

VERIFICATION OF

SOFALA COMMUNITY CARBON PROJECT



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Prepared By	EPIC Sustainability Services Private Limited (E-0062)
Contact	EPIC Sustainability Services Pvt. Ltd. No. 41, Anugraha, 1st Cross Road, Sundarnagar, Near BEL Circle, Gokula Extension, Bengaluru - 560 054, Karnataka State, India.
Approved By	Mr K. Suryanarayana Murthy (Managing Director)
Work Carried Out By	Dr.G.Vishnu (Lead Auditor) Dr R. Madhukar (Team Member)

Name of Verifier(s)	Date of Review
Lead Auditor	Dr.G.Vishnu
Audit Team Member(s)	Dr R. Madhukar
Internal Technical Reviewer	Mr A. Prabu Das
Internal Verification Code	ESSPL/PV/2019/01
Standard Version	Plan Vivo Standard 2013
Plan Vivo Certificates (PVC) issued (ex-ante) • Of which have been converted to ex-post	485,511 (end of February 2015)
Buffer Certificates	225,522

Project Description

The Sofala Community Carbon Project project involves small scale farmers for mitigation of greenhouse gas (GHG) emissions and climate change in buffer regions of Gorongosa and Marromeu National Parks in central Mozambique. The project is being undertaken by Envirotrade Sofala Limitada. The programme supports small scale farmers to learn about and engage in tree planting and other agroforestry activities which contribute to increased soil carbon storage, carbon sequestration in biomass, and deliver other economic and social benefits. The agroforestry systems used are boundary planting, dispersed interplanting, fruit orchards, homestead and woodlots.

A pilot to the project was initiated in 2002 with a group of 53 farmers in the wards of Nhambita and Munhanganha. This was followed by a research and development phase which was funded partly by the EU (contract B7/6200/2002/063-241/MZ) between August 2003 to August 2008. Since September 2008, the project has been financed primarily by carbon sales and investment from Envirotrade Carbon Limited (ECL). The project was managed by the local subsidiary Envirotrade Mozambique Limitada (EML) until 2013, and from that period onwards the management was done by Envirotrade Sofala Limitada .

Introduction

1. **Objective** The purpose of this report is to document the conformance of the Sofala Community Carbon Project with the requirements of the Plan Vivo Standard. The project was developed by the Envirotrade Mozambique Limitada (EML), hereafter referred to as “Project Coordinator”. The report presents the findings of qualified EPIC auditors who have evaluated the Project Coordinator’s systems and performance against the applicable standard(s).
2. **Scope** The scope of the audit is to assess the conformance of the Sofala Community Carbon Project project in Mozambique against the Plan Vivo Standard. The verification period considered is from November 2011 to 2015 and information available in the published annual reports have been verified. Further, annual report for 2014 prepared in January 2017 was published by Plan Vivo. The objectives of this audit included an assessment of the project’s conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document.
3. **Methodology:** Standard auditing methodology
4. **Level of Assurance:** The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope as most of the review was based on published data. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information

List and description of documents reviewed

1. Maps of project area with GPS location of plots under management
2. Plan Vivo Maps
3. Proof of Land Tenure Ownership
4. Organization registration
5. Technical specifications and operating manual
6. Forest inventory data collection sheet, Monitoring forms
7. Payment Of Ecosystem Services (PES) Agreement
8. Records of PES Payments – Payment sheet, Minutes of meeting, bank records
9. Carbon modelling calculation sheet
10. Project financial records, Plan Vivo payment signed documents
11. Participants application letter for getting into PV project
12. Annual reports (2011 to 2014 – four reports in total).
13. M&E verification sheet on the 1st and 5th monitoring and payment

Itinerary of field visit (including list of sites visited and individuals/groups interviewed)

The office visit and field visit was carried out between 30th October 2015 to 06th November 2015.

Mark Heaton, Project Coordinator, Envirotrade Carbon Limited was interviewed as part of the verification audit along with the relevant stakeholders. The list of project beneficiaries interviewed is attached as Appendix 2.

