

Halo Verde Timor

Community Forest Carbon

Annual Report 2020



July 2020

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Acronyms and Abbreviations

CSU: Charles Sturt University

db: Database

DI: Darwin Initiative

FCOTI: Foundation Carbon Offsets 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 CO₂: tons of carbon dioxide equivalent

T-L: Timor-Leste

WV: World Vision

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Summary

Project overview			
Reporting period	June 2011 – May 2020		
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 (2020)	Total
No. of Participants with PES agreements (115 HH + one high school)	0	116	116
No. community groups with PES agreements (where applicable)	0	5	5
Approximate number of households (or individuals) in these community groups	0	0	0
Area under management (ha) where PES agreements are in place	0	74.3	74.3
Total PES payments made to participants (USD)	0	0	0
Total sum held in trust for future PES payments (USD)	0	0	0
Unsold Stock at time of Submission (PVC)	0	0	0
Total Unsold Stock (PVC)	0	0	0
Unsold Stock at time of Submission (PVC)	0	0	0
Total Unsold Stock (PVC)	0	0	0
Allocation to Plan Vivo buffer (tCO ₂) as per request below			3,179
Total Plan Vivo Certificates (tCO ₂) requested for issuance (Saleable)			18,015
Plan Vivo Certificates requested for issuance 2011			0
Plan Vivo Certificates (PVCs) issued to date			0
Total PVCs issued (including this report)			
Total Vintage 2011-2019*			18,015

*See Part C for further information

Part A: Project updates

A1 Key Events

1. Project Validation and Certification

This is the first annual report submitted by the Halo Verde (HV) project, following the project's validation and project registration / certification by the Plan Vivo Foundation in June 2020 (Figure 1).

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. Realising the certification objective, was only possible thanks to funding received from a Darwin Initiative grant (DI), which enabled training of local communities on plantation establishment, soil conservation and field staff on project reporting, monitoring and PVs and PES development among other activities. This funding also allowed the purchase of mapping and forestry/carbon monitoring tools and collection and analysis of spatial, social, biological and technical data necessary for certification. The DI project was instrumental in establishing a partnership between GTNT and CSU, the creation of FCOTI and earlier in the project the partnership with RAEBIA and WV Timor, making this the first PV reforestation project in Timor-Leste and South East Asia.



Figure 1. Validators' Field Visit, March 2020.

2. Workshops with Staff and Farmers

During June 2020, the project conducted workshops with farmers and project staff to reinforce 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. Details are included in Table 2.

3. Training of Communities on Agroforestry Techniques

FCOTI (the local project coordinator) organised a training activity on Agroforestry techniques with 30 farmers (15 women, 15 men) from Manatuto and Laclubar villages in December 2019. The two-day hands-on field activity was held in a site located in the Village of Manatuto. In addition to farmers from Manatuto and Laclubar, high-school students and representatives from local NGOs and government employees also attended the training. The activity included agroforestry concepts and systems, as well as practical training on live fence and alley cropping establishment; nursery management; and organic fertilizers production.

4. Diversification of Female Livelihoods

Thirty-five women from Laclubar and Soibada (see picture below) participated in a 2 days training in August 2019 to learn how to make jams, sauces, and tamarind candies using locally available ingredients for their produce to be sold locally or for consumption at home. The training was funded by GTNT linking this activity with the Females Fund also established by GTNT.



Figure 2. Females Training in Laclubar, 2019.

5. Communication Events

The project, through FCOTI, has edited and distributed the first issue of the project's quarterly news-letter (June 2020); aiming to keep relevant stakeholders informed about project developments. A sample is included in Annex 1 FAR02.

A2 Successes and Challenges

A summary follows:

1. Introduction and Implementation of Farmers Self-Monitoring Activities

The project has reforested more than 90 hectares to date, benefiting more than 146 families or approximately 990 people. The addition of new participants and land is a key goal of the project, but this objective also adds new challenges to the implementation of monitoring activities. Tree survival counts, which is a key monitoring component of the project, is becoming a time consuming and expensive activity that is physically difficult to be completed by the field team. A solution has been the adoption of a self-monitoring procedure in which farmers conduct their own assessments. Random verification sampling by field staff, which is part of this process and its standard operating procedure, has shown the success of this approach. This new method was tested in 2019 showing that the majority of Farmers understood the task and the importance of collecting accurate information. The activity will be repeated during the next monitoring campaign in early 2021.

2. Refinements to the Database of the Project

Another challenge for the project has been the need to securely store data and keep track of monitoring commitments, farmers and their Plan Vivos and in the near future; payment details. The previous database system has served well the needs of the project but it is becoming evident that a more robust system is needed as the project is expanding and new participants are entering the project. To address this need, the project has adopted a new database which currently is being populated and refined. It will likely continue evolving as new data queries and reporting requirements emerge. An overview of the system is included below, showing an example of some of the key components of this new database.



The HV Register main menu is a green rectangular interface with a central title 'HV REGISTER' and six sub-options arranged in a 2x3 grid. The sub-options are: 'GRIEVANCE REGISTER', 'LIST of CORRECTIVE ACTIONS', 'PAYMENTS TO FARMERS', 'FARMERS INFORMATION', 'INTERVENTIONS', and 'BUYERS INFORMATION'. A 'Close' button is located at the bottom right of the menu.



Farmers Information

Second name	Sarmiento	List of Farmers	<input type="button" value="..."/>
First name	Maria	Female?	<input checked="" type="checkbox"/>
Plan Vivo ID	124		
Farmers Group	1	<input type="button" value="Add New Record"/>	
PV Registration date	30/07/2020	<input type="button" value="Next Record"/>	
Site ID	SO10	<input type="button" value="Previous Record"/>	
Area in Ha	0.5	Total area for each PV (Site) only entered when regardless of the number of species planted.	
Species and Planted Year	Mh2020	Press 'Add New Record' and fill all boxes to enter additional species or activity for same PV and site	
Number of trees	400	<input type="button" value="Delete Record"/>	
Succo	Soibada	<input type="button" value="Save"/>	
Admin Pos.	Soibada	<input type="button" value="Close"/>	
PV Active? If Yes, tick box	<input type="checkbox"/>		
PES signed? If Yes, tick box	<input type="checkbox"/>		

