbon payments	*Not applicable as carbon payments are yet to take place.*
2.	Participation in the rural micro grant program	Please refer to Rural Women Micro Business Credit mentioned above in Part F.3
3.	Payments for compliance with PES agreement	*Not applicable as carbon Payments are yet to take place.*
4.	Increased participation of women in the HV project	From the total number of farmers who planted trees between 2011 and 2019, women represent 8% (9 households headed by women out of 114 households) plus one school. In 2020 two more households headed by women are joining the project through planting activities. In 2021 4 women joined the project out of 27 new participants which represents 15%. This means

No	Socio-economic indicators	Result
		5% more than 10% target set in 2020.
5.	Participation of HV Participants in Conservation Agriculture	63 farmers are actively involved in agroforestry activities.
6.	Participation of HV Participants in Farmer Managed Natural Regeneration (FMNR)	4 households have been trained and exposed and are involved in FMNR
7.	a) Number of scholarships b) Number of women receiving training in micro-business development and participation .	a) Please see the list of Scholarship and report on scholarship in Part F above. b) In September 2019 the project employed a specialist to provided training to 35 rural women from Soibada and Laclubar on how to make candies, marmalade, and scented soaps from locally available crops such as papaya, lemon grass and tamarind fruits.



Farmers Meeting in Laclubar

5. Environmental and biodiversity monitoring

No changes are reported to the monitoring indicators or protocols used for environmental and biodiversity monitoring for this period. The monitoring of biodiversity received a major boost last year by including an experienced biodiversity specialist from Australia's Northern Territory who was scheduled to lead the task in 2020 however the activity did not take place due to Covid-19 and in part due to lack of funding.

Table 8: Environmental Indicators Monitoring Results

No	Indicator	Result
1.	Area (ha) impacted by invasive species or pests within or in the perimeter of planting sites	None observed
2.	Area (ha) or number of trees planted by the project growing spontaneously (wildings) outside planting sites	None observed
3.	Area (ha) included in FMNR (deforestation reduction and native forest enhancement)	5 ha
4.	Number of water courses included in project sites	None is observed directly in project sites, however, there are 8 sites in Soibada located between 35 and 100 meters of a water body. The project will continue working with farmers to ensure that water bodies are not

No	Indicator	Result
		impacted by project activities.

6. Degradation, Institutional and Governance Monitoring

As per the previous section, no changes are reported to the indicators and protocols used to monitor Degradation, Institutional and Governance for this period.

Table 9: Degradation, institutional and governance Results

No	*Aspect* and Indicator	Result
1.	*Drivers of degradation:* a) Number of households (HV farmers) implementing reduction of burning practices b) Attendance of project and non-project farmers to FMNR, sustainable agriculture and soil management field day activities c) Area under FMNR	a) Our field observations suggest that the number of wildfires have continued to come down significantly and overall, that the community is reducing slash and burn techniques as a traditional farming practice. Only 2 wildfires were reported last year in the area, compared to previous years where the numbers have been higher. The agreement with project participants who have signed PVs, is elimination of slash and burn in PV sites, in consequence there are 115 households reducing burning practices. In 2021 zero wildfire was observed in Soibada and Laclubar as there is continued raining until end of 2021. b) No Activity in FMNR training took place in 2021 c) See info above
2.	*Institutional:* Relevant changes to strategies, regulations and legislation at national or regional level that might impact the project	The regulatory status quo has not changed, therefore no impact to the project is reported. The project has had the opportunity to participate in a stakeholder workshop organized by the Government to discuss directions and introduce updates to Timor's Climate Change Policy and INDC report to UNFCCC.
3.	*Governance:* a) Project Steering Committee (PSC) b) HV farmers groups meetings and attendance of project participants	a) No PSC was held in 2021 due to Covid-19 Pandemic and travel restrictions. b) There are now five farmer groups: four in Laclubar and one in Soibada. These are early stages for the FGs and, as such, the HV project continues to encourage and support with advice on their development and functioning. It is worth mentioning that, for most farmers, this is the first time in their lives that they are part of this type of organization. The latest meetings of the 5 farmers groups took place between 25th September

No	*Aspect* and Indicator	Result
		2021 to 27th September 2021, in spite of covid-19 related restrictions. Minutes of these meetings are available in Tetum and the list of attendance is also available.

PART J: FINANCIAL EXPENDTITURE REPORT END OF OCTOBER 2021

The table below summarizes expenditures from various sources

Expenses	Narrative /Description	Amount (if possible, in USD$)	Contribution from sale of PVCs	Contribution from other sources
			$ 13,707.37 US	
DARWIN INITITAIVES	-	-	-	Darwin Initiative
Operating Cost	Travel and Subsistence	1,781.84	-	Darwin Initiative
	Consultancy Fees	0	-	Darwin Initiative
	Community Meetings	32	-	Darwin Initiative
	Farmers Training	0	-	Darwin Initiative
	Carbon Accreditation	0	-	Darwin Initiative
	Translation Costs	0	-	Darwin Initiative
Other Costs	Tree Seedlings	0	-	Darwin Initiative
	Nursery Equipment	110	-	Darwin Initiative
	Biodiversity education material and activities	0	-	Darwin Initiative
	Fund Transfer and Bank Transaction Costs	178.48	-	Darwin Initiative
	Field Workers Salaries	11,683.90	-	Darwin Initiative
TOTAL DARWIN INITIATIVE		**$13,786.22**		-
GTNT Funding	Farmers Incentives Payments	$0.00	-	GTNT
	Project Manager Salaries	$7,650.00	-	GTNT
	Rural Women Micro Grant	0	-	GTNT
	Scholarship Payments	$3,360.00	-	GTNT
	General Office Costs	$3,199.59	-	GTNT
TOTAL GTNT		**14,209.59**		
UNDP-GEF	Project Management and Operational and	9,026.59		UNDP-GEF

Expenses	Narrative /Description	Amount (if possible, in USD$)	Contribution from sale of PVCs	Contribution from other sources
	Administrative Cost			
	Increasing Awareness of Local Authorities About Environment, importance of Biodiversity and Carbon Sequestration	540.40		UNDP-GEF
	Upland Reforestation Expansion in Soibada and Laclubar	13,133.80		UNDP-GEF
	Website for Carbon Sequestration	4,740.00		UNDP-GEF
	Production of Documentary Film	5,874.00		UNDP-GEF
TOTAL UNDP-GEF		**$33,314.79 US**		
TOTAL HV PROJECT EXPENDITURE		**$61,310.60 US**	**-**	-

END OF THE REPORT
THANK YOU