Table 1. Summary of major and minor Corrective Actions (Insert Numbers)

Theme	Major CARs	Minor CARs	Observations	Status
Project's Eligibility	0	0	0	No comments
Ecosystem Benefits	0	0	0	No comments
Project Coordination and Management	01	0	0	Resolved
Participatory design	02	0	0	Resolved
Quantifying and Monitoring Ecosystem Services	03	0		Resolved
Risk Management	0	01	0	Open
Livelihoods Impacts	0	0	0	No comments
PES Agreement	(related to CAR 01)	0	0	Resolved

Table 2 - Report Conformance (Delete Yes/No as appropriate)

Theme	Conformance of Draft Report	Conformance of Final Report
Project's Eligibility	Yes/ No	Yes/ No
Ecosystem Benefits	Yes/ No	Yes/ No
Project Coordination and Management	Yes /No	Yes/ No
Participatory design	Yes /No	Yes/ No
Quantifying and Monitoring Ecosystem Services	Yes /No	Yes/ No
Risk Management	Yes /No	Yes/ No
Livelihoods impacts	Yes/ No	Yes/ No
PES Agreement	Yes/No	Yes/ No

Detailed Verification Report

PROJECT'S ELIGIBILITY			
Requirement: Project directly engage and benefit community groups			
Verification Question: 1 and 2			
<p>1.1 Project interventions are still taking on land where smallholders and/or community groups have clear land tenure (1.1)</p> <p>1.2 Land that is not owned by or subject to use rights has included in the project area because (1.2):</p> <ul style="list-style-type: none"> • It represents less than a third of the project areas at all times • No part of the area was acquired by a third party from smallholders or community groups for the purpose of inclusion in the project • Its inclusion will have clear benefits to the project by creating landscape level ecosystem benefits such as biodiversity corridors. • There is an executed agreement between owners/mangers of such land and participants regarding the management of the area consistent with these requirements 			
A. Findings (describe)	<p>Based on the draft annual reports for the years 2011 to 2015, submitted by Envirotrade, the above criteria were verified by means of both document review and site visit interviews. It was verified that due to high mortality rate and downtrend in carbon markets, new contracts were not added and all sales ceased on September / October 2014 as verified from the sale invoices.</p> <p>The communities have legal land use rights and are entitled to sell the products arising from their use of the land. This is entrenched in law in Mozambique. The government extends so-called DUATs, which is a license to trade products of the land. Communities in the project zones have obtain or are in the process of obtaining these DUATs.</p> <p>It is confirmed that "there is no land included in the project that is not owned or subject to rights of smallholders that are not under an agreement with the heads of each community groups/villages/individuals to participate in the project".</p> <p>Hence, the project exhibits compliance to the PV standard requirement.</p>		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	Not Applicable		

D. (Insert Project Coordinator's Name) Response	<i>Not Applicable</i>
E. Status	<i>(CLOSED or OUTSTANDING)</i>

ECOSYSTEM BENEFITS	
Requirement: Project generates ecosystem service benefits and maintains or enhances biodiversity.	
Verification Questions: 1, 3 and 5	
<p>2.1 Project interventions are maintaining or enhancing biodiversity (2.2)</p> <p>2.2 Project interventions have not led to any negative environmental impacts (2.3)</p> <p>2.3 Any trees being planted to generate ecosystem services are native or naturalised species and are not invasive (2.4)</p>	
A. Findings (describe)	<p>The sofala project involves Agroforestry activity in the agricultural/abandoned/degraded land, and this is ensured through tree plantations and by effective <i>sustainable land management practices</i>. Agroforestry activities demonstrate positive biodiversity results. Water management, fertile top soil conservation, micro climate improvement are some of the positive environment results reported by the project participants, this was also observed during the field visit. Project interventions ensure water and soil conservation through sustainable land management practices.</p> <p>During the monitoring period, the verification team witnessed that due to severe drought many farmers are either removed or have opted out of the project activity. Drought situation is reported as threat to the project activity, which is mitigated through effective <i>sustainable land management practices</i> (water and soil conservation), and choosing the tree species that are more drought resistant.</p> <p>63.7 % of the Sofala Community Carbon Project's area should be considered High Conservation Value Forest (HCVF), as set out by the ProForest HCVF-toolkit.</p> <p>Tree species used in the project for boundary planting, homestead planting, intercropping and woodlot are indigenous or naturalised with the exception of <i>Gliricidia sepium</i>. Fruit orchards of cashew and mango are not invasive in Mozambique. Pigeon pea (<i>Cajanus cajan</i>), which is used to improve soil fertility in the <i>machamba</i> is naturalised and sourced from Manica province in Mozambique.</p> <p>Villager members and local govt staff interviewed during the audit of the Gorongosa region did not report any negative environmental impacts attributable to project interventions. In general, the audit team also did not observe any negative environmental impacts due to project activities. Upon review of the monitoring and carbon</p>

