

# EPIC Sustainability

## Validation and Verification Statement for REDD+ in Yaeda Valley – Tanzania

Carbon Tanzania, P.O. Box 15111, Arusha, Tanzania

The validation statement confirms that Yaeda II, covering an area of 13,283 hectares is an extension of initially validated Yaeda I, and the unified Yaeda (I+II) REDD+ project with combined area of 34,073 hectares and meets the validation requirement as per PV Standard 2013.

The verification statement confirms that the project and the annual reports (AR period from 01 March 2012 to 31 Jan 2016 for Yaeda I and the period from 01 Feb 2016 to 31 Jan 2017 for Yaeda I and II) meet the verification requirements of the PV Standard 2013 to which the project was validated and the project has been implemented in accordance to its validated project description and the referred Technical Specification.

### Scope of the validation and verification

For the 01 March 2012 – 31 Jan 2017 monitoring period the verification assessment covered, the project has calculated, and the audit team has verified, a total ex-post net carbon benefit of 105,818 tCO<sub>2</sub>e, which totals 84,655 tCO<sub>2</sub>e after deducting the 20% risk buffer (21,163 tCO<sub>2</sub>e), and the verification team further confirms that the project has achieved the results stated in the annual reports. Based on desk reviews, visual observations, the Terms of Reference for Project Verification (v.12/2013) / Terms of Reference for Project Validation (v.2.0) and interviews with the project beneficiaries and the project staff during the field audit, it is accurate to state that the ecosystem services provided by the project are indeed still additional. To date, there are no government or private projects similar in scope or scale in the region. As a result, the project was verified to be on track to achieving the ex-ante estimated net carbon benefit over the project's 20-year lifetime. The GHG emission reductions and/or removals achieved during the monitoring period were evaluated to a reasonable level of assurance.

### Attestation

Validation/Verification Body Representative : K. Sudheendra, Head – Operations

Signature :

Date :

21<sup>st</sup> May 2018

Contact Information:

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# Terms of Reference for Project Verification for Reduced Emissions from Deforestation and Forest Degradation–Plus (REDD+)

For evaluation against the Plan Vivo Standard (v. 12/2013)

## Introduction

This Terms of Reference (ToR) has been designed to assist the auditor with the verification of Reduced Emission from Deforestation and Forest Degradation-Plus (REDD+)<sup>1</sup> projects. Plan Vivo verification consists of a review by an approved third-party of the project's conformance with the Plan Vivo Standard (2013) and a quantification of the project's impacts including progress towards any expected emissions reductions. Plan Vivo projects are expected to undertake third party verification within 5 years of validation and at least every 5 years thereafter.

Climate benefits in a Plan Vivo REDD+ project are estimated by comparing the emissions expected under a baseline scenario describing expected deforestation and/or forest degradation in the absence of project interventions, with the emissions under the project scenario. While these interventions are typically quantified ex-post, ex-ante Plan Vivo certificates can be issued for emission reductions expected to be achieved within a defined project period – provided activity-based indicator thresholds are met.

## Objectives

The broad objective of verification is to conduct an evaluation of a registered and functioning Plan Vivo project against the Plan Vivo Standard to ensure that the project continues to conform to the Standard and that it continues to deliver emission reductions, and other expected benefits, to local ecosystems and livelihoods.

Requirement 5.9 (page 17) of the Plan Vivo Standard states:

*“A monitoring plan must be developed for each project intervention which specifies:*

*5.9.1 Performance indicators and targets to be used and how they demonstrate if ecosystem services are being delivered. Performance targets may be directly or indirectly linked to the delivery of ecosystem services, e.g. based on the successful implementation of management activities or other improvements but must serve to motivate participants to sustain the project intervention”*

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<sup>1</sup> This also includes: a) Reducing emissions from deforestation; b) Reducing emissions from forest degradation; c) Conservation of carbon stocks; d) Sustainable management of forests; and e) Enhancement of forest carbon stocks.

Therefore, Plan Vivo REDD+ projects will incorporate activity-based monitoring and annual reporting as way to reduce costs, increase local participation and enhance the implementation of these projects at the local level. Activity-based monitoring is particularly helpful in REDD+ projects that aim to tackle locally-driven and small-scale forest degradation caused, for example, by subsistence fuelwood collection, charcoal extraction or grazing in the forest. Whilst remote sensing techniques are the main tools used at the national, sub-national, jurisdictional level and more generally on larger scales to detect forest deforestation and degradation, local level community data is an important input to the analysis of deforestation and degradation events.

