

## Terms of Reference for Project Validation against the Plan Vivo Standard V2.0

### Introduction

Independent third-party validation is required by all projects as part of the process of registration under the Plan Vivo Standard and before issuance of Plan Vivo Certificates (PVCs) can take place. Validation consists of the initial review of a project's design against the Plan Vivo Standard and verification of the accuracy of the description of the proposed project, the project area and potential beneficiaries and of the governance system put in place for its implementation. The validation will be conducted by an independent expert reviewer (the validator) who has been approved by Plan Vivo for this role prior to undertaking the validation.

These Terms of Reference (ToR) provide guidance for validators undertaking initial project validation against the Plan Vivo Standard (2013) and for preparing the validation report for submission to Plan Vivo.

### Objectives

The purpose of validation is to ensure a thorough, independent assessment of project design against the Plan Vivo Standard. This includes confirmation that the project area is physically as described in the project documentation, that project partners have sufficient capacity and understanding to achieve the stated project objectives by implementing the planned activities and that the intended project impacts are likely to be delivered. The validation also makes observations and recommendations based on field visits to the project and identifies any corrective actions necessary before the project can be approved under the Plan Vivo Standard.

### Scope and Methods

The validation process involves application of auditing techniques including:

- i. A critical review of project documentation and any other relevant documentation or supporting evidence to enable the project to be properly assessed against the Plan Vivo Standard.
- ii. Field visits to the project area taking into account the requirements described in Annex 1, in order to:
  - Verify that the project's physical site description and governance structure is as described in the project design document and technical specification(s)
  - Identify objective evidence of conformance with each of the requirements in the Plan Vivo Standard by:
    - Interviewing and interacting with the project coordinator (in-country manager)

- Interviewing relevant stakeholders such as participating householders, community members and leaders, local government officials, government forestry agencies and extension services and other projects working in the same area
- Identifying and assessing available supplementary project documentation and tools e.g. planning documentation, databases, templates, legal agreements etc.
- Cross-checking results from interviews with project documentation to ensure that documentation reflects ground realities and staff awareness of project goals and procedures.
- Fully understand the project context and the views of other local stakeholders and experts regarding the project's likely impact and benefits

iii. Preparation of the validation report in the outline given in Annex 2 and submission of this with any supporting evidence to Plan Vivo

Validation questions in four broad themes (governance, carbon, ecosystems and livelihoods) are given in the validation report template (Appendix 2). Validators are expected to answer all these questions with information taken from the field visits undertaken as part of the validation. Sources of information should be identified and, wherever possible, cross-checked with other sources to ensure that the validation report represents an accurate and relevant assessment of the project.

## Outputs

The output of the validation is a **Plan Vivo Validation Report**. Along with any supporting documents, it presents the review findings and details of the project's compliance with each of the requirements in the Plan Vivo Standard. The template for the validation report is given in Appendix 2. The validation report template includes the following sections in each of the broad themes. All these need to be completed:

### A. Requirement

The validation report should describe how the project meets each requirement of the Plan Vivo Standard (2013). This section gives the specific questions that need to be answered by the validator for each theme/sub-theme. Refer to the Plan Vivo Standard for further clarification of these.

### B. Guidance notes for validators

This section indicates how the specific questions might be answered by the validator by giving some suggestions about where the necessary validation information might be obtained. Other sources or means of answering the validation question might also be possible if available.

### C. Findings

In this section the validator should answer the validation questions. This should be a comprehensive response (rather than a simple yes/no) explaining the reason for the answer given. The findings should be used to justify the decision given under 'conformance'.

### D. Conformance

In this section the validator should indicate whether conformance with the Plan Vivo Standard has been achieved.

### E. Corrective Actions

Where the validator finds that the project is not compliant with a given requirement of the

Plan Vivo Standard, the report should specify the corrective actions needed for compliance and propose a timescale within which it must be implemented. For each corrective action identified, the report should specify whether, in the opinion of the validator, a major or minor corrective action is required.

**Major Corrective Action Request (CAR):** A non-conformance with the Plan Vivo Standard that is likely to result in the failure of the project or is likely to materially reduce its ability to deliver the benefits intended. A major CAR may include a collection of several less significant non-conformances that collectively suggest critical failings in the project.

**Minor Corrective Action Request:** A non-conformance that is unlikely to materially affect the project's delivery of the intended benefits but which still needs to be corrected in order to reach the requirements of the Plan Vivo Standard. This may include a single or small number of lapses in maintaining systems, minor omissions or inconsistencies in documentation.

#### **Observations/recommendations**

The reviewer may find areas where procedures, data or documentation could be clarified or improved, but which are not deemed material enough to impose a corrective action. In this case, the reviewer should make observations or recommendations, which the Plan Vivo Foundation will follow up with the project coordinator at its discretion. These should also be included in the report.

#### **F. Project Coordinator Response**

In the draft validation report, this section should be left blank in order for the Project Coordinator to provide a reply to the specific CAR/Observation raised. The Project Coordinator must ensure they explain why they believe compliance has been achieved and why the CAR/Observation has been addressed. Tables, PDD or Technical Specification extracts of text, photos, Excel tables and so on may be inserted in this section to demonstrate compliance.

#### **G. Status**

After the Project Coordinator's response to the CAR have been delivered, the reviewer should assess whether the reply has sufficiently (CLOSED) or not sufficiently (OUTSTANDING) addressed the CAR/Observation raised. The reviewer should also provide supporting arguments for the decision by explaining what steps have been taken by the Project Coordinator in order to demonstrate compliance.

#### **Validation Opinion**

The validation report will include a summary validation opinion, as to whether:

- i. The project documents represent an accurate and clear description of the project and its activities.
- ii. Based on an objective assessment of the project, the project meets the Plan Vivo Standard.

A project may receive a positive validation opinion with open minor CARs where an agreed time-frame is reached for meeting them, unless the validator considers that the number of minor CARs is so large to suggest that systemic failure is likely.

Projects with open major CARs (OUTSTANDING) should resolve the CARs with the validator before a positive validation opinion can be given.

#### **Project Documentation and Supporting Evidence**

The project coordinator will make all project documentation needed for the validation (e.g. PDD, technical specification and any other supporting evidence to show compliance with the Standards) available to the validator at least 2 weeks before the field visit.

The validator reviewer is expected to use his/her expert knowledge and professional judgment to evaluate all the available evidence to determine which of the requirements of the Plan Vivo Standard are satisfied by the project as designed and documented. The reviewer shall refer to indicators provided in the Plan Vivo Standard for guidance and also any other supporting materials provided by the project.

#### **Publication of Validation Reports**

The validation report, all of its contents and any drafts will remain confidential until the Plan Vivo Foundation publishes its contents following its decision regarding project registration. All validation reports will be published on the Plan Vivo website and comments invited.

## Appendix 1: Requirements for Project Visit

The field visit to the project must include:

- i. Visits to at least one area covered by each technical specification e.g. if the project has 3 technical specifications for woodlots, boundary planting and fruit orchards, then each of these land-use systems must be visited and observed by the validator including interactions with project participants (household members) in each
- ii. In the case of projects involving multiple smallholders, at least 5 smallholders must be visited in each project area (a project area is defined by an area where a technical specification or set of technical specifications apply). Smallholders to be visited should be selected at random
- iii. At household level, interactions should take place with a range of household types with particular emphasis on those that are most disadvantaged e.g. poor, women-headed, landless, ethnic minorities or otherwise socially excluded
- iv. In the case of projects with community-based activities and community-managed land e.g. for control of locally-driven deforestation
  - For projects involving up to 3 community-managed areas, every community and community-managed area must be visited
  - For projects involving more than 3 community-managed areas, a minimum of 3 communities and 3 community-managed areas must be visited, chosen randomly

## Appendix 2: Project Validation Report Template

The project validation report should be completed using the following template as a guide. Additional material such as photographs, copies of documents or parts of documents (providing material evidence) may also be added if relevant to the validation. **Please, do not modify the format of this report.**

**Name of Reviewers:** Igino Emmer

**Date of Review:** 4-8 December 2018 (field visit) – September 2019 (review of responses)

**Project Name:** Tahiry Honko - Community Mangrove Project, Southwest Madagascar

### **Project Description:**

The Tahiry Honko project is the first carbon sequestration project in Madagascar focused on a mangrove ecosystem. It is designed to earn carbon credits through the conservation and restoration of over 1,200 hectares of mangrove surrounding the Bay of Assassins in the southwest region of Atsimo Andrefana.