	<p>calculations data published in the annual report for 2014, it was concluded that the Gorongosa region was in compliance with the relevant requirements.</p> <p>Due to the prevailing security situation at the Zambezi Delta during the site visit, the audit team limited its site inspections to the Gorongosa region. However, upon review of the monitoring and carbon calculations data published in the annual report for 2014, it was concluded that the zambezi delta region was in compliance with the relevant requirements.</p>		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	<i>Not Applicable</i>		
D. (Insert Project Coordinator's Name) Response	<i>Not Applicable</i>		
E. Status	<i>CLOSED</i>		

PROJECT COORDINATION AND MANAGEMENT	
Requirement: Project is managed with transparency and accountability, engagement of relevant stakeholders and in compliance with the law of the Host Country.	
Verification Questions: 1, 2 and 6	
<p>3.1 The project coordinator still has the capacity to support participants in the design of the project interventions, select appropriate participants for inclusion in the project, and develop effective participatory relationships including providing on-going support to sustain the project (3.4)</p> <p>3.2 The project coordinator still has the legal and administrative capacity to enter into PES Agreements with participants and to manage the disbursement of payments for ecosystem services (3.5)</p> <p>3.3 A transparent mechanism and procedures for the receipt, holding and disbursement of PES funds is applied, with funds intended for PES earmarked and managed through an account established for this sole purpose, separate to the project coordinator's operational finances. (3.9)</p> <p>3.4 The project coordinator has accurately described the progress, achievements and problems encountered by the project in the Annual Reports. The Annual Reports transparently report sales figures and demonstrate resource allocation in the interest of target groups (3.10; 3.11)</p>	
A. Findings (describe)	Based on the published annual reports for the years 2011 to 2014, submitted by Envirotrade, the above criteria were verified by means of both document review and site visit interviews. It was verified that due to high mortality rate and downtrend in carbon markets, new

	<p>contracts were not added and all sales ceased on September / October 2014 as verified from the sale invoices. Hence the project coordinator does not have the legal and administrative capacity to enter into PES Agreements with participants and to manage the disbursement of payments for ecosystem services. This is in line with the information in the 2014 annual report and also confirmed from the site visit interviews. However a mechanism for the receipt, holding and disbursement of PES funds was applied as verified from the sample receipts and information in the respective annual reports.</p> <p>As per information in the 2014 annual report, Plan Vivo had pointed out to the Sofala project that the payment methodology being used was not in line with that required by the technical specification and that contracts that had reached 4 years duration and had not been fully established should be treated as incomplete and cancelled. In consultation with PV, the following payment proposal was made to allow a final payment to be made to farmers that had reached a significant level of completion (85% establishment). All contracts were in excess of 4 years old, and should, in terms of the technical specifications, have been fully established.</p> <ul style="list-style-type: none"> - All no-burning contracts were cancelled and removed from carbon totals and payments. - All contracts that had reached full maturity of 7 years were removed and no further payments were made. - For the rest, all contracts that had reached between 85% - 100% establishment received a further year's payment according to the procedure that Sofala had employed previously. - Contracts that had not achieved at least 85% establishment received no further payment. Many of these farmers had already received payments which exceeded the level of establishment achieved owing to the front-weighted nature of the payment structure previously employed by the Sofala project. <p>At the time of submission of the annual report, payments to farmers had commenced, but were not complete. Military conflict in the area between Gorongosa and Zambezi Delta, as well as the lack of any remaining staff complement at the project had made the completion of payments difficult. The verification team in its visit to the Gorongosa region could visit a representative sample and verify the above information.</p> <p>As per the 2013 annual report, in a major change to operating structure, Envirotrade Carbon Limited (Mauritius) (ECL) transferred ownership of 100% of Envirotrade Sofala Lda (ESL) to Associação Envirotrade Carbon Livelihoods (AECL) effective 1st February 2013. The project management team was also restructured as verified from the</p>
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	<p>site visit.</p> <p>The Annual Reports for the year 2011 to 2014 transparently report sales figures and demonstrate resource allocation in the interest of target groups which was verified from sample receipts and interview of PP and farmers.</p>		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	<p><u>Major CAR 01:</u> The project coordinator to explain whether/how the following requirement of Plan vivo standard 2013, is met by the project, especially for the requirement 3.3 of the verification question and closure requirement that All PES agreements, especially related to 2014 have been honoured or concluded and a schedule of any outstanding PES agreements submitted with reasons why they have not been resolved.</p>		
D. (Insert Project Coordinator's Name) Response	<p><u>Reply of Mark Heaton by mail:</u> Confirmation that all famer payments for the period covered by the 2014 reports were done, and it was difficult to show bank records of this as payments were all made in cash.</p>		
E. Status	<p>(CLOSED-or OUTSTANDING)</p>		