Farmers Groups

Farmers' Group	Funar
Next ID	<input type="button" value="..."/>
Previous ID	<input type="button" value="..."/>
Date_of_origin	1/01/2020
Group	Funar
Admin post	Laclubar
Municipality	Manatuto
Search	<input type="button" value="..."/>
<input type="button" value="Add Record"/>	<input type="button" value="Save"/>
	<input type="button" value="Close"/>

Monitoring Assessment

Select monitoring details:	14
PV ID	101
Site ID	87
Monitoring Id	3
Tree growth satisfactory?	<input type="checkbox"/>
DBH Target_Met?	<input type="checkbox"/>
DBH Threshold Met?	<input type="checkbox"/>
Stocking Met?	<input type="checkbox"/>
Stocking Threshold Met?	<input type="checkbox"/>
Corrective action required?	<input type="checkbox"/>
Corrective action by date	6/12/2020

Tree growing well but some weeding needed.

Click the dropdown box next to 'Select monitoring details' left next to the PV ID. Next to the PV ID, right is the Site ID. Find the Monitoring ID from 'Farmers Information' / 'Monitoring' form and select the corresponding line.

Payments to Farmers

Payment ID	5
Paid to (surname)	Smith
Paid to (first name)	John
PV ID	101
Site ID	SO10
Paid by	Laclubar Field Coordinator
Date of payment	13/08/2020
Period (Year)	1
Amount Paid (USD)	\$100.00
Description of payment (purpose)	Monitoring target period 1: Survival 100% achieved.

Verify PES-conditions and corrective actions (if any) before payment. The information to enter in the top left, can be found in the Farmers' Information Summary (bottom right-hand side).

Farmers Information Summary

Second name	da Costa
First name	Acacio Domingo
Plan Vivo ID	Scars
	de Costa
	Adelito
	Sarmiento
	Adelito E D
	Sarmiento
	Alfonso

Figure 3. Screenshot from the HV DB

3. Training of Field Staff on Monitoring (Refresher)

The project is comprised by two field teams located in Laclubar and Soibada respectively. As part of the project's routine; a one-day refresher training to ensure that staff is up to date with standard operating procedures and tools takes place every year. This year, the Laclubar team hosted the event with attendance of the Soibada team and staff from Dili. Besides checks on mock measurements and equipment calibration, this was also an opportunity to discuss ways to streamline data collection and improve technical implementation and consider modifications to data forms.

4. Project Activities in the Times of Covid-19

The project managed to host the validation team from The Landscapes and Livelihoods Group (TLLG), just before the pandemic impacted the region and Timor-Leste. Fortunately, at the time of writing this report, Covid-19 in TL is under control and only a few cases have been detected since the initial global outbreak. The recent meetings, consultations and workshops run by the project in Laclubar and Soibada were conducted observing governmental restrictions and protocols for social gatherings. It is expected that field activities will continue as planned, providing there are no major changes to the current situation. The situation with Covid outside Timor however, will likely delay the visit of non-Timorese experts to support other activities such as the biodiversity assessment that had been scheduled for 2020.

A3 Project developments

1. Creation of Farmers Groups

The project worked closely with farmers in the creation of farmers groups (FGs) in 2019. The FGs are formed on a regional basis (Villages), bringing together project participants from each one of the villages within the project region. The FGs are seen by the project as an instrument to replicate and expand activities and improve project governance, given a more direct role to farmers on project decisions.

The new governance arrangements are also a tool to create opportunities for farmers' income diversification, alongside or complementary to the carbon component. The FGs are responsible for management of contributions made by members into each common fund. Currently there are 5 active FGs each located in Funar, Soibada, Manelima, Batara and Orlalan Villages (Sucos) with monthly contributions of USD1 and USD2 per member, depending on each FG constitution. The expectation is a boost to their funds once carbon sales are underway. As an initial step, FGs will be working on identification of opportunities for micro-loans, communal social investments and investments in other project-related activities.

2. Modifications to Project Documentation.

The only modification to the project's documentation since submission of the PDD has been an addition to the Payment for Ecosystem Services agreement document:

Table 1. Document updates

PDD section	Date change	Short description of update
PES agreement document Annex J1 of the PDD (English and Tetun Versions).	July 2020	Minor modification to add clarity on site information and monitoring targets (Table 1 of the document). The revised version of the PES is now included in Annex J1, located in the

		electronic project's folder with PV (PES 280720).
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3. Outstanding Corrective Actions

The validation report was submitted in May 2020. The Validator, TLLG, identified a number of forward action requests (FARs). The project recently addressed the FARs as detailed in Table 2.

Table 2. Progress against corrective actions

Document	Corrective action	Activity against this action
Validation report	FAR01 FCOTI should provide internal training to their staff on procedures for entering into PES agreements, financial monitoring and reporting procedures, and techniques required for monitoring climate benefits.	FCOTI delivered an internal “refresher” training to its staff on procedures for entering PES agreements, financial monitoring and reporting procedures. It also re-enforced procedures required for monitoring climate benefits and socio-economic activities. This activity took place from the 25 th to 27 th May 2020. The process consisted of: <ul style="list-style-type: none"> • Introduction to the activities and in-depth explanations of key concepts such as payments for ecosystem services. • Questionnaires to test the staff understanding of the processes using case scenarios and practical examples. • Team activities: After responding to the questionnaires, the staff was divided into two groups to design their own questions for the other group to respond. The results demonstrated that staff have a high level of knowledge of these topics. Notes and related evidence of this 3-day training session are in Annex 1 FAR01.
Validation report	FAR02 Strengthen the process for keeping external and indirect stakeholders informed, and receiving input from them.	Electronic and written quarterly news-letters on project progress with invitation for feedback is send to relevant stakeholders. The first issue of the newsletter was produced and distributed among stakeholders (April-June 2020). A sample is provided in Annex 1 FAR02.
Validation report	FAR03 Prior to signing PES Agreements, provide training to Project Participants	Following the internal workshop to FCOTI staff, a two days’ workshop with project farmers was delivered in Laclubar and Soibada to cement the concept of PES, and modify as farmers deemed necessary, the PES