Local residents from ten villages have participated in multiple consultations to draft local regulations, a mangrove management plan and map the areas of strict conservation, sustainable use and reforestation. Residents will be responsible for monitoring the forest to counter the threat of deforestation from illegal logging and to ensure reforestation efforts are successful.

Quotas for sustainable harvest of mangrove wood have been established by the communities, based on forest inventory and community requirements for timber. Regular forest patrols will ensure adherence to sustainable mangrove harvesting and prevent any harvest in protected areas.

The project is based on a 20-year quantification period, with an agreed monitoring schedule where staged payments are received on an annual basis in return for meeting performance targets. Project activities include prevention of ecosystem conversion, improved land use management and ecosystem restoration. Total carbon sequestered from these activities is estimated to be 1,350 tons of CO<sub>2</sub> per year throughout the quantification period.

Benefits from the sale of carbon credits will accrue to ten villages, with a total population of approximately 4,000 residents in 895 households. The project aims to engage all people, including marginalized groups such as women and young people through a participatory approach. Residents of these communities have prioritised a list of needed infrastructure projects to invest these funds including schools, wells and health clinics. Villagers have also decided to use funds from carbon credits to subsidise school fees for children in the project area. Livelihood alternatives supported by the project, including sea cucumber farming, seaweed cultivation and training in apiculture techniques, will offer local residents opportunities to increase their household income and diversify the sources of earned income, as well as avoid the shifting of tree harvesting to other areas.

### List of Principal documents reviewed (including list of sites visited and individuals/groups interviewed):

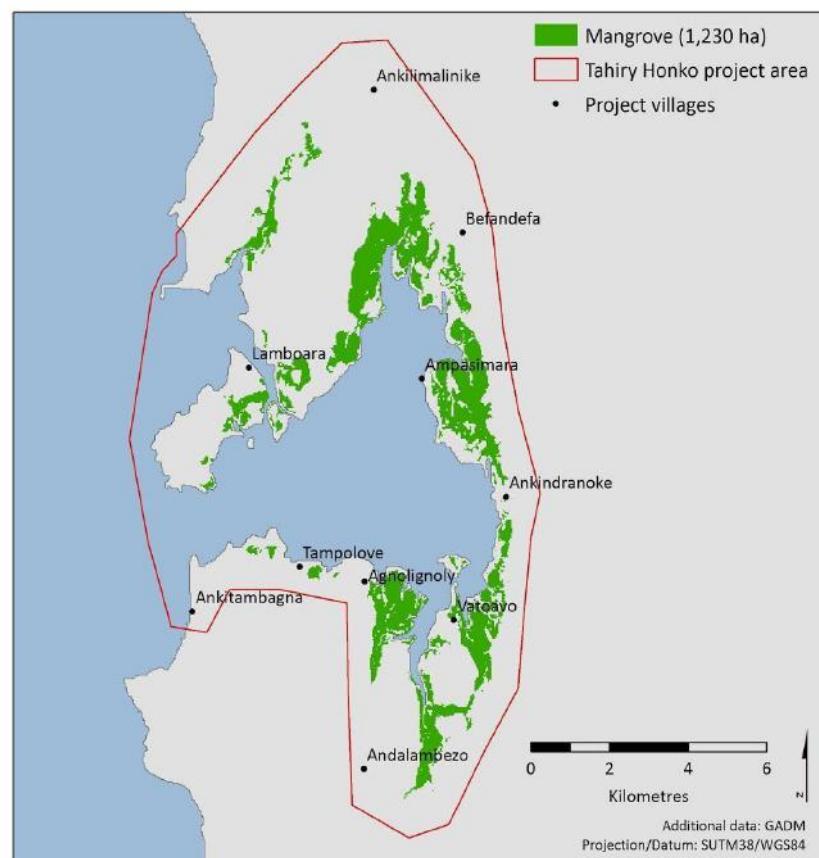
#### Documents reviewed:

- Tahiry Honko PDD dated 28 November 2018 plus annexes, in particular:
  - Arrête Interministériel Nr 32100/2014. Portant interdiction d'exploitation de bois de mangroves au niveau du territoire national. (*National ban on the exploitation of mangrove wood*)
  - Décret Nr 2015-752. 2015. Portant création de l'aire protégée denommee Velondriake sise dans le district de Morombe, region Atsimo Andrefana. MEEF. (*Establishment of the Marine Protected Area Velondriake*)
  - Plan de Gestion des Forêts de Mangrove dans la Baie des Assassins, Aire Marine Protégée Velondriake (*Management Plan for the mangrove forests in the Bay of Assassins, Velondriake MPA*) 2016
  - Décret 2015-500. 2018. Stratégie Nationale REDD+ Madagascar. (*National REDD+ Strategy of Madagascar*)
  - Nr 33018/MEEF/SG. 2018. Letter of approval from the Ministry of Environment, Ecology and Forests.
  - Protocole de Collaboration entre BNC REDD+ et Blue Ventures pour soutenir la conservation effective des mangroves et promouvoir les initiatives de carbone bleu à Madagascar. (*Collaboration protocol between BNC REDD+ and Blue Ventures to support the effective conservation of mangroves and promote carbon blue initiatives in Madagascar*) 2018
  - A Memorandum of Understanding Between Blue Ventures Conservation and the Velondriake Association To collaborate as co-managers of the Tahiry Honko Project. Unsigned, copy. June 2018
- Comments and responses shared between Plan Vivo TAC and the project team
- Management procedures of the Velondriake Association (*Torolalana Amin'ny Fitantanana-Draharaha Ara-Bola Velondriake*)

#### Visited sites:

Bay of Assassins, Befandefana municipality, Morombe district of the southwest region of Atsimo Andrefana, Madagascar

- Vatoavo village – meeting with village committee and visit to reforestation site and site with quota-ed timber extraction
- Ankindranoke village – meeting with village committee, beekeeping, fruit orchard
- Tampolove village – meeting with monitoring team and visit to reforestation site
- Lamboara village – meeting with village committee and field review of zoning
- Andavadoaka town – meeting with Velondriake Association Board; meeting with Blue Ventures project team; meeting with Velondriake Association support team



The Tahiry Honko project area, including the ten villages of the project

#### List of individuals interviewed:

All meetings were joined by:

Ms Lalao Aigrette – Incoming project leader  
 Mr Cicelin Rakotomahazo – Field coordinator  
 Mr Hanjara Rabemanatsoa – Field coordinator  
 Ms Leah Glass – BV technical principal  
 Mr Jean Michel Ravoninjatovo – BNCREDD+

#### Vataova village

Mr Prosper – President of the Velondriake southern sub group, teacher  
 Mr Nae – Mangrove focal point  
 Ms Velosoa – Community health worker

#### Tampolove village

Mr Patty – CSE supervisor  
 Mr Velomana – CSE team member  
 Mr Dany – CSE team member  
 Ms Alphine – CSE team member

#### Ankindranoke village

Mr Edmond – Community agent for beekeeping  
Mr Velomahasoa – Chef de village  
Ms Fanja – Community health worker  
Mr Germain – Community agent beekeeping and teacher  
Mr Zara – Community member

#### Lamboara village

Mr Rabesolo Joseph (Ralesa) – President Fokontany, Velondriake Executive Committee Board  
Ms Marie Louise – community member  
Ms Marie Christine – community member  
Mr Francois Joela – President of the Dina Enforcement Committee

#### Andavadoaka town

Mr Zanarison – Advisor executive committee board  
Mr Rabesolo Joseph – Advisor executive committee board  
Mr Tovoson Joseph – Vice President Velondriake Association  
Mr Takantera Contre – President center sub group  
Mr Jean Tsitiva – Advisor executive committee board  
Mr Richard Badouraly – President Velondriake Association  
Mr Clement – Advisor executive committee board  
Mr Ratsimbazafy Clain – Treasurer

#### Toliara town (closing meeting)

Ms Lalao Aigrette – Incoming project leader  
Ms Jennifer Hacking – Outgoing project leader  
Ms Leah Glass – BV technical principal

#### Description of field visit:

The visit to the project area had the following goals:

- Interviewing villagers
- Meeting with project management (Velondriake Association and Blue Ventures) and local teams
- Visiting mangrove reforestation and conservation sites

The auditor was joined throughout the field visit by several Blue Ventures staff (Ms Lalao Aigrette (incoming project leader); Mr Cicelin Rakotomahazo (field coordinator); Mr Hanjara Rabemanatsoa (field coordinator); Ms Leah Glass (BV technical principal), as well as Mr Jean Michel Ravoninjatovo of the Bureau National de Coordination (BNC) REDD+ (BNCREDD+).