PARTICIPATORY DESIGN AND DEVELOPMENT OF PLAN VIVO	
Requirement: the project has demonstrated community ownership: communities participate meaningfully through the design and implementation of plan vivos that address local needs and priorities.	
Verification Questions: 1, 2 and 6	
<p>4.1 A voluntary and participatory planning that address local needs and inform the development of technical specification is taking place (4.1; 4.6; 7.1.). Barriers to participation are being identified and measures taken to encourage participation (4.3)</p> <p>4.2 Smallholders or communities are not being excluded from participation in the project on the basis of gender, age, income or social status, ethnicity or religion, or any other discriminatory basis (4.2)</p> <p>4.3 The project is not undermining the livelihood needs and priorities or reduce the food security of the participants (4.7; 7.1; 7.5)</p> <p>4.4 There exist a system for accurately recording and verifying location, boundary and size of each plan vivo (4.8). Participants have access to their <i>plan vivos</i> in an appropriate language and format (4.9)</p> <p>4.5 Participants are being provided with a forum to periodically discuss the design and running of the project with other participants and raise any issuance or grievances with the project coordinator (4.12). A robust grievance redressal system is in place (4.14)</p>	
A. Findings (describe)	<p>The audit team has verified from its earlier validated and verified reports, that there are no changes in the status of the legality of the project with respect to the participation of the stakeholders. Further, interviews with the stakeholders indicated that the participation in the</p>

	<p>planning process existed during this verification period and it is voluntary. Through the entire audit trail, barriers to participation or discrimination of any nature in the participation have not been noticed.</p> <p>It can be confirmed that the project has recorded significant progress since inception and subsequent validation to improve community livelihoods without undermining their needs, priorities or food security as reviewed from the annual reports for the years 2011 to 2014.</p> <p>All Plan Vivo project areas are clearly mapped and their respective land use plan is defined and is made aware to the stakeholders. Plan vivo copies also exist in the language commonly understood by the stakeholders.</p> <p>A grievance mechanism exists as indicated in the validated PDD. The implementation records of the same in the verification periods from 2011 to 2014 was made available and a sample was reviewed from the submission. The conclusion from the audit team was that the grievance redressal mechanism was adequately implemented and meets the requirements of Plan Vivo.</p>		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	<p><u>Major CAR 02:</u></p> <ul style="list-style-type: none"> It is reported in the annual reports that considerable number of farmers are dropped from the program, and in few cases new farmers are also recruited into the program. The project coordinator shall explain the instances of any farmer getting dropped, and the measures carried out to minimise the drop levels over the years. Kindly explain the 'grievance redressal mechanism' followed in the project as per the validated PDD, and submit sample evidence to show how the full cycle of redressal mechanism works 		
D. (Insert Project Coordinator's Name) Response	<p><i>Meeting minutes for the years for the years 2011 to 2014.</i></p> <p><i>Records submitted by Plan Vivo</i></p>		
E. Status	<p><i>(CLOSED or OUTSTANDING)</i></p>		