Consequently, verification of REDD+ projects under the Plan Vivo Standard can differs substantially from other Standards because, in addition to assessing the reported emissions reductions with remote sensing analysis, verification of REDD+ projects also needs to assess whether the reported activities have been carried out and whether they are effectively contributing to emissions reductions by the project.

The key questions the verifier is expected to address are:

1. Does the project continue to comply with the requirements of the Plan Vivo Standard (v. 12/2013)?
2. Have project activities been carried out as planned in the PDD and as reported in project annual reports?
3. Have project activities contributed to generating the project's overall climate benefits to the extent expected?
4. Have the emissions reductions (climate benefits) generated by the project been made in accordance with those estimated in the project's Technical Specifications?
5. To what extent has the project generated expected livelihoods and biodiversity benefits?
6. Have any new project activity types or significant changes to project design (activities, procedures or monitoring protocols) as recorded in project annual reports and updates to the PDD been effectively implemented in compliance with the Plan Vivo Standard?

Under the process and methods section of this ToR, further details of suggested methodologies, sources of information and techniques for information analysis are given for each of these key verification questions.

## Plan Vivo Standard and references

The full requirements for registered Plan Vivo projects can be found in the Plan Vivo Standard. The Plan Vivo Standard (2013 version) can be downloaded from <http://www.planvivo.org/project-network/project-resources/>. The document includes definitions and acronym lists. Please, note that some projects may opt to apply the Plan Vivo pre-approved approach for reducing locally driven deforestation. The guidance document can be found on the technical library page of the Plan Vivo website (<http://www.planvivo.org/our-approach/technical-library/>). Further information on the application of the Plan Vivo Standard can be found in the Plan Vivo Procedures Manual, which is available to download from <http://www.planvivo.org/project-network/project-resources/>. Finally, the Plan Vivo Socio-Economic Assessment Manual (<http://www.planvivo.org/docs/Socio-economic-Manual.pdf>) provides useful information on socio-economic monitoring, performance indicators and participatory methods for stakeholder consultations.

## Interpretations and clarifications

Verifiers are advised to contact the Plan Vivo Foundation prior to a verification audit to ensure they have an up to date terms of reference, the latest verification report template, the complete list of documents for the pre-field assessment as well as all relevant project annual reports. This will also be an opportunity for Plan Vivo to highlight any areas for specific attention during the verification visit. For further interpretations and clarifications please contact the Plan Vivo Foundation Secretariat at [info@planvivofoundation.org](mailto:info@planvivofoundation.org).

For larger REDD+ projects under the Plan Vivo Standard or in certain circumstances, Plan Vivo may opt to participate in the verification as an observer. In this case, Plan Vivo will communicate this to the project coordinator before the terms of the verification are finally agreed between the project coordinator and the independent verification organisation or individual in order that the costs of this can be included in the overall verification budget.

Whilst independent verifiers operate under these ToRs for verification of REDD+ projects developed by Plan Vivo, they are contracted by, and accountable to the project coordinator, who is responsible for paying the full costs of verification at the current rates.

## Scope

Verification should take place over the entire physical project area where REDD+ activities have been implemented to date. Only data relating to the period of time since the validation or previous verification should be considered.

Where projects wish to validate new interventions, activities or project design during the verification, the scope should be confirmed; typically activities due to commence within 12 months of the verification could be reasonably included. In the event that there is more than one intervention to be verified (approved under separate *Technical Specifications*) then each should be separately verified and the overall project emissions reduction and other impacts generated should be calculated.

## Activity-based Monitoring

Activity-based monitoring is defined as *“the monitoring of the implementation of project activities so that an indirect assessment of expected climate benefits can be made”*. When project design documents are reviewed, expert reviewers are required to assess whether the planned activities are likely to result in the expected emission reductions. The logic of activity-based monitoring is therefore that if activities are carried out as planned there is a high likelihood that expected emission reductions have been achieved. Adopting an activity-based monitoring approach therefore enables projects to focus on delivering project activities rather than on assessing deforestation, degradation or changes in carbon stocks on an annual basis. Instead, a period review of project design documents (at least every 5 years) is required, at which time an assessment of whether the project activities carried out have resulted in the expected emission reductions is conducted – usually making use of remote sensing analysis and/or data collection from survey plots.