	on transaction of Plan Vivo Certificates.	agreement and technical specifications in accordance with their needs and priorities. These two separate training sessions were conducted in Laclubar and Soibada on 5th June and 8th June 2020 respectively. About the delivery process: Farmers were divided into groups to discuss questions provided by the facilitators from FCOTI. Feedback and comments from farmers were also recorded and responded to. A hands-on active approach was used during these sessions, farmers were given written questionnaires for them to respond to test their understanding. It should be noted that around 50% of farmers are illiterate, however it was possible to confirm that they had understood the concepts that were explained to them. Workshops' notes and related material in Annex 1 FAR03.
Validation report	FAR04 Develop an operational budget for all project activities.	Prior validation, the project had developed an operational budget. This budget has been further expanded and refined. Included in Annex 1 FAR04
Validation report	FAR05 Conduct workshops with farmers groups to discuss the suitability of existing Technical Specifications for meeting their needs and priorities and to identify alternative species or planting systems that could be developed into technical specifications; and apply the results of these workshops to update technical specification if necessary.	The activity was implemented together with the activities addressing FAR03 (see Annex 1 FAR03). Discussions on technical specifications are a periodic activity the project conducts. Key outcomes during the most recent session (05-06 June 2020) included confirmation by Farmers of their satisfaction with technical specifications, species planted and related activities thus far. An emerging interest is the possibility in the future to plant Australian Red Cedar (<i>Toona ciliata</i>) which is a tree species from the same family of Mahogany (Meliaceae). Future planting will depend on suitability of this tree to the conditions of the region and development of the corresponding technical specifications.
Validation report	FAR06 Strengthen the system for recording all grievances and responses.	A database to record grievances is in place to store and record written or verbal grievances. Reception of comments and grievances is done through a suggestions and grievance box accessible to the public and by direct communication with designated field staff who receive and record complaints in the db (sample in Annex 2 of this report).

Validation report	<p>FAR07 Revise and add detail to benefit sharing mechanism, and ensure that this is fully understood by Project Participants and project staff, that details are incorporated into PES Agreements, and that a description of the process for developing and agreeing the mechanism with Project Participants is added to the PDD.</p>	<p>The PES agreement has been modified to include additional details on <i>Terms of Payment</i> and <i>Monitoring Schedules and Targets</i>. This FAR is strongly linked to FARs 01, 03 and 05, therefore the June workshops were used to also address FAR07, referred in Annex 1 PES Agreement 280720 (English and Tetun versions)</p>
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A4 Future Developments

1. Project Expansion and New Partnerships

During 2020, the project is including an additional 30 participants and 16.1 ha, with the corresponding PVs by farmers currently being developed. These additions bring the total area of the project to approximately 91 ha and the number of households to 146. An additional 2 ha have been planted in Manatuto as part of the agroforestry project with GOPA, which is a German organisation implementing projects in Timor on behalf of the German Government and the European Union.

The project is actively creating new partnership opportunities. A concrete example is precisely the partnership and funding from GOPA in 2019-2020 for an Agroforestry demonstration project in Manatuto.

FCOTI is also participating in a tendering process for development of the *Timorese National Carbon Foundation*, a project sponsored by the European Union in partnership with the TL Government.

Part B: Project activities

1. Project activities generating Plan Vivo Certificates

Currently there are 115 farmers and 1 school, who have signed Plan Vivos, summarised in Table 3.

Table 3. Project activity summary

Name of technical specification	Area (ha)	No Participants	No Community Groups
Tree Plantings	74.34	116	5
Soil management	74.34	116	5

No new technical specifications have been recently submitted by the HV project to the PV for approval.

B2 Project activities in addition to those generating Plan Vivo Certificates

1. Farmers Managed Natural Regeneration (FMNR)

In addition to the PV activities (reforestation and soil conservation), the HV project is working with farmers interested in conducting natural forest regeneration in their lands. Approximately 5 hectares are being trialled for regeneration, but at this stage not included in the carbon pool of the HV project. The goal is to develop a technical specification enabling farmers to claim climate benefits from carbon sequestered from forest regrowth. This development will be subject to attracting additional participants and the ability of farmers to allocate suitable land for regeneration.

2. Presence in Other Areas

The HV project has also expanded its geographic scope and has attracted funding for agroforestry demonstration sites in the village of Manatuto, trialling suitable species in communal lands. Again, there is potential to develop technical specifications to allow the introduction of new areas outside those currently included in the PDD.

3. Additional Activities

Other activities conducted under the umbrella of the HV project that are not part of the PV project include:

- Provision of 13 University scholarships funded by GTNT for Laclubar students; comprising 6 males and 7 females studying in Dili as well as scholarships for high school students (Figure below).





Figure 4. Scholarships Award Ceremony in Laclubar.

- An all females fund established in August 2019 by GTNT, with training on enterprise development to produce marmalades, candles and soaps.

Part C: Plan Vivo Certificate issuance submission

1. Contractual statement

This issuance submission (Table 4 & Table 5) is based on signed PES agreements, with participants complying with all the minimum requirements stated in these agreements. At this stage, the total number of participants with PVs is 116, however, one single participant can be implementing more than one technical specification in his/her site, hence the large number observed in column “No of participants per technical specification”. All claims are for plantings established since 2011 to 2019 inclusive.

Table 4. Issuance request for Plan Vivo Certificates allocated to new participants and land, categorised by Technical Specification

System	No of participants per technical specification	Total area allocated (ha)	Carbon Potential (tCO2/ha)	Total ER's (tCO2)	% buffer	No. of PVCs allocated to buffer this period	Saleable ER's (tCO2) from this period
Mahogany Agroforestry	55	14	275	3729	15	559	3170
Mahogany Woodlots	56	13	303	4077	15	612	3466
Casuarina Agroforestry	34	8	287	2358	15	354	2004
Casuarina Woodlots	35	20	313	6197	15	929	5267

Gmelina Agroforestry	16	6	254	1456	15	218	1238
Gmelina Woodlots	14	4	282	1050	15	157	892
Black Teak (Tectona)	7	4	162	633	15	95	538
Albizia	30	3	344	1202	15	180	1021
Living Fence (Gliricidia sp)	29	2	203	493	15	74	419
Total	-	74.3	-	21,194	15	3,179	18,015