QUANTIFYING AND MONITORING ECOSYSTEM SERVICES

Requirement: project generates real and additional ecosystem service benefits that are demonstrated with credible quantification and monitoring

Verification Questions: 2, 3 and 4

- 5.1 Sources of data used to quantify ecosystem services, including all assumptions and default factors, have been specified and updated when possible, with a justification why they are appropriate (5.1; 5.2)
- 5.2 The project coordinator has been conducting ground-truthing activities in order to collect real data and field measurements from the project sites that have been or will be used to update the project's PDD and technical specifications, including the quantification of climate benefits (5.3)
- 5.3 A clear and consistent Standard Operating Procedure (SOP), or equivalent, for remote sensing analysis has been elaborated by the project coordinator.
- 5.4 Ecosystem services forming the basis of the Plan Vivo project are still additional (5.4).
- 5.5 To avoid double counting of ecosystem services, the project interventions are not being used for any other project or initiative (5.14)
- 5.6 A monitoring plan has been correctly implemented and a system for checking its robustness is in place, where (5.9; 7.2.; 7.3):
 - Corrective actions and contingency plans are described when performance targets have not been met
 - The validity and assumptions of the technical specifications have been correctly tested
 - Communities have been actively participating in monitoring activities
 - Monitoring has been regularly shared and discussed it with the participants

A. Findings (describe)

Project technical specification was validated during the registration of the project along with the baseline and various models were used. The monitoring as per the annual reports consisted of two sections, one for the agroforestry and one for the REDD+ monitoring. As per the annual reports some changes were incorporated in the technical specifications and monitoring as summarised below:

During 2013 It was agreed that it was in the interest of both the project co-ordinator and the producers that cancelled contracts be rehabilitated to continue payments, as well as to be able to sell the carbon. The project had therefore moved quite a number of contracts from a "Cancelled" classification to "Suspended".

A new REDD+ monitoring system was developed in 2011 which fulfils both Plan Vivo and VCS requirements and included patrolling and fire management. A system of 144 monitoring plots within the protected areas is used to objectively measure changes in biomass and causes of change.

Further the 2013 report also indicates the following plan of actions:

The No Burning tech spec had been peer reviewed and required some further analysis and explanations. During 2014 when this was done, several queries were raised by independent consultants that the

	<p>volume of expected carbon sequestration from this activity could be incorrect. As a result, Envirotrade has suspended all carbon from this technical specification from that available for sale pending a decision as to how resolve and correct this issue.</p> <p>Plan Vivo requested that the REDD+ tech spec be re-drafted to amend the ex-ante crediting period from 42 years down to 10 years to comply with best practice. This had been done and it has been submitted to Plan Vivo for urgent peer review and approval. The impact of the change of crediting period is reflected in the large change of carbon stocks available for sale per the Carbon Summary Schedule under Section 4 compared to the 2012 annual report.</p> <p>The review of the report on the REDD+ monitoring submitted by Dr Edward Mitchard University of Edinburgh dated December 2015, on the deforestation rates and carbon stock was done by the verification team. The purpose of this analysis was to use independent remote sensing to test the effectiveness of the REDD+ intervention.</p> <p>The conclusions inferred that the actual rate of deforestation in the project area is considerably lower than the target (0.1 % per year, whereas anything below 0.6 % per year would constitute success under the technical specification), and that deforestation in the surrounding area meets what was expected.</p> <p>The second analysis suggests the carbon stock numbers presented in the technical specification are slightly conservative, with slightly more carbon locked up in the aboveground biomass of the project's trees than expected based on the field analysis. The short time period and inherent scatter in radar backscatter data does not allow an assessment of the trend through time, but the data are sufficient to provide independent collaboration to the data presented elsewhere that no rapid decline in biomass has occurred within the project area (as opposed to the surrounding area, which has suffered rapid reversals). Hence the independent report indicated that the REDD+ intervention at the project level was effective.</p> <p>The review of published Annual reports indicated sufficient information on the activity monitoring, database and changes in the technical and monitoring specifications.</p> <p>Further to verify that double counting of ecosystem services in other GHG mechanisms is avoided common registries such as VCS, ARB, and UNFCCC were accessed by web search. Further Mozambique does not currently have an active national or regional level mandatory GHG emissions accounting programme. Hence the criteria is fulfilled by the project that the project interventions are not being used for any other project or initiative.</p>
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B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	<u>Major CAR 03:</u> The project coordinator is requested to submit sample monitoring summaries for each system sub type for the Zambezi delta region.		
D. (Insert Project Coordinator's Name) Response	I have uploaded the following contracts and monitoring summaries: Border Planting – 10 files Timber / Woodlot – 7 files Intercropping – 4 files [of the 10 lever-arch files I had (some of which were impossible to copy) I could only find these 4 intercropping records] Cashew Orchard – 6 files Homestead Planting – 8 files This gives you 35 files in total. There are no other systems in the files I have. I can supply more examples of the above (except for Intercropping) – but it seems the bulk of the contracts I have are for Border Planting and Cashew Orchard. <i>(Response by Mark Heaton)</i>		
E. Status	<i>(CLOSED or OUTSTANDING)</i>		