Activity-Based Monitoring indicators are also assessed when project design documents are reviewed to determine if indicators and thresholds are sufficient to provide an accurate description of whether project activities have been carried out as planned. According to the Plan Vivo Standard (v. 12/2013), a monitoring plan must be developed for each project intervention eligible for crediting contained in a PDD. This plan must specify the performance indicators and thresholds (targets) to be used and how they demonstrate that ecosystem services are being delivered. Performance targets may be *directly* or *indirectly* linked to the delivery of ecosystem services and typically they are based on the successful implementation of management activities or other improvements on the baseline scenario. However, they must also serve to motivate participants to sustain the project intervention and are linked to the issuance of certificates and, thus, the disbursement of payments according to a traffic-light system similar to the one below:

**Table 1 Activity-Based Monitoring Traffic-Lights System under Plan Vivo**

Performance	Climate Benefits	Corrective Actions	Certificate Issuance
<b>Green</b>	On Track	None	Full
<b>Orange</b>	Partially Delivered	May be Required	Partial
<b>Red</b>	Not Delivered	Required	Withheld

This traffic lights system is described in Section K of the Project Design Document (PDD) and also reported in the project annual reports<sup>2</sup>, which are both published on the project page on the Plan Vivo website. Under Plan Vivo, it is the annual report that triggers the issuance of certificates, which is then linked to the disbursement of payments to communities. Prior to the verification site visit, the verifier should thoroughly study all the project's annual reports as they provide yearly updates on the state of the Activity-Based Monitoring conducted by the project.

A practical example of how the results of activity-based monitoring may influence the issuance of Plan Vivo credits can be described below.




## Example

A project is working with communities to develop REDD+ activities and has submitted its fifth annual report, which includes the project's activity-based monitoring in Table E. Prior to the verification site visit, the project has provided the verifier with a remote sensing analysis and collected data from forest sampling plots.

### Scenario A

<i>Site and Traffic Light Indicator Status</i>	Activity Indicators	Expected Results	Results Achieved
<b>Tamba Community</b>			

<sup>2</sup> The project's fifth annual report normally coincides with the year verification is conducted. Accordingly, while the project may submit the annual report to the Plan Vivo Foundation *before* verification, it will only be approved and published *after* the audit is completed and approved. The project will be required to submit the results of the remote sensing analysis to the verifier together with the rest of the required documentation and, if necessary, before the submission of the fifth annual report.

	1) Deforestation less than 2% per year	Less than 1 ha deforested	1,5 ha deforested
	2) Dig three wells for community	Three wells completed by September 2014	Three wells completed by September 2014
	3) Each household provided with an efficient cook stove	250 efficient cook stoves distributed by December 2014	250 efficient cook stoves distributed by December 2014




In this case, the activity-based monitoring indicator 1 is *directly related* to the achievement of climate benefits while the activity-based monitoring indicators 2 and 3 are *indirectly* related to the achievement of climate benefits. As indicated by the red dot in the monitoring table, the expected deforestation rate derived from the data collected from the forest sampling plots is greater than 2% and, thus, the performance target has not been met. The remote sensing analysis also indicates a deforestation rate greater than 2%.

Consequently, the verifier will be expected to raise a major CAR<sup>3</sup> in the verification report to solicit a corrective action response from the project. The Plan Vivo Foundation will not approve the annual report until the CAR has been closed, until a clear timeframe for the corrective actions has been decided in conjunction with the project coordinator and, therefore, until the verification process has been completed.

#### Scenario B




<i>Site and Traffic Light Indicator Status</i>	Activity Indicators	Expected Results	Results Achieved
<i>Tamba Community</i>			

<sup>3</sup> Corrective Action Request (CAR) – see Section “Verification Outputs” of this ToR.