Table 5. Issuance request for Plan Vivo Certificates allocated to new participants and land, categorised by recruitment year

Year	Total area added (ha)	Technical Specification	Saleable ER's (tCO2) available from previous periods	Total ER's achieved this period	% buffer	No. of PVCs allocated to buffer this period	Saleable ER's (tCO2) from this period
2011	23.4	Halo Verde 2020 tech spec	0	3316	15	497	2818
2012	1.3	Halo Verde 2020 tech spec	0	969	15	145	823
2013	1.0	Halo Verde 2020 tech spec	0	1170	15	176	995
2014	6.0	Halo Verde 2020 tech spec	0	2399	15	360	2039
2015	6.8	Halo Verde 2020 tech spec	0	1210	15	182	1029
2016	3.0	Halo Verde 2020 tech spec	0	710	15	107	604
2017	5.9	Halo Verde 2020 tech spec	0	1961	15	294	1667
2018	7.1	Halo Verde 2020 tech spec	0	2790	15	418	2371
2019	20.2	Halo Verde 2020 tech spec	0	6669	15	1000	5669
Total	74.3		0	21,194	15	3,179	18,015

Although trees were planted across the years 2011 – 2019, the vintage of these PVCs will be 2011 – 2019. This is because vintages correspond to the monitoring data, and the most comprehensive monitoring event covering all sites was completed in 2019.

2. Data to Support Issuance Request

The data supporting the issuance request, specified above (Table 4) is included in Annex 3. It details:

- PV ID / Site ID, location per village, area planted per system and year of joining the

project by farmer.

- Field data collected on survival rates (monitoring) and results of the assessment
- Carbon sequestered for the total crediting period and current carbon progress
- Monitoring targets and corrective actions where required.

Part D: Sales of Plan Vivo Certificates

As this is the first time the project is requesting the issuance of Plan Vivo Certificates, no sales have taken place. No forward sold certificates for the current issuance request is taken place at this stage, although negotiation with prospective buyers started in April 2020.

Part E: Monitoring results

a) Ecosystem Services Monitoring

Monitoring activities took place in mid – 2019 for all sites established since 2011 to 2019 (inclusive). The key activity consisted on a full tree survival / specie / site assessment. The results were then compared against the area of each site and corresponding stocking targets. The results show that of the 151 sites assessed for a total of 74.3 ha; 124 sites complied with the tree target while 27 sites were below the desired target requiring some re-stocking (Table 5). The actual area of compliance is 68.7 ha (92% of total project area), while the area requiring some corrective action is 5.6 ha (8% of total project area).

The farmers have agreed to re-stock as detailed also in Table 5 and their signed PES agreements which also includes plantation management (thinning, pruning, weeding) and soil organic activity targets.

b) Monitoring Results Supporting the Request for New Issuances

The results of the monitoring are included in Table 5. Monitoring data supporting the request for PVCs issuance is included in Annexes 3 and 4. which also includes Farmers' names.

Table 6: Summary of Monitoring Results per Plan Vivo / Site.

Site / PV ID	Area (ha)	Suco	Current Land Use	Year of joining the project	Monitoring Year	Stocking Target achieved	Area (ha) Requiring Corrective Action
MN19	0.3	Manelima	Agroforestry	2019	2019	100%	0.0
SO30	0.2	Soibada	Agroforestry	2019	2019	100%	0.0
MN02 1	0.6	Manelima	Woodlot	2012	2019	100%	0.0
MN02 2	0.2	Manelima	Woodlot	2011	2019	100%	0.0
FN28	0.4	Funar	Agroforestry	2011	2019	100%	0.0
SO01	1.6	Soibada	Woodlot	2016	2019	100%	0.0
OR53	0.3	Orlalan	Agroforestry	2014	2019	100%	0.0
MN17	1.0	Manelima	Agroforestry	2019	2019	100%	0.0
BT62	0.1	Batara	Agroforestry	2019	2019	100%	0.0

OR51	0.3	Orlalan	Woodlot	2018	2019	100%	0.0
BT02 1	0.1	Batara	Agroforestry	2011	2019	100%	0.0
BT02 2	0.3	Batara	Agroforestry	2019	2019	93%	0.0
BT18 1	1.4	Batara	Woodlot	2011	2019	92%	0.1
BT18 2	0.3	Batara	Woodlot	2013	2019	100%	0.0
BT64	0.1	Batara	Woodlot	2011	2019	100%	0.0
SN20	0.5	Sananain	Woodlot	2011	2019	94%	0.0
OR37	0.3	Orlalan	Woodlot	2011	2019	100%	0.0
SO02 1	0.8	Soibada	Agroforestry	2015	2019	100%	0.0
SO02 2	0.3	Soibada	Agroforestry	2019	2019	100%	0.0
SO02 3	0.2	Soibada	Agroforestry	2016	2019	100%	0.0
FN33	0.1	Funar	Agroforestry	2019	2019	100%	0.0
OR49	0.3	Orlalan	Woodlot	2016	2019	100%	0.0
SO09	0.6	Soibada	Agroforestry	2019	2019	71%	0.2
BT60	0.1	Batara	Woodlot	2019	2019	100%	0.0
MN16	0.1	Manelima	Woodlot	2019	2019	100%	0.0
BT51	0.1	Batara	Woodlot	2011	2019	100%	0.0
BT33 1	0.4	Batara	Agroforestry	2011	2019	100%	0.0
BT33 2	0.6	Batara	Agroforestry	2014	2019	92%	0.0
OR10 1	1.4	Orlalan	Woodlot	2011	2019	100%	0.0
OR10 2	0.3	Orlalan	Woodlot	2011	2019	100%	0.0
MN18	0.3	Manelima	Agroforestry	2019	2019	100%	0.0
OR14 1	0.2	Orlalan	Woodlot	2011	2019	100%	0.0
OR14 2	0.1	Orlalan	Agroforestry	2012	2019	100%	0.0
OR55	1.1	Orlalan	Agroforestry	2019	2019	72%	0.3
MN15 1	0.6	Manelima	Woodlot	2018	2019	100%	0.0
MN15 2	0.3	Manelima	Agroforestry	2018	2019	100%	0.0
SO26	1.1	Soibada	Agroforestry	2018	2019	5%	1.1
BT54	0.1	Batara	Agroforestry	2011	2019	100%	0.0
SO03 1	1.0	Soibada	Agroforestry	2015	2019	100%	0.0
SO03 2	0.7	Soibada	Woodlot	2016	2019	90%	0.1
SO03 3	1.1	Soibada	Woodlot	2017	2019	100%	0.0
SO03 4	0.4	Soibada	Woodlot	2019	2019	100%	0.0
BT36	0.0	Batara	Woodlot	2014	2019	100%	0.0
BT30	0.7	Batara	Woodlot	2011	2019	100%	0.0
BT40	0.3	Batara	Agroforestry	2011	2019	100%	0.0
SO19	0.5	Soibada	Agroforestry	2019	2019	100%	0.0
SO36	0.4	Soibada	Woodlot	2019	2019	51%	0.2
SO23	0.1	Soibada	Woodlot	2019	2019	100%	0.0
OR11 1	3.6	Orlalan	Woodlot	2011	2019	100%	0.0
OR11 2	2.5	Orlalan	Woodlot	2015	2019	100%	0.0
BT49	0.3	Batara	Agroforestry	2018	2019	92%	0.0
OR17 1	0.5	Orlalan	Woodlot	2011	2019	100%	0.0
OR17 2	0.2	Orlalan	Woodlot	2014	2019	100%	0.0
SO22	0.5	Soibada	Woodlot	2019	2019	100%	0.0
SO25	0.6	Soibada	Agroforestry	2018	2019	37%	0.3
SO10	0.5	Soibada	Agroforestry	2019	2019	95%	0.0
OR58	0.2	Orlalan	Agroforestry	2011	2019	46%	0.1
OR38	0.5	Orlalan	Woodlot	2015	2019	100%	0.0