RISK MANAGEMENT	
Requirement: The project manages risks effectively throughout its design and implementation.	
Verification Questions: 2 and 4	
<p>6.1 Where leakage is likely to be significant, i.e. likely to reduce climate services by more than 5%, an approved approach has been used to monitor leakage and subtract actual leakage from climate services claimed, or as a minimum, a conservative estimation of likely leakage has been made and subsequently deducted from the climate services claimed (6.1; 6.2)</p> <p>6.2 The level of risk buffer that has determined using an approved approach is adequate and is a minimum of 10% of climate services expected (6.3)</p> <p>6.3 Does the project maintain a buffer account and is the cumulative total of credits deposited in the account equal to the total reported in the latest annual report? (6.3)</p>	
A. Findings (describe)	<p>The risk buffer varied from 10% to 15% based on the technical specifications of the agroforestry system. For the REDD+ area, a risk buffer of 10% was applied. As described in the section on QUANTIFYING AND MONITORING ECOSYSTEM SERVICES, adequate steps have been taken to estimate the carbon in a conservative</p>

	<p>manner by incorporating changes to the technical specifications and monitoring plan. The annual reports from 2011 to 2014 indicate that the application of risk buffer was as per the validated PDD.</p> <p>In the 2014 annual report, it is indicated that:</p> <p>“Envirotrade has a fixed contract price of 111.50 Moz Meticaïs (MZN) per tonne that it pays to its producers. This does not fluctuate according to the achieved selling price. After deduction of risk buffers which vary between 10.5% & 15% depending upon technical specification, this works out at an average cost per saleable tonne to Envirotrade of 131.18 MZN. For this reporting period the exchange rate MZN / USD was approximately 34:1, yielding a price to producers of \$3.86 per tonne. However, as the procedure for payments was changed for making a final payment to farmers, these figures are theoretical only. From 2013 we calculated that the approximate price per tonne of REDD+ carbon would be \$1.00”</p> <p>Hence this indicates that the risk buffer was incorporated in the payment services rendered during the verification period.</p>		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	Minor CAR 01 Conform whether the project maintains a buffer account and is the cumulative total of credits deposited in the account equal to the total reported in the latest annual report (2014)		
D. (Insert Project Coordinator's Name) Response	<p>Given this project has never migrated to the new version of the PV Standard, it was never included in the Pooled Buffer system. As such all buffer credits associated with this project are considered separately. The Last AR stated that the project was closing with a net balance of 225,522 tCO₂e that remains unissued and unsold. These credits will remain unissued forever.</p> <p>A simple calculation of the 225,522 (unsold) / 720,208 (total benefits) = 40.8% This exceeds the 15% buffer level originally suggested for agroforestry systems, and 30% for the avoided deforestation elements of the project, and as such is more than sufficient to cover for the reported losses in this verification period.</p> <p><i>(response by Plan Vivo)</i></p>		
E. Status	(CLOSED or OUTSTANDING)		

PES AGREEMENT AND BENEFIT SHARING

Requirement: project shares benefits equitably and transact ecosystem services benefits through clear PES Agreements with performance-based incentives.