    	1) Deforestation less than 2% per year	Less than 1 ha deforested per year	0.5 ha deforested in year 5
	2) Dig three wells for community	Three wells completed by September 2014	Two wells completed by September 2014
	3) Each household provided with an efficient cook stove	250 efficient cook stoves distributed by December 2014	100 efficient cook stoves distributed by December 2014

In this case, the expected result for indicator 1 has been met (indicator *directly* related to the achievement of climate benefits) and confirmed by the remote sensing analysis as well as the forest sampling plots, but the expected result for indicator 2 has only been partially met while the expected result for indicator 3 has not been met (both indicators 2 and 3 are *indirectly* related to the achievement of climate benefits). Similar to scenario A, the verifier is expected to raise a major CAR in the verification report and the project coordinator must provide a corrective action in order to meet the activity-based targets identified in the monitoring plan before verification may be completed and the project allowed to issue new certificates.

### Scenario C

<b>Site and Traffic Light Indicator Status</b>	Activity Indicators	Expected Results	Results Achieved
<b>Tamba Community</b>			
    	1) Deforestation less than 2% per year	Less than 1 ha deforested per year	0.5 ha deforested in year 5
	2) Dig three wells for community	Three wells completed by September 2014	Three wells completed by September 2014
	3) Each household provided with an efficient cook stove	250 efficient cook stoves distributed by December 2014	250 efficient cook stoves distributed by December 2014

In this scenario, the project has met all its performance targets both *directly* and *indirectly* related to the achievement of climate benefits. However, the results of the remote sensing analysis are in contrast with the data on deforestation collected from the forest sampling plots. Specifically, the remote sensing analysis indicates that the rate of deforestation is greater than 2%, but the data from



the sampling plots show that carbon stocks have been increasing over the previous five years (since the project validation or previous verification).

Again, the verifier is expected to raise a CAR in the verification report and the project coordinator to provide both an explanation for the discrepancy and a corrective action response before verification may be completed. In this case, the discrepancy between the results of the remote sensing analysis and the results of the activity-based monitoring will have become apparent during the pre-field desk review conducted by the verifier. As a consequence, during the site visit, the verifier must seek to understand the cause of such a discrepancy. It could be, for example, that the forest sampling plots have been particularly well looked after by the communities while, in contrast, the rest of the forest has experienced high levels of deforestation. Therefore, the data from the sampling plots has led to a bias in the results of the activity-based monitoring.

## Process and methods

The verification process and method for REDD+ projects under the Plan Vivo Standard involves application of auditing techniques for the whole project and for each separate verification question listed above, including:

**Table 2 Verification Audit Techniques**

Verification Question	Description of scope, focus and suggested methods
1. Does the project continue to comply with the requirements of the Plan Vivo Standard (v. 12/2013)?	<p>Assess whether the project is complying with all areas of the Plan Vivo Standard (v. 2013) and that all 8 project principles are being fully applied. Particular attention should be given to the following aspects:</p> <ul style="list-style-type: none"> <li>• Is the project being managed with transparency, accountability and engagement of relevant stakeholders and in compliance with the law (principle 3)?</li> <li>• Does the project demonstrate community ownership, participation, commitment and awareness (principle 4)?</li> <li>• Is the project effectively managing risks (principle 6)?</li> <li>• Are project benefits being equitably shared (principle 8)?</li> </ul> <p>Key methods:</p> <ol style="list-style-type: none"> <li>i. Review of project documentation (annual reports, project databases, other information and documents including minutes of project meetings)</li> <li>ii. Facilitated discussions and meeting with community members and individuals (to assess understanding, awareness, commitment and perceptions about the project)</li> <li>iii. Discussions with project staff and community participants to assess the effectiveness of the project's governance structure and administrative procedures</li> </ol>