Transportation of people and goods between villages in the Bay of Assassins is best done by boat and so this was also the case for this site visit. The auditor and project team were

welcomed in 4 of the 10 villages participating in the project. Meetings were held with members of various committees of local residents. Logistics were without hiccups whatsoever.

The meeting with the Velondriake Association Board was held in the town of Andavadoake to the north of the project area, where also the office of Blue Ventures is based.

On the way back to the capital Antananarivo, the auditor and the project team had a closing meeting in the town of Toliara.

#### **Validation Opinion:**

The project delivers on most of the requirements set by the Plan Vivo standard.

The auditor had originally identified 4 areas that need direct attention of the project before approval can be considered.

1. Formal authorisation of the project by Madagascar authorities has not yet been obtained
2. Documentation of activities in operating procedures is incomplete
3. Climate benefits need to be recalculated based on auditor's suggestions
4. Changes in the PES system need to be approved by the Velondriake Association

Given the inconsistencies with respect to the laws that govern mangrove areas in Madagascar, the authorisation was not in the project's control but the project can exert influence on (the speed of) the approval process through its network including the Velondriake Association, ministries and regional government, and the Bureau National de Coordination (BNC) REDD+.

The preparation of operating procedures was work-in-progress at the time of the audit and the project presented these documents in January 2019. SOPs required approval from the Velondriake Association.

Climate benefit calculations could to some extent be simplified, resulting in a more transparent model rather than a significant change in carbon credits calculated earlier.

Following comments from Plan Vivo reviewers, there have been improvements to the PES scheme, about which the villagers needed to be informed and for which approval needed to be obtained from the Velondriake Association. The project had to provide a clear timeline for these.

The responses to the identified gaps showed that the project conforms to the Plan Vivo Standard, except for 3 discrepancies that will be checked by Plan Vivo later.

*Table 1. Summary of major and minor Corrective Actions*

Theme	Major CARs	Minor CARs	FARs	Observations
Governance	Major CAR 01: Obtain authorisation by BNCREDD+; Converted to Major	Minor CAR 01: Obtain management rights for the sustainable use zones within	Major FAR 01: Obtain authorisation by BNCREDD+	Observation 01: After 5 years of project development and involvement of local residents, the PES

	<p>FAR 01</p> <p>Major CAR 02: Provide a complete set of standard operating procedures for planning and implementation</p> <p>Major CAR 03: Provide a complete set of standard operating procedures for monitoring</p>	<p>the Tahiry Honko project; Converted to Minor FAR 01</p>	<p>Minor FAR 01: Obtain management rights for the sustainable use zones within the Tahiry Honko project</p>	<p>cycle should in the short term be completed with actual payments</p> <p>Observation 02: The 5% risk reserve held back by the national authorities is redundant. The project is recommended to try and negotiate a more realistic benefit sharing contract as part of the formal approval of the project.</p>
Carbon	<p>Major CAR 04: Provide updated calculations for all 3 strata (reforestation, strict conservation, sustainable harvest) and update the associated language in the PDD</p> <p>Major CAR 05: Justify the low risk score of 1% for extreme weather, in particular drought, in the face of climate change</p>	<p>Minor CAR 02: Provide a map depicting the project intervention area as figure 2 in the PDD</p> <p>Minor CAR 03: Provide more (circumstantial) evidence that during the 3.5 years prior to project start, the deforestation rate has not decreased</p> <p>Minor CAR 04: Provide clearer language in the PDD as to the actual start date of GHG accounting for the conservation and sustainable use zones.</p> <p>Minor CAR 05: Add a recording mechanism for credits sales to the set of SOPs.</p>		0
Ecosystem	0	0		0

Livelihoods	Major CAR 06: PES schedule is being revised following comments from Plan Vivo reviewers – participants need to be informed and approval from the Velondriake Association needs to be obtained. Provide a clear timeline. Downgraded to Minor FAR 02	Major CAR 06 downgraded to Minor CAR 06: Process and timeline have been provided. The Minor CAR can be closed once the PES systems is entirely in place.	Minor FAR 02: PES schedule is being revised and participants need to be informed and approval from the Velondriake Association needs to be obtained. Process and timeline have been provided. The Minor FAR can be closed once the PES systems is entirely in place	0
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*Table 2 - Report Conformance*

Theme	Conformance of Draft Report	Conformance of Final Report
<b>Governance</b>	No	Yes
<b>Carbon</b>	No	Yes
<b>Ecosystem</b>	Yes	Yes
<b>Livelihoods</b>	No	Yes

Theme	1. Effective and Transparent Project Governance
<i>Ensuring that the project meets requirements 3.1-3.16 of the Plan Vivo Standard (2013)</i>	
<b>A. Requirement</b>	<p><b>1.1 Administrative capabilities</b></p> <p>Is there a legal and organisational framework in place that has the sufficient capacity and a range of skills to implement all the administrative requirements of the project? Aspects of this framework may include:</p> <ul style="list-style-type: none"> <li>1.1.1 A legal entity (project coordinator) that is able to enter into sale agreements with multiple producers or producer groups for carbon services</li> <li>1.1.2 Standard sale agreement templates for the provision of carbon services</li> <li>1.1.3 Systems for maintaining transparent and audited financial accounts able to the secure receipt, holding and disbursement of payments to producers</li> <li>1.1.4 All necessary legal permissions to carry out the intended project activities</li> <li>1.1.5 Mechanisms for participants to discuss issues associated with the design and running of the project</li> </ul>

	<p>1.1.6 Procedures for addressing any conflicts that may arise</p> <p>1.1.7 Ability to produce reports required by Plan Vivo on a regular basis and communicate regularly with Plan Vivo</p>
<b>B. Guidance Notes for Validators</b>	<p>Organizational and administrative capacity may be demonstrated through:</p> <ul style="list-style-type: none"> <li>• A record of managing other projects - especially those involving the receipt, safeguarding and management of funds and disbursement of these to smallholders/community groups</li> <li>• Project staff who can explain the legal status of the organisation and its management and financial structure i.e. how funds will be held and transferred – backed up by evidence of setting up bank accounts and record-keeping systems etc.</li> <li>• The views of others who have worked with the organisation in the past (such as government, other project partners or other NGOs)</li> <li>• A visibly efficient and functioning office with all necessary staff</li> </ul>
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>The Tahiry Honko project is co-managed by Blue Ventures and the Velondriake Association, with Blue Ventures as the project coordinator. Blue Ventures has a very good track record in executing improved livelihood projects with small communities in Madagascar and elsewhere. The Velondriake Association was set up for the management of the Velondriake Locally Managed Marine Area (LMMA, established in 2006, which predates the Tahiry Honko project) and, while it is assisted by a support team, it is actively involved in the execution and management of the project.</p> <p>Local residents, as represented by the interviewed committee members, are fully aware of and participate in the activities under the responsibility of the Velondriake Association and the Tahiry Honko project in particular. The first reforestation has taken place and villagers understand the need for the recreation of the habitats for marine life. Strict conservation is supported, as it is understood to be a prerequisite for sustainable fisheries. Extraction of mangrove wood in sustainable-use (quota-ed) areas is appropriately understood to be a necessity for the same reason, in combination with serving the continued need for timber. Also, the need for limiting the extraction of fuel wood to dead wood is properly understood to remove the impact of lime production on the mangroves. The auditor was presented with a consistent view by local residents regarding (a) the connection between the alternative livelihoods (bee keeping, fruit trees, woodlots, sea cucumber, sea weed) and the sustainable management of the mangroves, as well as (b) the need for the project to deliver on its promises, notably the actual payment for services (for which villagers have outlined various destinations, viz. education, health services, fresh water supply, and more – Appendix 14 of the PDD), and (c) the need of an increase of the capacity of patrolling and monitoring teams.</p>