MN11	0.1	Manelima	Woodlot	2014	2019	100%	0.0
MN13 1	0.8	Manelima	Woodlot	2011	2019	100%	0.0
MN13 2	0.2	Manelima	Agroforestry	2015	2019	100%	0.0
MN13 3	0.2	Manelima	Agroforestry	2016	2019	100%	0.0
MN13 4	0.2	Manelima	Agroforestry	2017	2019	100%	0.0
FN32	0.3	Funar	Agroforestry	2019	2019	100%	0.0
SO17	0.8	Soibada	Agroforestry	2019	2019	67%	0.2
MN12	0.5	Manelima	Agroforestry	2014	2019	100%	0.0
OR13	0.7	Orlalan	Woodlot	2011	2019	56%	0.3
SO05	0.1	Soibada	Woodlot	2015	2019	100%	0.0
SO15	0.2	Soibada	Agroforestry	2019	2019	100%	0.0
BT35	0.1	Batara	Woodlot	2012	2019	100%	0.0
BT56	0.1	Batara	Agroforestry	2019	2019	100%	0.0
SO06 1	1.4	Soibada	Woodlot	2017	2019	100%	0.0
SO06 2	0.8	Soibada	Woodlot	2019	2019	100%	0.0
BT47	0.2	Batara	Woodlot	2019	2019	100%	0.0
SO12	0.6	Soibada	Agroforestry	2019	2019	90%	0.1
SN32	0.3	Sananain	Woodlot	2011	2019	100%	0.0
FN29	0.3	Funar	Agroforestry	2011	2019	100%	0.0
SO11	0.4	Soibada	Agroforestry	2019	2019	100%	0.0
OR63	0.2	Orlalan	Woodlot	2019	2019	100%	0.0
OR56	0.2	Orlalan	Woodlot	2019	2019	100%	0.0
BT52	0.1	Batara	Agroforestry	2019	2019	100%	0.0
SO28	0.4	Soibada	Woodlot	2015	2019	30%	0.2
BT53	0.0	Batara	Woodlot	2019	2019	100%	0.0
BT34 1	0.6	Batara	Woodlot	2014	2019	100%	0.0
BT34 2	0.1	Batara	Woodlot	2014	2019	100%	0.0
MN07 1	0.2	Manelima	Woodlot	2014	2019	100%	0.0
MN07 2	0.6	Manelima	Agroforestry	2015	2019	100%	0.0
BT50	0.3	Batara	Woodlot	2011	2019	79%	0.1
BT58	0.2	Batara	Woodlot	2013	2019	100%	0.0
OR59	0.1	Orlalan	Woodlot	2019	2019	100%	0.0
MN21	0.2	Manelima	Woodlot	2019	2019	100%	0.0
MN03 1	1.0	Manelima	Agroforestry	2011	2019	100%	0.0
MN03 2	0.9	Manelima	Agroforestry	2011	2019	100%	0.0
SO35	0.5	Soibada	Agroforestry	2019	2019	79%	0.1
SO14 1	0.1	Soibada	Agroforestry	2019	2019	100%	0.0
SO14 2	0.2	Soibada	Woodlot	2019	2019	100%	0.0
SO14 3	0.2	Soibada	Woodlot	2019	2019	100%	0.0
MN01 1	0.4	Manelima	Woodlot	2011	2019	100%	0.0
MN01 2	0.2	Manelima	Agroforestry	2014	2019	100%	0.0
MN09	0.2	Manelima	Woodlot	2014	2019	100%	0.0
OR50	0.3	Orlalan	Woodlot	2017	2019	100%	0.0
MN08	0.6	Manelima	Agroforestry	2014	2019	100%	0.0
SO24	0.3	Soibada	Agroforestry	2019	2019	100%	0.0
BT29	0.5	Batara	Woodlot	2011	2019	100%	0.0
OR57 1	0.5	Orlalan	Agroforestry	2019	2019	7%	0.5
OR57 2	0.4	Orlalan	Agroforestry	2019	2019	100%	0.0
SO13	0.5	Soibada	Woodlot	2019	2019	100%	0.0