Verification Questions: 1, 2 and 6	
<p>7.1. Procedures for entering into a PES Agreement with participants are being applied correctly (8.2)</p> <p>7.2. Participant s are entering into PES agreement voluntarily and according to the principle of free, prior, informed consent, in an appropriate language and format (8.3)</p> <p>7.3. PES Agreements are not removing, diminishing or threatening participant’s land tenure (8.4)</p> <p>7.4. A fair and equitable benefit-sharing mechanism is in place and has been agreed with the participation of communities involved, identifying how PES funding will be distributed among participants (8.8; 8.9; 8.10)</p> <p>7.5. The project has committed to deliver at least 60% on average of the proceeds of the sales of Plan Vivo Certificates. Where less than 60% has been delivered, the project has justified why this was not possible (8.12)</p>	
A. Findings (describe)	<p>The Plan Vivo 2013 Standard specifies that PES agreements signed between the project coordinator and project participants should address the following points:</p> <p>the quantity and type of ecosystem services transacted, interventions to be implemented, the plan vivo the PES agreement relates to and its date of approval and implementation, performance targets and monitoring schedule, amount of payment or benefit to be received, consequences if performance targets not met, PES period, impacts of the PES agreement on participant rights to resource usage, the deduction of a risk buffer, and a grievance mechanism.</p> <p>Based on interviews conducted during the on-site visit and sample of the PES agreements submitted, the audit team can confirm that the</p> <ul style="list-style-type: none"> a) Project participants are entering in to the PES agreement voluntarily with the informed consent of all the members of the community, local government etc. b) The project’s PES agreements are not removing, diminishing or threatening participants’ land tenure, and members are aware their rights and have their land tenure is secured – it is as per the standard and it is in compliance c) It is evident that fair and equitable sharing mechanism is in place by way of written agreement among the parties involved. The project involves both cash disbursal recorded in the payment invoices, and also deposits in an account managed by the beneficiaries in some cases. d) Details of the PES payment for both Agroforestry, Nursery and REDD+ systems are documented in the annual reports along with the total PES payments which was verified from site visit interviews. The Total Project PES Payments at Jan 2017 as per the 2014 annual report was USD 2 166 029

	<p>To address the grievance related to late payment, a new system was introduced in 2013 as per the information in the annual report. It was verified that due to high mortality rate and downtrend in carbon markets, new contracts were not added and all sales ceased on September / October 2014 as verified from the sale invoices. Hence the project coordinator does not have the legal and administrative capacity to enter into PES Agreements with participants and to manage the disbursement of payments for ecosystem services. This is in line with the information in the 2014 annual report and also confirmed from the site visit interviews. However a mechanism for the receipt, holding and disbursement of PES funds was applied as verified from the sample receipts and information in the respective annual reports.</p> <p>As per information in the 2014 annual report, Plan Vivo had pointed out to the Sofala project that the payment methodology being used was not in line with that required by the technical specification and that contracts that had reached 4 years duration and had not been fully established should be treated as incomplete and cancelled. In consultation with PV, the following payment proposal was made to allow a final payment to be made to farmers that had reached a significant level of completion (85% establishment). All contracts were in excess of 4 years old, and should, in terms of the technical specifications, have been fully established.</p> <ul style="list-style-type: none"> - All no-burning contracts were cancelled and removed from carbon totals and payments. - All contracts that had reached full maturity of 7 years were removed and no further payments were made. - For the rest, all contracts that had reached between 85% - 100% establishment received a further year's payment according to the procedure that Sofala had employed previously. - Contracts that had not achieved at least 85% establishment received no further payment. Many of these farmers had already received payments which exceeded the level of establishment achieved owing to the front-weighted nature of the payment structure previously employed by the Sofala project. <p>At the time of submission of the annual report, payments to farmers had commenced, but were not complete. Military conflict in the area between Gorongosa and Zambezi Delta, as well as the lack of any remaining staff complement at the project had made the completion of payments difficult. The verification team in its visit to the Gorongosa region could visit a representative sample and verify the above information.</p> <p>However, upon review of the payment monitoring systems data</p>
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	published in the annual report for 2014, it was concluded that the zambezi delta region was in compliance with the relevant requirements.		
B. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
C. Corrective Actions (describe)	<i>Not Applicable</i>		
D. (Insert Project Coordinator's Name) Response	<i>Not Applicable</i>		
E. Status	<i>(CLOSED or OUTSTANDING)</i>		