<u>Formal project authorization</u>	<p>The PDD (section C3) provides an overview of the status of approval of the Tahiry Honko project. The audit visit has further revealed the following. As referred to by the PDD, there is an Inter-Ministerial Order 32100/2014 signed by the Ministry of Fisheries and the Ministry of Environment, Ecology and Forestry (MEEF), banning any timber exploitation of mangrove forests in the entire country. According to the Velondriake Board and Ms Dr Soary Randrianjafizanaka, Directeur Regional de l'Environnement, Ecology et des Forêts (DREEF), the order was instituted in response to the need for avoiding large-scale exploitation of mangrove forests by international parties.</p> <p>While the lack of compliance with this Inter-Ministerial Decree may seem important, there is another route which the project needs to pursue and that is the formal approval by BNCREDD+, which is required for carbon projects. Given the requirements for projects set out by this bureau, including compliance with national laws, one may regard their approval as a form of legal opinion on the relevance of (sometimes conflicting) national laws and bylaws vis a vis the aims and activities of the project. It is the auditor's opinion that a formal approval by BNCREDD+ would be sufficient to meet requirement 3.7 of the Plan Vivo standard.</p> <p>The Tahiry Honko project is being implemented under a Letter of Support by the Ministry of Environment, Ecology and Forests (MEEF), issued in 2018. This letter endorses the registration of the project under the Plan Vivo standard and duly refers to the ministry's supervising role over BNCREDD+, which is commissioned to approve REDD+ projects. Note that this letter does not serve as an approval as per the national strategy for REDD+. This national REDD+ strategy mentions that "when designing a new REDD+ program, activities contributing to initial investments in avoided deforestation, and appearing in the official document of the program, are automatically approved." It is unclear what the "official document of the program" is, but the firm support from MEEF towards approval of Tahiry Honko (see the 2018 Letter of Support from MEEF) speaks volumes. Before finalizing this report, Ms Lalao Aigrette, project leader, confirmed that, upon querying the Head of the BNCREDD+, the Tahiry Honko project still needs to be homologated and that the homologation procedures are work-in-progress.</p>
	<u>Management transfer</u>

The project runs under the MPA instituted in 2015 which mandates sustainable use of mangroves. However, the so-called "contrat de delegation de gestion" that would come with the MPA has not yet been closed and is held up by bureaucracy. The main reason for the mangrove management transfer is that the Velondriake Association can

<p>deliver cut permits instead of the communities needing to obtain cut permits from the District Chef of Morombe. Moreover, with this management transfer, the tax from the cut permit would go directly to the Velondriake Association. The District Chef agrees to deliver cut permit for mangrove according to the management plan as he understands the reality on the ground that communities need to exert their use right. This procedure must be understood to be a temporary solution until the issue with the mangrove cutting ban in the Inter-Ministerial Decree is resolved.</p> <p>While the project prefers to secure the right for the Velondriake Association to issue cutting permits through the structures of the MPA under the reign of the protected areas section of MEEF, the slow progress has led them to explore an alternative route through the same ministry, which appears to operate in different silos. The DREEF confirmed that the Velondriake Association can go ahead with the Dina (local law) for the sustainable harvest of mangrove, and mention “tree” but not “mangrove tree” in the relevant clause of this Dina. DREEF thus supports the project as well as the management transfer to the Velondriake Board (needed to comply with requirement 3.8 of the Plan Vivo standard). This is relevant because under MEEF’s jurisdiction, rights concerning the use of trees by communities are well established. This should also move the attention away from the mangrove harvesting ban and would allow the regional courts and the regional government to approve the management transfer without a conflict with the Ministry of Fisheries. This is not likely to be a rapid process and may take months.</p>	<p><b>Benefit sharing</b></p> <p>The benefit sharing with the national government has been recently revised and includes a 22% share of proceeds for the government (upped from 20%) and an additional 5% withholding as a reserve to cover risks. The latter buffer withholding is clearly redundant given the buffer withholding already existing under the Plan Vivo standard. The 7% increase is unfortunate since the 73% share for the communities involved in the project is rightfully kept the same, nihilating the share to cover transaction costs. The project is recommended to try and negotiate a more realistic benefit sharing contract as part of the formal approval of the project.</p>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write “None” if Corrective Actions were not identified)</i></p> <p>Major CAR 01: Obtain authorisation by BNCREDD+; converted to Major FAR 01</p>

	<p>Minor CAR 01: Obtain management rights for the sustainable use zones within the Tahiry Honko project; converted to Minor FAR 01</p> <p>Observation 01: After 5 years of project development and involvement of local residents, the PES cycle should in the short term be completed with actual payments.</p> <p>Observation 02: The 5% risk reserve held back by the national authorities is redundant. The project is recommended to try and negotiate a more realistic benefit sharing contract as part of the formal approval of the project.</p>
<b>F. Blue Ventures Response</b>	<p>Major CAR 01: This is a priority and BV continues to meet with BNC-REDD+ to obtain official authorisation, however it is difficult to predict when this may happen. BV is requesting that PV register the project, pending authorisation. We have obtained a MoU with BNC-REDD+ and a letter supporting the project.</p> <p>Minor CAR 01: BV continues to work to attempt to influence government policy on sustainable use of mangroves, however this may be a long process and BV has limited control over when this may happen. BV is a member of the Commission for the development of the Mangrove Management National Strategy.</p> <p>Observation 01: As soon as the project is registered, BV will be able to complete the sale of carbon credits (a buyer for the first year has been identified) and PES payments can be made.</p> <p>Observation 02: The national strategy applies to all carbon projects in Madagascar and BNC-REDD+ cannot make exceptions for the TH project. The contracts are not negotiated for each project; the strategy and policy is for all of them. Also, the 5% set aside by BNC-REDD+ is 5% of the revenue accruing from the sale of carbon credits, not 5% of the carbon emissions reductions themselves. It is a risk insurance fund, rather than a risk buffer.</p>
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>CLOSED</p> <p>Note that PV will ensure Major FAR 01 is resolved before project issuance, and Minor FAR 01 will be addressed at next verification.</p>

<b>A. Requirement</b>	<b>1.2 Technical capabilities</b> Is the project through its staff or partners able to provide timely and good quality technical assistance to producers and/or communities in planning and implementing the productive, sustainable and economically viable forest management, silvicultural and agroforestry actions proposed for the project and for any additional livelihoods activities that are also planned?
<b>B. Guidance Notes for Validators</b>	Technical capabilities may be determined through: <ul style="list-style-type: none"> <li>Discussions with project staff who should be able to define clearly who is responsible for the provision of technical support</li> <li>Interviews with project staff to demonstrate that they are familiar with the content of project technical specifications e.g. species to be planted, spacing requirements, management systems and any potential issues</li> <li>Feedback from farmers/communities who have been supported in the past</li> <li>On-site evidence of project activities (possibly from other projects) that have benefited from technical support</li> </ul>
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>Agreements in this society are historically verbal in nature and up till now the project has to some extent been developed and executed based on this principle, with only general procedures captured in written documents and essential field forms used by field teams. As observed during the audit, project execution is on track and according to the agreements between management and villages and the management plan for mangrove forests in the Velondriake LMMA, but very little has been documented. This documentation is work-in-progress.</p> <p>Project management appears to be up and running using the currently available means. Blue Ventures have several offices in the region as they are active with various programmes since over 15 years. The Velondriake Association Board is a group of well-informed members active in managing this and other projects, and on its way to independence from the current support team. To support this process and to reinforce the role of the association, standard operating procedures need to be finalised and approved by the board in the short term. This will also facilitate the transfer of powers to a new board in 2019.</p> <p>Additional remarks:</p> <ul style="list-style-type: none"> <li>The project has a clear structure for the provision of technical guidance. For the reforestation activities a coordinator supervises a technician who supervises local residents in plantation and nursery work.</li> <li>This coordinator also is responsible for the supervisor in the CSE team.</li> </ul>

	<ul style="list-style-type: none"> <li>• The project is relatively small and has little hierarchy, with project staff participating in the development and drafting of plans, forms and operating procedures.</li> </ul>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write "None" if Corrective Actions were not identified)</i></p> <p>Major CAR 02: Provide a complete set of standard operating procedures for planning and implementation</p>
<b>F. Blue Ventures Response</b>	<p>Major CAR 02: A complete set of Standard Operating Procedures has been prepared to guide planning and implementation. These are SOPs for:</p> <p>Establishing Terrestrial Species Plantations      Carbon Credit Marketing      Mangrove Reforestation      Promotion of Alternative Building Materials      Issuing and Tracking Sustainable Cut Permits      Planning and Implementation Guidelines for the Velondriake Association      Sale of Carbon Credits and PES Disbursements</p>
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>CLOSED</p>
<b>A. Requirement</b>	<p><b>1.3 Social capabilities</b>      Is the project, through its staff or partners able to demonstrate an understanding of the social conditions of the target groups/communities and likely implications of the project for these? This might include:</p> <p>1.3.1 A demonstrated ability to select appropriate target groups through stakeholder analysis and to understand the implications of the project for specific groups e.g. poor, women, socially disadvantaged etc.      1.3.2 Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services      1.3.3 Local groups/communities that can demonstrate effective self-governance and decision-making      1.3.4 Well-established and effective participatory relationships between producers and the project coordinator      1.3.5 Demonstrated ability to establish land-tenure rights through engaging with producers/communities and other relevant organisations      1.3.6 Ability to consult with and interact with producers/communities on a sustained basis through participatory 'tools' and methods      1.3.7 Established system for conflict resolution</p>