BT46 1	0.3	Batara	Woodlot	2014	2019	100%	0.0
BT46 2	0.2	Batara	Agroforestry	2019	2019	100%	0.0
OR52 1	0.1	Orlalan	Agroforestry	2011	2019	100%	0.0
OR52 2	0.1	Orlalan	Agroforestry	2014	2019	100%	0.0
OR60	0.2	Orlalan	Agroforestry	2019	2019	100%	0.0
SO34	0.5	Soibada	Agroforestry	2019	2019	99%	0.0
SO18	0.4	Soibada	Agroforestry	2019	2019	56%	0.2
SO20	0.3	Soibada	Woodlot	2019	2019	100%	0.0
BT61	0.4	Batara	Agroforestry	2019	2019	100%	0.0
BT48	0.1	Batara	Agroforestry	2019	2019	100%	0.0
OR08	1.1	Orlalan	Woodlot	2011	2019	100%	0.0
MN20	0.4	Manelima	Agroforestry	2019	2019	100%	0.0
BT63	0.1	Batara	Agroforestry	2014	2019	100%	0.0
BT38	0.1	Batara	Woodlot	2014	2019	81%	0.0
BT32 1	0.4	Batara	Woodlot	2014	2019	100%	0.0
BT32 2	0.5	Batara	Woodlot	2015	2019	51%	0.2
SO16	0.3	Soibada	Agroforestry	2019	2019	100%	0.0
SO38	0.2	Soibada	Agroforestry	2019	2019	100%	0.0
BT17	0.3	Batara	Agroforestry	2011	2019	100%	0.0
SO27	0.1	Soibada	Woodlot	2019	2019	100%	0.0
SO04 1	1.4	Soibada	Agroforestry	2017	2019	100%	0.0
SO04 2	0.6	Soibada	Woodlot	2019	2019	100%	0.0
SO21	0.2	Soibada	Woodlot	2019	2019	100%	0.0
OR48	0.1	Orlalan	Agroforestry	2014	2019	100%	0.0
FN31	0.2	Funar	Agroforestry	2019	2019	100%	0.0
FN34	1.1	Funar	Agroforestry	2019	2019	46%	0.6
OR54	0.5	Orlalan	Agroforestry	2019	2019	83%	0.1
OR09	2.8	Orlalan	Woodlot	2011	2019	100%	0.0
BT19	1.3	Batara	Woodlot	2011	2019	100%	0.0
SO07 1	1.5	Soibada	Woodlot	2017	2019	100%	0.0
SO07 2	3.0	Soibada	Woodlot	2018	2019	100%	0.0
BT01 1	0.3	Batara	Woodlot	2011	2019	100%	0.0
BT01 2	0.2	Batara	Woodlot	2012	2019	100%	0.0
BT01 3	0.3	Batara	Woodlot	2014	2019	100%	0.0
BT03	0.1	Batara	Woodlot	2011	2019	100%	0.0
BT31	0.2	Batara	Agroforestry	2015	2019	100%	0.0
BT57	0.2	Batara	Agroforestry	2019	2019	100%	0.0
SO08	0.2	Soibada	Woodlot	2019	2019	100%	0.0
MN14	0.9	Manelima	Woodlot	2018	2019	100%	0.0
SO37	0.3	Soibada	Agroforestry	2019	2019	100%	0.0
MN05 1	1.4	Manelima	Woodlot	2011	2019	68%	0.4
MN05 2	0.3	Manelima	Agroforestry	2012	2019	100%	0.0
MN05 3	0.5	Manelima	Agroforestry	2013	2019	100%	0.0
MN05 4	1.0	Manelima	Agroforestry	2014	2019	100%	0.0
Total	74.3	-	-	-	-	-	5.6

3. Maintaining commitments

At the time of preparation of this report, no farmer has resigned from the project.

4. Socioeconomic monitoring

The information included was collected in July 2020 by FCOTI, summarised in Table 6.

Table 7. Socioeconomic Monitoring Results

No	Socio-economic indicators	Result
1.	Changes in income of HV participants as a result of carbon payments	<i>Not applicable as carbon transactions are yet to take place.</i>
2.	Participation in the rural micro grant program	10 rural women (5 from Soibada and 5 from Laclubar) received a micro loan of \$400 USD each. Two of them decided to make candies from the training they received to start a small business. As of April 2020, four of them had repaid their loans (with zero interest based on agreement) of which two of them have repaid 100%. Full report of this activity is available on request.
3.	Payments for compliance with PES agreement	<i>Not applicable as carbon transactions are yet to take place.</i>
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 115 households). In 2020 two more households headed by women are joining the project through planting activities. A goal for the project in 2021 is to increase female participation by 10% from the total number of

		participants. Other activities (outside PV) such as micro-loans for micro business and micro business training represent 100% female participation.
5.	Participation of HV Participants in Conservation Agriculture	63 farmers are actively involved in agroforestry activities. This is the current baseline.
6.	Participation of HV Participants in Farmer Managed Natural Regeneration (FMNR)	4 households are actively involved in FMNR
7.	<p>a) Number of scholarships.</p> <p>b) Number of women receiving training in micro-business development and participation</p> <p>.</p>	<p>a) During the reporting period; 13 university students from Laclubar received scholarship assistance. 7 of these students are females. The full list of students is available on request.</p> <p>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. Subject to available funding and changes to the situation with COVID-19, another round of training may be conducted before the end of 2020.</p>

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 this year, however, the date of the biodiversity assessment had to be postponed until 2021 due to COVID-19 travel restrictions between Australia and Timor.

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 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.	<p><i>Drivers of degradation:</i></p> <p>a) Number of households (HV farmers) implementing reduction of burning practices</p> <p>b) Attendance of project and non-project farmers to FMNR, sustainable agriculture and soil management field day activities</p> <p>c) Area under FMNR</p>	<p>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.</p> <p>b) The project's last activity on FMNR, soil and sustainable agriculture had an attendance of 4 farmers (2 from Soibada and 2 from Laclubar). The training was organized and fully funded by World Vision Timor-Leste and took place in Dili and Municipality of Aileu. The workshop lasted for three days from the 4th to 6th February 2020. The project expects to conduct another field day during the second semester of 2020 depending on covid-19 conditions and funding availability.</p>

		c) See table 7.
2.	<i>Institutional:</i> Relevant changes to strategies, regulations and legislation at national or regional level that might impact the project	The Government has slowed down the land tenure process as a consequence of the ongoing central political crisis in the capital, Dili. 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 on the 23 rd of July 2020 to discuss directions and introduce updates to Timor's Climate Change Policy.
3.	<i>Governance:</i> a) Project Steering Committee (PSC) b) HV farmers groups meetings and attendance of project participants	a) The PSC continues to function well with one meeting taken place this year on 17 th Feb 2020 in Laclubar. 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 FGs took place between 24 th January 2020 to 11 th Feb 2020. Minutes of these meetings are available in Tetum.