Audit Plan

Day 1

Time	Activity	Responsibility
10.00- 10:15	Opening meeting	Audit team
10:15-1:00	Documentation Review	Audit team and technical expert
1:00-1:30	Lunch	-
1:30-18:00	Onsite visit to sample plots, conservation area and stakeholder consultation and visit the project area to verify project boundaries with a handheld GPS, confirm baseline conditions, assess tree health and planting locations, and gather supporting evidence through stakeholder interviews	Audit team and technical expert

Day 2 to Day 5

Time	Activity	Responsibility
9.00-1:00	Onsite visit to sample plots, conservation area and stakeholder consultation and visit the project area to verify project boundaries with a handheld GPS, confirm baseline conditions, assess tree health and planting locations, and gather supporting evidence through stakeholder interviews	Lead Auditor and technical expert
1:00 -1:30	Lunch	-
1:30 -16:30	Onsite visit and stakeholder consultation - continue	Lead Auditor and technical expert
16:30 - 17:00	Closing meeting	Lead Auditor and technical expert

The Verifier: (Name in Capital Letters)

Signature: (the Verifier – Dr. G. Vishnu)



Date: 30/10/2019

Signature: (the Approver- Mr. K. Suryanarayana Murthy)

Date: 30/10/2019

LIST OF DOCUMENTS

Document	Description
1. Maps of project area with GPS location of plots under management	GPS maps as indicated in Requirements 4.8 and 4.11 of Plan Vivo Standard (2013), page 15.
2. Map of leakage buffer area (where applicable)	Satellite images, spatial map, Google Earth maps
3. Proof of Land Tenure Ownership	Written Land Purchase Agreements or equivalent
4. Memorandum of Understanding between Project Coordinator and other coordinating entities where applicable	Written Agreement as Described in Requirement 3.2 of Plan Vivo Standard (2013), page 11.
5. Forest inventory or Farm Standard Operating Procedures	Forest Management Plan, Harvesting or Farm Management Manual
6. Original planting or forest inventory data collection sheets	Excel Spreadsheet or equivalent
7. Payment Of Ecosystem Services (PES) Agreement	Written agreement between the Project Coordinator and Participating Communities
8. Records of PES Payments	Handwritten receipts, bank statements, disbursement forms or equivalent
9. Biodiversity Database where applicable	List of sightings of flora and fauna (bird species, insects included)
10. Documentation of community acceptance and approval of existing Benefit Sharing Agreements where applicable	Written agreement between the Project Coordinator and the Participating Communities. This might be included in the PES Agreement (see above)

11. Documentation of free, prior, and informed consent from identified stakeholder groups	Written statement by the Participating Communities or Smallholders. This might accompany the minutes of community or stakeholder meetings. Alternatively, it might be included in the PES Agreement (see above)
12. Records of community participatory design activities	Written records of community or stakeholder participation in awareness-raising or training meetings. Photos, videos.
13. Where applicable, documentation of agreement with local or national authorities demonstrating their involvement in the development of the project	Memorandum of Understanding with the local forest agency, Designated National Authority, Ministry of Environment or equivalent
14. Carbon calculations model	Excel Spreadsheet or equivalent
15. Project's Database	Access Files, Excel Spreadsheet or equivalent
16. Records of Grievance Mechanism	Handwritten minutes, letters or complains, text messages, database entries or equivalent
17. Records of Project's Financial Accounts	Financial statements, bank statements and budgets
18. Monitoring Manual	Written guide to monitoring activities and/or equivalent documents for training purposes
19. Socio-economic baseline scenario where applicable (for projects verifying under the 2013 Version of the Standard)	Survey results, written report, socio-economic data analysis
20. All documents referenced in the Project Design Document (PDD) or Technical Specifications	Hard copies or electronic versions
21. Legal Documents	Evidence that the project is still in compliance with the laws and regulations of the Host Country.
22. Annual report	Annual reports published for the years -2011, 2012,2013, 2014.