<b>B. Guidance Notes for Validators</b>	<p>Social capabilities may be determined through:</p> <ul style="list-style-type: none"> <li>Records/minutes/photographs of community meetings and training workshops etc.</li> <li>Project staff able to explain (in line with PDD) how land tenure is checked by the project</li> <li>Project staff and communities able to explain how communities/target groups were selected and involved in the development of the project and in the choice of activities</li> <li>Project staff able to demonstrate that they are familiar with the communities/target groups and able to interact with them easily through meetings facilitated during the validation</li> <li>Meetings held with specific target groups e.g. women, socially disadvantaged etc.</li> </ul>
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>The main competence of Blue Ventures, working directly with local communities and creating alternative livelihoods to release pressure from the mangroves, is at the core of this project. The long presence and expertise of Blue Ventures in this area has led to a robust framework of village participation and management structure, able to deliver on the needs of a reforestation and forest conservation-based carbon project. The expertise in the project team regarding community development, project management and carbon accounting is outstanding. Also outstanding is the commitment of local residents, from which a consistent and correct representation of the project was observed during the audit.</p> <p>Additional remarks:</p> <ul style="list-style-type: none"> <li>Women are found to be active in various committees and participated in the interviews during the field visit.</li> <li>In the 2016 elections for committees, many more women and young people got involved than previously</li> </ul>
<b>D. Conformance</b>	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write "None" if Corrective Actions were not identified)</i></p> <p>None</p>
<b>F. (Insert Project Coordinator's Name) Response</b>	<p><i>(To be filled out by the Project Coordinator)</i></p>
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>N/A</p>

<b>A. Requirement</b>	<p><b>1.4 Monitoring and Reporting capabilities</b></p> <p>Does the project have an effective monitoring and reporting system in place that can regularly monitor progress and provide annual reports to the Plan Vivo Foundation according to the reporting schedule outlined in the PDD?</p> <p>1.4.1 Accurately report progress, achievements and problems experienced        1.4.2 Transparently report sales figures and demonstrate resource allocation in the interest of target groups</p>			
<b>B. Guidance Notes for Validators</b>	<p>Monitoring and reporting systems and capabilities may be determined through:</p> <ul style="list-style-type: none"> <li>• Staff and participating communities able to explain the monitoring system (how each of the indicators in the PDD will be monitored)</li> <li>• Records of any monitoring already undertaken e.g. baselines or other information</li> <li>• Project staff showing an understanding of the importance of annual reporting to Plan Vivo as a requirement for issuance of certificates</li> <li>• Demonstrated ability to produce simple reports (e.g. for other projects)</li> </ul>			
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>See findings in 1.2. In addition, the Comité de Suivi et Evaluation (CSE) is based on peer-to-peer monitoring, which means that villages monitor each other, rather than local residents monitoring their own family members.</p> <p>When completing the SOPs, the project can build upon a number of already existing plans, procedures, tables and templates. These include:</p> <ul style="list-style-type: none"> <li>• PES payment agreement detailing criteria for payment (Annex 3 of the PDD)</li> <li>• Annual monitoring of indicators for successful project implementation, with mitigation actions a resulting PES payments</li> <li>• Monitoring of conservation and sustainable harvest areas (carbon plots, stump counts, remote sensing, with mitigation actions and resulting PES payments)</li> <li>• Annual planting and tree survival in reforestation areas</li> <li>• Dina infractions, number of forest patrols, with mitigation actions</li> <li>• Records of meetings and CSE activities</li> <li>• Mitigation plans concerning all monitored indicators</li> </ul> <p>These have been captured in the “Database template for monitoring indicators” spreadsheet – Annexes 4A, 4B and 25.</p>			
<b>D. Conformance</b>	<table border="1" data-bbox="463 1729 1409 1837"> <tr> <td data-bbox="463 1729 742 1837">Yes <input checked="" type="checkbox"/></td> <td data-bbox="742 1729 1082 1837">No <input type="checkbox"/></td> <td data-bbox="1082 1729 1409 1837">N/A <input type="checkbox"/></td> </tr> </table>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>		
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write “None” if Corrective Actions were not identified)</i></p> <p>Major CAR 03: Provide a complete set of standard operating</p>			

	procedures for monitoring
<b>F. Blue Ventures Response</b>	<p>Major CAR 03: A complete set of Standard Operating Procedures has been prepared describing monitoring procedures. These SOPs are:</p> <ul style="list-style-type: none"> <li>Biodiversity Monitoring</li> <li>Carbon Plot Monitoring</li> <li>Monitoring by the Comite de Suivi et Evaluation</li> <li>Forest Patrols and Charging Infractions</li> <li>Mangrove Plantation Monitoring</li> <li>Socio-economic Monitoring</li> </ul>
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>CLOSED</p>

Theme	<b>2. Carbon Benefits</b>
<i>Ensuring that the project meets requirements 5.1-5.20 of the Plan Vivo Standard (2013)</i>	
<b>A. Requirement</b>	<p><b>2.1 Accounting methodology</b></p> <p>Have the carbon benefits been calculated using recognised carbon accounting methodologies and/or approved approaches and are the estimates of carbon uptake/storage conservative enough to take into account risks of leakage and reversibility?</p>
<b>B. Guidance Notes for Validators</b>	<p>Check the carbon accounting methodology used including:</p> <ul style="list-style-type: none"> <li>● The level of understanding of the methodology used amongst technical project staff</li> <li>● Whether all references and sources of information are available (include copies with the validation report if possible)</li> <li>● Whether the carbon accounting models are clear and transparent i.e. are the spreadsheets available and readily understandable? Can project staff answer and explain any technical questions about these?</li> <li>● Are local experts able to comment on the accounting methodology and on the sources of information used?</li> </ul>
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p><u>Reforestation</u></p> <p>The accounting is to some extent based on the CDM methodology AR-AM0014 A/R: Afforestation and reforestation of degraded mangrove habitats. The project deviates from the methodology in the baseline scenario assessment as there is no application of the dedicated baseline tool. However, as observed in the field, the baseline is straightforward: reforestation areas show stumps of harvested mangrove trees and are mostly without vegetation. Natural regeneration is none to very sparse. Local residents are unlikely to have resources or plans to initiate reforestation themselves.</p>

	<p><u>Conservation and sustainable use</u></p> <p>The project does not refer to an approved accounting methodology but applies a simple historical deforestation rate assuming that this will continue over the project period. This is a common approach in existing approved methodologies. Because of the relatively simple setting with 10 villages extracting mangrove wood for certain uses, in a remote location and almost disconnected from a larger economy in the region, this is appropriate. See further comments in section 2.2.</p>		
	<p><u>Reference area for baseline</u></p> <p>Existing REDD methodologies usually require the establishment of a reference area for monitoring the baseline scenario. There are two issues with this in respect of the Tahiry Honko project. Firstly, while all 10 villages in the Bay of Assassins and the mangrove areas nearby are included in the project area, there is relatively little mangrove left outside the project area that may serve as a reference area with similar characteristics. As explained in the PDD, expanding a reference area to include mangrove areas at longer distances will not meet the criterion of similarity. Secondly, the choice for a reference area rather than accepting a baseline scenario for the project area which becomes counterfactual and cannot be monitored, implies that communities outside the project area would be required to remain in and represent the baseline conditions during the quantification period. For large REDD programmes targeting a certain region this may be acceptable, but for a small project such as Tahiry Honko this is rather out of character.</p> <p>Therefore, it is the auditor's opinion that the project is not required to use a reference area for baseline monitoring.</p>		
	<p><u>Reference area for leakage (leakage belt)</u></p> <p>Leakage from REDD projects due to activity shifting is often assessed in a leakage belt. The mangrove area to the north of the project area, but within the LMMA, serves as a leakage belt. In the case of Tahiry Honko, the concerns expressed above do not apply to the leakage belt, as it only serves to monitor shifting of deforestation using remote sensing methods, conspicuously not in comparison with baseline deforestation. The project has opted for not assessing baseline deforestation in the leakage belt. While this shows the confidence the project has in the quality of project implementation, it implies that all observed deforestation is deemed to be caused by activity shifting and is not corrected for baseline deforestation: a very conservative approach.</p>		
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i> None
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i> N/A
<b>A. Requirement</b>	<b>2.2 Baseline</b> Are the carbon benefits of the project measured against a clear and credible carbon baseline (for each project intervention)?
<b>B. Guidance Notes for Validators</b>	Check the baseline scenario in the technical specifications of the PDD: <ul style="list-style-type: none"> <li>Check that baseline measurements have been carried out and information properly recorded</li> <li>Check that the information from the baseline matches that in the PDD/Technical specifications and corresponds to the situation on the ground (by discussing with local experts and others)</li> </ul>
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i> <p><u>Project area</u></p> <p>Figure 2 in the PDD depicts a project area which is larger than the area of intervention. While this area is under control of the Velondriake Association (co-manager of the project), the project intervention area is defined by the polygons capturing the 3 zones, viz. reforestation, strict conservation and sustainable use. Therefore, figure 6 in the PDD serves better as a map of the project (intervention) area.</p> <p><u>Reforestation</u></p> <p>The assumption by the project that the baseline scenario does not show natural regeneration is correct, see section 2.1. But parts of the reforestation areas are covered with a very open mangrove vegetation with both low and tall trees (though unlikely to meet a definition of "forest"). See photo 3. For these sub-areas, the assumption that the carbon stock in the baseline is zero, is not accurate.</p> <p>The start date of 2016 predates the start date for conservation and sustainable use and therewith the formal project start date, which is in order as it complies with the rule that "Project documentation clearly shows that project interventions were implemented with a view to generating Plan Vivo Certificates or other certified climate or</p>