Part F: Impacts

1. Evidence of outcomes

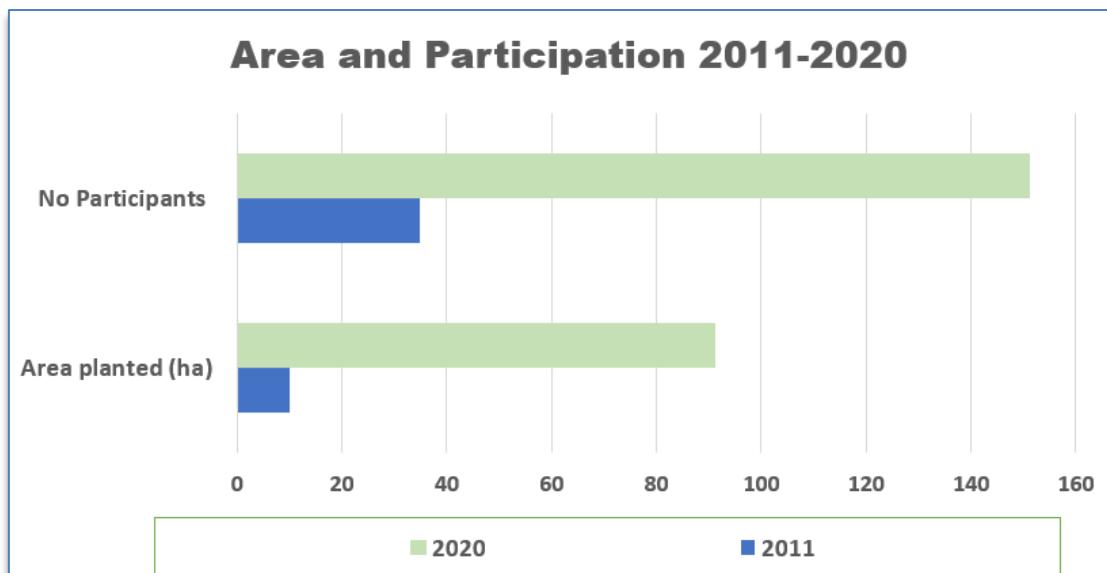
As highlighted in other sections of this report, the project has achieved results in several fronts. It continues to grow by improving plantation management and overall, through addition of areas and recruitment of new project participants. The project has also cemented new partnerships, enabling training and extension to farmers on land management and sustainable agriculture within and outside the project area.

The project has also seen progress on technical aspects through training of staff on plantation management, site assessments, forest carbon monitoring and mapping as well as development and use of SOPs. This has been possible through acquisition of materials and tools such as tapes, GPSs, clinometers, pH testers, in stark contrast to limitations faced on previous years when funding was extremely tight (see top picture Figure 5 showing one of the old tapes the team was using in 2016). The project has come a long way since its inception!



Figure 5. Examples of tools used by the project prior 2017 -top picture - (Laclubar, 2016) and recent acquisitions -bottom- (Laclubar 2018)

The trajectory of the project, as a comparison between 2011, the year when the project started, and the present is included below.



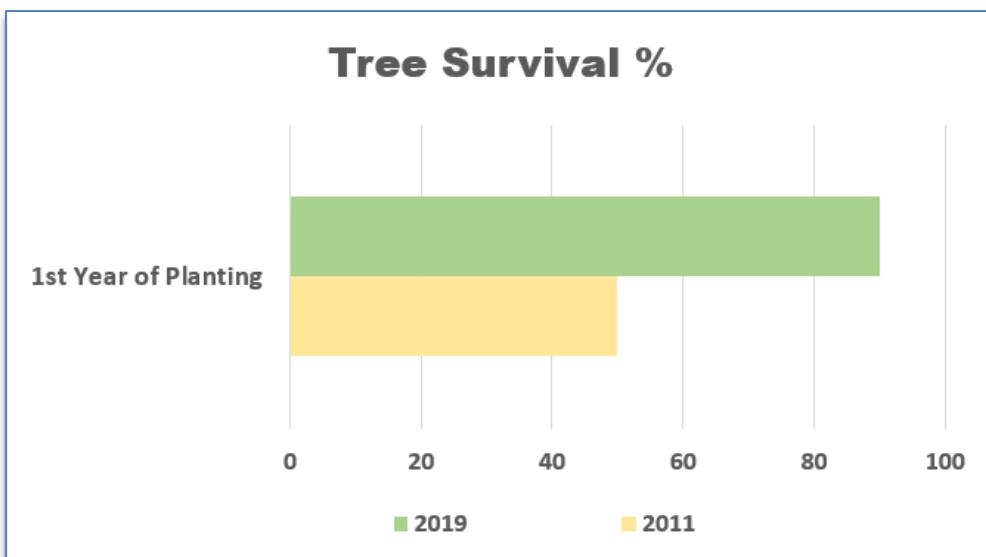


Figure 6. HV Project Trajectory

Part G: Payments for Ecosystem Services

No summary is included in this report as payments from PVCs sales and payments are yet to take place.

Part H: Ongoing participation

1. Recruitment

Table 9 shows details of new sites, totalling 16.1 ha in 2020, allocated by 31 new participants (names not include for privacy reasons) who have been selected to join the project in 2020. They are supported by the project to plant trees this year and are concluding their PV design. The next step will be formalisation of their PES agreements.