	<p>ecosystem services."</p> <p>The project scenario involves the reforestation of 163 ha with species-site matching. This site matching is relatively simple as the growing conditions across the project area are relatively homogeneous, with a gradient depending on tidal zoning. The project deviates from the CDM methodology in that it does not apply the tool "Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities", which refers to monitoring carbon stock changes in the project scenario. The project has opted for applying a conservative IPCC default value for carbon sequestration in dry mangrove systems: 1.5 tC/ha/yr. This is indeed a conservative rate but its application in the calculations is not correct and appears to have been influenced by the method used in the Kenyan Mikoko Pamoja project, leading to a linearly increasing rate from 0 to 1.5 tC/ha/yr over 12 years. Whatever that project suggests, this approach is one with no justification. In the Tahiry Honko project, the calculation should be simply using the default rate over the entire accounting period, resulting in a conservative average sequestration. The application of the conservative value does away with the need for monitoring carbon stock changes in trees. This solves the issue of having low and tall trees in parts of the reforestation areas: the simple and appropriate assumption is that the project sequestration rate exceeds the baseline sequestration rate by 1.5 tC/ha/yr. As a consequence, however, the project must focus more on the quality of monitoring project implementation, to which end a CAR has been issued in section 1.4. The PDD must be updated to capture the new approach for the reforestation areas.</p> <p><b><u>Conservation</u></b></p> <p>When applying a simple baseline calculation model, the question is whether the net forest loss of 0.27% derived from the remote sensing analysis is conservative. One element of conservativeness is the fact that only deforestation is counted, not forest degradation, as explained in the PDD. Whether the time span of 2002 to 2014 covered in the RS analysis provides a reliable forecast for deforestation rate is another element. Expanding the period covered in the analysis to 2018 is unlikely to generate significantly better results. The deforestation rate is too small for an addition of 3.5 years to be meaningful. Rather, circumstantial evidence may be used to indicate reduced, constant or increased resource use by local residents. The project is recommended to assess the house building activities and population expansion in the project area in support of the claim that the forecast 0.27% deforestation is appropriate. A change in lime production during the period 2014 – project start date (2018) would be an indication of a change in deforestation/forest degradation in the area.</p>
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	<p>In the project scenario, wood extraction is reduced to zero, assuming that alternative livelihoods, alternative house building materials and patrolling are successful. See notes in section 2.5.</p> <p>In both the baseline and project scenario, the calculations include a default carbon sequestration rate of 1.5 tC/ha/yr. As one can assume that the protected mangrove forests are mature and in a steady state, this growth value is not appropriate. The IPCC wetlands supplement states that biomass growth rates provided should only pertain to forests until the steady-state biomass stock is reached. Therefore, the calculation can be simplified by removing this growth rate from the baseline and project scenarios.</p> <p><u>Sustainable use</u></p> <p>See under “Conservation”. This area comprises open- and closed-canopy mangrove forest with abundant natural regeneration in the undergrowth. This ensures that the forest will be able to recover from selective extraction of trees.</p> <p>The project has not included emission reductions for avoided deforestation in the sustainable use areas (as well as the conservation areas) as per the project start date of 1 January 2018, because the system for patrolling and cut permits is not as of yet fully in place. The accounting is expected to have 2019 as start date. This needs to become clearer in the PDD.</p>						
<b>D. Conformance</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Yes</td> <td style="padding: 5px; text-align: center;"><input checked="" type="checkbox"/> X</td> <td style="padding: 5px;">No</td> <td style="padding: 5px; text-align: center;"><input type="checkbox"/></td> <td style="padding: 5px;">N/A</td> <td style="padding: 5px; text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/> X	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/> X	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>		
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write “None” if Corrective Actions were not identified)</i></p> <p>Major CAR 04: Provide updated calculations for all 3 strata (reforestation, strict conservation, sustainable harvest) and update the associated language in the PDD</p> <p>Minor CAR 02: Provide a map depicting the project intervention area as figure 2 in the PDD</p> <p>Minor CAR 03: Provide more (circumstantial) evidence that during the 3.5 years prior to project start, the deforestation rate has not decreased.</p> <p>Minor CAR 04: Provide clearer language in the PDD as to the actual start date of GHG accounting for the conservation and sustainable use zones. See also notes in section 2.2 and Major CAR 04.</p>						

<b>F. Blue Ventures Response</b>	<p>Major CAR 04: The PDD has been fully updated to account for all changes to GHG emission reduction/removal calculations advised by the validator.</p> <p>Minor CAR 02: A map has been provided depicting the project intervention area.</p> <p>Minor CAR 03: Additional circumstantial evidence has been provided in the PDD.</p> <p>Minor CAR 04: The language in the PDD has been updated accordingly.</p>						
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>CLOSED</p>						
<b>A. Requirement</b>	<p><b>2.3 Additionality</b>            Are the carbon benefits additional? Would they be generated in the absence of the project? Will activities supported by the project happen without the availability of carbon finance?</p>						
<b>B. Guidance Notes for Validators</b>	<p>Assess whether the project simply owes its existence to legislative decrees or to commercial land-use initiatives that are likely to be economically viable in their own right i.e. without payments for ecosystem services.</p> <p>Also, assess whether without project funding there are social, cultural, technical, ecological or institutional barriers that would prevent project activities from taking place.</p>						
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>The assessment of additionality in the PDD is found to be accurate. Note that under the VCS all tidal wetlands project activities are deemed additional in a standardised approach based on a globally applicable positive list.</p>						
<b>D. Conformance</b>	<table border="1" data-bbox="595 1538 1277 1628"> <tr> <td>Yes</td> <td><input checked="" type="checkbox"/> X</td> <td>No</td> <td><input type="checkbox"/></td> <td>N/A</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/> X	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/> X	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>		
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write "None" if Corrective Actions were not identified)</i></p> <p>None</p>						
<b>F. (Insert Project Coordinator's Name) Response</b>	<p><i>(To be filled out by the Project Coordinator)</i></p>						
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p>						

	N/A
<b>A. Requirement</b>	<b>2.4 Permanence</b> Are potential risks to the permanence of carbon stocks identified in the project technical specifications and are effective and feasible mitigation measures included in the project design?
<b>B. Guidance Notes for Validators</b>	Assess whether members of the community/producers are aware that they will enter into formal sale agreements with the project coordinator and that they therefore need to comply with the monitoring and mitigation requirements of the project. Check whether the risk buffer proposed in the PDD and technical specifications for each intervention (that will be deducted from the saleable carbon of each producer) conforms to the recommended percentages in the Plan Vivo Standard or other Plan Vivo documentation. Check with Plan Vivo if this is unclear.
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i>  The project uses the VCS Non-Permanence Risk Tool for assessing the risk of reversal. This tool covers a comprehensive set of risk factors and its application should deal sufficiently with the permanence requirements under the Plan Vivo standard. The internal risk concerns project management, financial viability, opportunity cost and project longevity. The scores are fitting, including neglecting the requirement of a minimum project longevity of 30 years, which is intended for large-scale projects. The external risk pertains to land tenure, community engagement and political risk. The scores represent a project design which delivers on a low risk profile and high risk mitigation, resulting in the overall risk score being naughty. The natural risk score seems low. With 1% the score for extreme weather may underestimate the impact of drought periods, which may become more frequent due to climate change. A score of 2% – as per the tool's table – therefore seems more appropriate.
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i>  Major CAR 05: Justify the low risk score of 1% for extreme weather, in particular drought, in the face of climate change.
<b>F. Blue Ventures Response</b>	Major CAR 05: BNC-REDD+ requires an additional risk insurance fund of 5% of revenue from carbon sales to be deposited in a BNC-REDD+ buffer fund. We feel, that the with the PV 15% risk buffer and the 5% risk

	insurance, the project adequately compensates for potential shortfall. Also, as a 20-year project we feel it is unlikely that climate change effects will significantly impact sequestration within that time period.
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i>  CLOSED
<b>A. Requirement</b>	<b>2.5 Leakage</b> Have potential sources of leakage been identified and are effective and feasible mitigation measures in place for implementation
<b>B. Guidance Notes for Validators</b>	Check the sources of leakage and the effectiveness of mitigation measures: <ul style="list-style-type: none"> <li>• By discussions with local experts, the project coordinator and others.</li> <li>• Assess whether there is a good understanding of the importance of addressing leakage amongst project participants</li> <li>• Assess whether the mitigation measures proposed are really effective and likely to be implemented. Have they already started?</li> </ul>
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i>  From interviews with villagers it is understood that they are supportive of the programme involving the promotion of live fencing, stone building, terrestrial woodlots, and that wood extraction for lime production is now reduced to dead wood in sustainable use areas while lime production is mostly for personal use. There seems to be little incentive to cut trees elsewhere without permits as this may induce illicit timber extraction by others as well. Live fencing is being promoted as an alternative for cut mangrove wood. <i>Ex ante</i> , given the long presence of Blue Ventures in the area, the deep penetration of the projects principles and activities in the local communities, and the fact that the Velondriake Association controls the area that serves as the leakage belt (see comment in section 2.1), the auditor is inclined to accept that activity shifting leakage will be minimal and, if occurring, will remain well below the 5% threshold set out in requirement 5.20 of the Plan Vivo standard. <i>Ex post</i> , leakage will be monitored in the leakage belt using remote sensing methods, and accounted for. Furthermore, under the LMMA, illicit use of mangrove in the leakage belt is expected to be monitored by the CSE teams as well.
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i>  None

<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>			
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i>			
		N/A		
<b>A. Requirement</b>	<b>2.6 Traceability and double-counting</b> Are carbon sales from the project traceable and recorded in a database? Are the project intervention areas covered by any other projects or initiatives (including regional or national initiatives)? Are there formal mechanisms in place to avoid double counting?			
<b>B. Guidance Notes for Validators</b>	Check the possibility of double counting and whether the carbon sales are traceable by: <ul style="list-style-type: none"> <li>By discussions with local experts, the project coordinator and other projects (including any national or regional level GHG coordination unit)</li> <li>Understanding the project system for maintaining records of carbon sales and keeping records and determining whether this is sufficiently robust and transparent (through discussions with project staff and local participants)</li> </ul>			
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i>  See section 1.4 on completing SOPs for monitoring. The project does as of yet not have a means to record sales of credits and so avoid double selling. This was work-in-progress during the validation visit.			
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i>  Minor CAR 05: Add a recording mechanism for credits sales to the set of SOPs.			
<b>F. Blue Ventures Response</b>	Minor CAR 05: A spreadsheet has been prepared to record credit sales and PES disbursements, and linked to the relevant SOPs.			
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i>			
		CLOSED		
<b>A. Requirement</b>	<b>2.7 Monitoring</b> Does the project have a monitoring plan in place? Is it being implemented and does it seem to be an effective system for			

	<p>monitoring the continued delivery of the ecosystem services? Does the project coordinator prescribe and record corrective actions where monitoring targets are not met and are these effectively followed up in subsequent monitoring?</p>						
<b>B. Guidance Notes for Validators</b>	<p>Check whether the monitoring plan is effective and likely to be fully implemented:</p> <ul style="list-style-type: none"> <li>• Assess the level of understanding of project staff and participating communities of the monitoring system and ensure that there are responsibilities for monitoring are matched by sufficient capacity</li> <li>• Are the selected indicators (covering all aspects of monitoring) SMART? i.e. Specific, Measurable, Achievable, Relevant and Time-bound?</li> <li>• Do the selected indicators properly measure impacts of the project or are they only able to measure inputs/activities?</li> <li>• Are communities effectively involved in monitoring and do they understand their role?</li> </ul>						
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>At this validation stage, the actual implementation of various parts of the monitoring is yet to be demonstrated. The scope and principles of monitoring are set out in the PDD and various annexes, but there is lack of a consistent set of written operating procedures as part of an adaptive management. See section 1.4.</p>						
<b>D. Conformance</b>	<table border="1"> <tr> <td>Yes</td> <td><input checked="" type="checkbox"/></td> <td>No</td> <td><input type="checkbox"/></td> <td>N/A</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>		
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write "None" if Corrective Actions were not identified)</i></p> <p>See Major CAR 03</p>						
<b>F. Blue Ventures Response</b>	<p>As per above, a complete set of SOPs has been prepared to guide planning, implementation and monitoring of the project.</p>						
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>CLOSED</p>						
<b>A. Requirement</b>	<p><b>2.8 Plan Vivos</b></p> <p>Are the <i>plan vivos</i> (or land management plans) clear, appropriate and consistent with approved technical specifications for the project? Will the implementation of the plans cause producers' overall agricultural production or revenue potential to become unsustainable or unviable?</p>						
<b>B. Guidance Notes for Validators</b>	<p>Where small-holder farmers have prepared individual <i>plan vivos</i>, check a sample of these on the ground (in the company of the farmer) to determine whether they have really been prepared by the farmer and what the farmer expects to be the results of implementation.</p> <p>For community-projects managing a common (forest) resource, check</p>						

	the management plan for the forest area and assess the extent to which target groups within the community have been involved in preparing it (especially women and disadvantaged groups) and the extent to which its future impacts have been discussed and agreed.			
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i>  As noted in section 1.3, there have been several years of working with the communities prior to the project start date, which has resulted in a good understanding and commitment of local residents concerning project goals and procedures. Planning and approval occur at various levels, including LMMA, sub-regions and villages. Planning and operations need to be reinforced with a clear set of SOPs though, see section 1.2 and 1.4.			
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "none" if Corrective Actions were not identified)</i>  None			
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>			
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i>  N/A			

Theme	3. Ecosystem benefits		
<i>Ensuring that the project meets requirements 2.1-2.4 of the Plan Vivo Standard (2013)</i>			
A. Requirement	<b>3.1 Planting native and naturalised species</b> Are the planting activities of the project restricted to native and naturalised species? If naturalised species are being used are they invasive and what effects will they have on biodiversity? Have the species been selected because they will have clear livelihoods benefits?		
B. Guidance Notes for Validators	Check this using a number of sources: <ul style="list-style-type: none"> <li>● Visual observations of local tree-growing practices</li> <li>● Discussions with communities and project staff</li> <li>● Discussions with local experts (forestry and biodiversity experts)</li> <li>● Published information (refer to this in the validation report if used)</li> </ul>		
C. Findings (describe)	<i>(To be filled out by the Validator)</i>  The mangrove reforestation activities are strictly limited to local species based on species-site matching. Tree species for terrestrial woodlots and fruit orchards are strictly limited to local species as well. Both schemes have clear livelihood benefits: mangroves for marine life habitats; woodlots and for alternative livelihoods and leakage mitigation.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<i>(Please, write "None" if Corrective Actions were not identified)</i>  None		
F. (Insert Project Coordinator's Name) Response	<i>(To filled out by the Project Coordinator)</i>		
G. Status	<i>(CLOSED or OUTSTANDING)</i>  N/A		
A. Requirement	<b>3.2 Ecological impacts</b> Have the wider ecological impacts of the project been identified and considered including impacts on local and regional biodiversity and impacts on watersheds?		
B. Guidance Notes for Validators	Check this using a number of sources: <ul style="list-style-type: none"> <li>● Visual observations of the environment in the project area</li> <li>● Discussions with communities and project staff</li> <li>● Discussions with local experts (environmental experts)</li> <li>● Published information (refer to this in the validation report if used)</li> </ul>		
C. Findings (describe)	<i>(To be filled out by the Validator)</i>		