Table 10. New Halo Verde Project Participants and their Areas

PV ID/Site Id	Hectare	Suco	Technical Specification	Type
MN22	0.17	Laclubar	Mahogany	Woodlot
MN23	0.28	Laclubar	Mahogany	Agroforestry
MN24	0.25	Laclubar	Mahogany	Agroforestry
MN25	0.24	Laclubar	Mahogany	Agroforestry
OR65	0.47	Laclubar	Mahogany	Woodlot
OR63	0.52	Laclubar	Mahogany	Agroforestry
OR66	0.42	Laclubar	Mahogany	Agroforestry
OR64	0.45	Laclubar	Mahogany	Woodlot
OR69	0.43	Laclubar	Mahogany	Woodlot

OR70 1	0.13	Laclubar	Mahogany	Woodlot
OR70 2	0.42	Laclubar	Mahogany	Agroforestry
OR71	0.65	Laclubar	Mahogany	Woodlot
OR67	0.65	Laclubar	Mahogany and Casuarina	Woodlot
OR71	0.22	Laclubar	Mahogany	Woodlot
OR72	0.30	Laclubar	Mahogany	Woodlot
OR68	1.20	Laclubar	Mahogany	Agroforestry
BT66	0.67	Laclubar	Mahogany	Agroforestry
BT69	0.75	Laclubar	Mahogany	Woodlot
BT68	0.31	Laclubar	Mahogany	Agroforestry
BT67	0.86	Laclubar	Mahogany	Woodlot
BT65	0.65	Laclubar	Mahogany	Woodlot
FN35	0.75	Laclubar	Casuarina	Agroforestry
FN36	0.42	Laclubar	Casuarina	Woodlot
SO39	0.56	Soibada	Mahogany	Agroforestry
SO40	0.25	Soibada	Mahogany	Agroforestry
SO43	0.25	Soibada	Mahogany	Agroforestry
SO42	0.61	Soibada	Mahogany	Woodlot
SO41	0.17	Soibada	Mahogany	Agroforestry
SO46	0.23	Soibada	Mahogany	Agroforestry
SO45	1.68	Soibada	Mahogany	Woodlot
SO47	1.18	Soibada	Mahogany	Agroforestry

They complied with the criteria used by the project to prioritize participation:

The project follows the criteria for assessment and selection of participants, site selection and soil testing included in the PDD (section G1.1 and Annex G1 -Plantation Management procedures). In addition, the project also wants to ensure that beneficiaries are local Timorese citizens residing in project locations. The key checklist criteria used includes:

1. Timorese citizenship
2. Residing in Laclubar or Soibada or adjacent areas as per geographic extent of the project.
3. Suitability of activities and species to technical specifications of the project
4. Willingness to comply and sign a PES Agreement
5. Commitment and ability to maintain the trees and to carry out activities under PES agreements including stocking, plantation and soil management requirements
6. Willingness to participate on information sessions and consultations organized by the project
7. Evidence of land ownership and proof of undisputed land ownership through the project's *land ownership declaration* or equivalent documentation.

2. Community participation

Community acceptance and an excellent relation with the community continues to be the cornerstone of the HV project. The June 2020 stakeholder consultation (Figure 7) has resulted

in a minor modification of the PES agreement, by adding clarity to the activities and obligations of the project and farmers. Recent community consultations identified interest by farmers on planting of other species, something that the HV project is considering -see section J.



Figure 7. Recent Stakeholders Meetings, Laclubar 2020.

Part I: Project operating costs

A breakdown of this period's operational costs follows:

Table 11: Allocation of costs

Expense	Narrative	Amount (if possible, in USD\$)	Contribution from sale of PVCs	Contribution from other sources
DARWIN INITIATIVE	-	-	-	Darwin Initiative
Operating Cost	Travel and Subsistence	\$3,320.18	-	Darwin Initiative
	Consultancy Fees	\$1,030.00	-	Darwin Initiative
	Community Meetings	\$1,351.20	-	Darwin Initiative
	Farmers Training	\$136.95	-	Darwin Initiative
	Carbon Accreditation	\$19,029.30	-	Darwin Initiative
	Translation Costs	\$100.00	-	Darwin Initiative
Other Costs	Tree Seedlings	\$0.00	-	Darwin Initiative
	Nursery Equipment	\$1,082.50	-	Darwin Initiative
	Biodiversity education material and activities	\$0.00	-	Darwin Initiative
	Fund Transfer and Bank Transaction Costs	\$165.00	-	Darwin Initiative
	Field Workers Salaries	\$14,465.00	-	Darwin Initiative
TOTAL DARWIN INITIATIVE		\$40,680.13		-
GTNT Funding	Farmers Incentives Payments	\$0.00	-	GTNT
	Project Manager Salaries	\$7,340.00	-	GTNT
	Rural Women Micro Grant	\$9,852.95	-	GTNT
	Scholarship Payments	\$1,625.00	-	GTNT
	General Office Costs	\$3,442.12	-	GTNT
Total GTNT		\$22,260.07		-
Total HV PROJECT		\$62,940.20	-	-

Part J: Future Developments

1. Project Expansion

At this stage, the project is on track to reach by 2029 the 322-ha targeted. Additional funding might be allocated for an even greater area. This will depend on proposals to GOPA and the T-L Secretary of State for the Environment for funding on biodiversity research and expansion of plantings.

2. Development of New Technical Specifications

- a) There is interest by Farmers to plant Red Cedar (*Toona ciliata*) which is a tree species from the same family of Mahogany (Meliaceae). The farmers interest is based on availability of seeds, reasonable growth rates and timber quality. Early trials in the region show that this species is well situated to the conditions of the project area.
- b) The project is also interested in expanding activities to a coastal part of Timor (Manatuto region). This would be an extension of agroforestry activities already conducted in this area where agroforestry is being tested by FCOTI in partnership with GOPA.

In both instances, the project intends to submit technical specifications for PV consideration once all the necessary information is in place.

Annexes

Annex 1. FAR05 Compilation (includes community meeting records)
Annex 2. Sample HV Grievances Register

 **Grievances Register**

ID	1
Name of person lodging the complaint	Ariel Armel
Project participant? If Yes tick box	<input checked="" type="checkbox"/>
Site ID (if participant)	MX 333
Date entered	11/03/2020
Entered by (name of staff)	Guido Diamantino
Details of complaint	Project not including him following expression of interest
Resolution by (Date)	15/03/2020
Follow up by (staff name)	Vicente
Final comment on resolution	The project has explained that there will be an opportunity to enter the project next year. It has also explained limitations with resources
Closed? If Yes, tick box	<input checked="" type="checkbox"/>

Buttons:

Find Record	Delete Record
Save Record	Close

Annex 3. Monitoring results for issuance request
Annex 4. Ongoing monitoring results for all participants