	<p>The ecological impact of the project includes the restoration and conservation of marine life habitats and the sustainable use of natural resources. This is based on a comprehensive set of activities and targets, rendering limited any possible wider ecological benefit. However, since tree species which occur in the adjacent Mikea forest are planted in the woodlots, that villagers harvest from the adjacent spiny forest for building material and other uses, pressure is taken off these fragile ecosystems. Beekeeping is expected to have an indirect effect on the biodiversity and health of mangroves, while sea cucumber farming has beneficial effects on seagrasses in the bay, and seaweed farmers are motivated to preserve healthy marine environments essential for the production of seaweed.</p>			
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
<b>E. Corrective Actions (describe)</b>	<p><i>(Please, write "None" if Corrective Actions were not identified)</i></p> <p>None</p>			
<b>F. (Insert Project Coordinator's Name) Response</b>	<p><i>(To be filled out by the Project Coordinator)</i></p>			
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>N/A</p>			

Theme	4. Livelihood Benefits
<p><i>Ensuring that the project meets requirements 4.1-4.14, 7.1-7.5 and 8.1-8.10 of the Plan Vivo Standard (2013)</i></p>	
<b>A. Requirement</b>	<p><b>4.1 Community-led planning</b>            Has the project has undergone a producer/community-led planning process aimed at identifying and defining sustainable land-use activities that serve the community's needs and priorities?</p>
<b>B. Guidance Notes for Validators</b>	<p>Assess this by discussions with project staff and communities and by looking at any records of the planning process. It may be useful to conduct a time-line exercise with communities to understand the planning process that has taken place.</p>

<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i> <p>The project is co-managed by the Velondriake Association and Blue Ventures. The structure of the already 12-years old LMMA ensures that communities are fully integrated in the planning and decision making. The interviews with local residents have made clear that they are aware of the planning process and participated in it.</p>		
<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i> None		
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>		
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i> N/A		
<b>A. Requirement</b>	<b>4.2 Socio-economic impact assessment/monitoring plan</b> Is there a robust socio-economic impact assessment and monitoring plan in place that can measure changes against the baseline scenario?		
<b>B. Guidance Notes for Validators</b>	Discuss with project staff and communities to understand how the baseline assessment was conducted and how the socio-economic monitoring plan developed out of this. Assess in particular: <ul style="list-style-type: none"> <li>● Whether the livelihoods indicators can effectively monitoring socio-economic changes taking place</li> <li>● The extent to which women, disadvantaged people and other social groups have been involved project processes and whether the selected indicators will enable impacts on them to be determined</li> <li>● Whether any groups in the community are likely to be adversely affected by the project and whether there are any mitigation measures in place to address this</li> </ul>		
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i> <p>Locally Managed Marine Areas are by definition managed by coastal communities aiming at protecting and improving their livelihoods. Blue Ventures has worked with these communities establishing what they call locally appropriate governance systems for the marine resources. The interviews with local residents and the board of the Velondriake Association have confirmed that this LMMA is functional.</p>		

<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i> None			
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>			
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i> N/A			
<b>A. Requirement</b>	<b>4.3 Sale agreements and payments</b> Does the project have clear procedures for entering into sale agreements with producers/communities based on saleable carbon from <i>plan vivos</i> ? Does the project have an effective and transparent process for the timely administration and recording of payments to producers?			
<b>B. Guidance Notes for Validators</b>	Check the systems that are being proposed by the project and make an assessment of whether these are fully functional already or whether they can be made functional when required? Are communities/producers aware of the system and do they understand it? Are documents and materials readily available to producers/communities?			
<b>C. Findings (describe)</b>	<i>(To be filled out by the Validator)</i> See comments in section 1.1 and Observation 01. Moreover, the PES schedule is being revised following comments from Plan Vivo reviewers. A next step should be that participants are informed and approval from the Velondriake Association is obtained.			
<b>D. Conformance</b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>	
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i> Major CAR 06: Participants need to be informed about the amended PES scheme and approval from the Velondriake Association needs to be			

	<p>obtained. Provide a clear timeline.</p> <p>Major CAR 06 downgraded to Minor FAR 02: Process and timeline have been provided. The Minor CAR can be closed once the PES systems is entirely in place.</p>
<b>F. Blue Ventures Response</b>	<p>Major CAR 06: An SOP has been prepared to describe the PES scheme. This will be translated and presented to the Velondriake Association for approval. The project has drafted both an agreement (which was included in the PDD as Annex 3) and an SOP for the PES payments, and is in the last stages of negotiations with the government and getting an ERPA signed with them. This will be finalised by the <b>end of October</b> in time for when we submit the first annual report. After which we will work with the VA to make sure they understand and are happy with everything and ask them to sign the agreement and the SOP if they are. Goal is <b>end of November</b>.</p>
<b>G. Status</b>	<p><i>(CLOSED or OUTSTANDING)</i></p> <p>Major CAR 06 CLOSED; Minor FAR 02 OUTSTANDING Note that PV will ensure conformance prior to issuance.</p>
<b>A. Requirement</b>	<p><b>4.4 Benefit sharing and equity</b> Will the project have livelihoods benefits for the local community? Are these benefits likely to accrue to all community members and/or are benefits targeted at particular groups within the community? What other actions is the project taking to ensure that disadvantaged groups e.g. women, landless households, poor people will benefit from sales of Plan Vivo certificates?</p>
<b>B. Guidance Notes for Validators</b>	<p>Whilst there may be livelihoods benefits resulting from the project aspects of benefit sharing are critical to ensure that benefits are equitably shared. This can be assessed by:</p> <ul style="list-style-type: none"> <li>• Checking whether a local stakeholder/well-being analysis has been conducted to identify socio-economic groupings in the communities</li> <li>• Assessing the level of governance of local groups (are issues of equity and benefit sharing discussed during meetings?)</li> <li>• Discuss with a small sample of households from different socio-economic groups to determine their level of understanding of the benefits they are likely to get from the project.</li> </ul>
<b>C. Findings (describe)</b>	<p><i>(To be filled out by the Validator)</i></p> <p>See comments in sections 2.8, 3.1, 3.2, 4.1 and 4.2. Livelihood improvements within the project and the wider LMMA are not targeted to specific groups within the villages.</p>

<b>D. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>E. Corrective Actions (describe)</b>	<i>(Please, write "None" if Corrective Actions were not identified)</i>		
	None		
<b>F. (Insert Project Coordinator's Name) Response</b>	<i>(To be filled out by the Project Coordinator)</i>		
<b>G. Status</b>	<i>(CLOSED or OUTSTANDING)</i>		
	N/A		

*Table 3. Site Visit Itinerary* (Please Attach)

**Tuesday 4 December 2018**

- Transport by car to Tampolove village and opening meeting
- Meeting with Ms Dr Soary Randrianjafizanaka, Directeur Régional de l'Environnement, Écologie et des Forêts (DREEF), Atsimo Andrefana

**Wednesday 5 December 2018**

- Vatoavo village – meeting with village committee and visit to reforestation site and site with quota-ed timber extraction
- Ankindranoke village – meeting with village committee, beekeeping, fruit orchard

**Thursday 6 December 2018**

- Tampolove village – meeting with monitoring team and visit to reforestation site
- Lamboara village – meeting with village committee and field review of zoning

**Friday 7 December 2018**

- Andavadoake town – meeting with Valondriake Association Board; meeting with Blue Ventures project team; meeting with Valondriake Association support team

**Saturday 8 December 2018**

- Transport by boat to Toliara town
- Toliara town - closing meeting with Blue ventures project team Ms Lalao Aigrette (incoming project leader); Mr Cicelin Rakotomahazo (field coordinator); Ms Jennifer Hackings (outgoing project leader); Ms Leah Glass (BV technical principal)

**The Validator: (Insert Validator's Name)**



**Signature: Igino Emmer**

**Date: 19 September 2019**

### Appendix 3: (e.g. photos, lists of participants, scanned copies of receipts, etc.)

Photo 1. Meeting in Ankindranoke village



Photo 2. Mangrove stump and replanted mangrove, near Vatoavo village



Photo 3. Mangrove reforestation near Vatoavo village. Mangrove shrubs and trees on the far side are part of the reforestation zone (see section 2.2)



Photo 4. Open canopy mangrove forest (degraded) on the far side, near Vatoavo village



Photo 5. Abundant natural regeneration in a closed-canopy mangrove forest, near Vatoavo village



Photo 6. Meeting with Velondriake Association Board, in Andavadoake town



Photo 7. Villagers have clearly marked the strict conservation (Tahiry Honko) areas.