<p>2. Have project activities been carried out as planned in the PDD and as reported in project annual reports?</p>	<p>Evaluate and collect evidence on project activities. This includes gathering information from the project on quantities (of different activities carried out), verification of reported activities in the projects annual reports and in comparison with the threshold for these activities included in the PDD and annual reports and an assessment of their quality (have they been carried out well?) and likely sustainability (will they continue to be carried out after direct project support ceases?)</p> <p>Key methods:</p> <ul style="list-style-type: none"> <li>i. Review of project documentation (annual reports, project databases, other information and documents including photographs of different activities being carried out)</li> <li>ii. Field visits and field observations of different activities</li> <li>iii. Discussions with project participants and triangulation/cross-checking of information received (using participatory tools from the Plan Vivo Socio-economic Manual)</li> <li>iv. Comparison and assessment of information from annual reports (and elsewhere) and the thresholds (targets) for these activities listed in the PDD/Technical Specification</li> <li>v. For each activity, use the simple traffic light system (described above) to summarise progress</li> </ul>
<p>3. Have project activities contributed to generating the project's overall climate benefits?</p>	<p>Whilst reported project activities may be fully carried out, they may not necessarily be effectively contributing to generating climate and other project benefits. For example, patrolling may be regularly carried out but may not necessarily lead to better forest protection. Improved cook-stoves may be distributed, but may not be used to reduce fuelwood consumption. For each project activity a somewhat qualitative assessment is required of the actual contribution, including an assessment of critical activities that may be required in order to achieve emissions reductions/removals but which are not being carried out.</p> <p>Key methods:</p> <ul style="list-style-type: none"> <li>i. Review of project documentation (annual reports, project databases, other information and documents)</li> <li>ii. Field visits and field observations of different activities</li> <li>iii. Discussions with key local experts</li> <li>iv. Discussions with project participants and triangulation/cross-checking of information received (using participatory tools from the Plan Vivo Socio-economic Manual)</li> </ul>
<p>4. Have the emissions reductions (climate benefits) generated by</p>	<p>Is the project complying with Plan Vivo Standard principle 5? Assess the accuracy of reported emissions reductions based on the estimates made in the approved Technical Specification. In the case</p>

<p>the project been made in accordance with those estimated in the project's Technical Specifications for each approved project intervention?</p>	<p>of more than 1 approved Technical Specification, each should be separately assessed and combined information on emissions reductions calculated for the whole project. For each intervention reported, make an assessment of whether the carbon model used in the Technical Specifications is still relevant.</p> <p>Key methods:</p> <ul style="list-style-type: none"> <li>i. Using remote sensing analysis commissioned by the project coordinator before the start of verification. Information and reports resulting from this analysis will be provided to the verifier prior to the assignment in order to make this assessment.</li> <li>ii. Assessment of the quality of the remote sensing analysis carried out and reported prior to the verification and of the quantities calculated in comparison with those estimated in the Technical Specification.</li> <li>iii. Field visits to sites of different interventions (if more than 1) to verify the physical site conditions and the presence or otherwise of evidence of changes in forest conditions</li> <li>iv. Discussions and application of participatory tools<sup>4</sup> with community members to assess changes in forest condition</li> <li>v. Review of fixed point photographs (if available from the project)</li> <li>vi. Review of other forest-related monitoring data (if available) e.g. sample plots and inventory data and comparisons with baseline information produced by the project</li> </ul>
<p>5. To what extent has the project generated livelihoods and biodiversity benefits in addition to the climate benefits?</p>	<p>Is the project complying with Plan Vivo Standard principles 1, 2 and 7? REDD+ projects under the Plan Vivo Standard must demonstrate positive livelihoods impacts for participating households (especially poor and disadvantaged) and must also conserve and enhance biodiversity.</p> <p>Key methods:</p> <ul style="list-style-type: none"> <li>i. Semi-structured interviews with representatives of relevant stakeholder groups especially poor, women or otherwise disadvantaged people, as well as with community leaders and project staff</li> <li>ii. Comparison of project's socio-economic baseline conducted at the start (or immediately after) the project activities with its most recent socio-economic survey results in order to assess</li> </ul>

<sup>4</sup> Please, refer to the Plan Vivo Socio-economic Manual (<http://www.planvivo.org/docs/Socio-economic-Manual.pdf>) for more information on participatory tools.

	<p>the positive impacts the project has had on the livelihoods of local communities.</p> <ul style="list-style-type: none"> <li>iii. Assessment of available biodiversity information including any information in the PDD/Technical Specification and any information more recently generated through project monitoring or separate studies</li> <li>iv. Interviews with local experts (covering socio-economic factors and biodiversity) on locally-experienced changes</li> <li>v. Analysis of project information regarding payments made to community groups and individuals and expenditure details on how such funds have been used (including verification of bank accounts, as required)</li> </ul>
<p>6. Have any new project activity types or significant changes to project design (activities, procedures or monitoring protocols) as recorded in project annual reports and updates to the PDD been effectively implemented in compliance with the Plan Vivo Standard?</p>	<p>During the previous 5-year period, the project may have made some changes or increased the scope of its interventions. These changes should have had prior approval by Plan Vivo (if significant<sup>5</sup>).</p> <p>Key methods:</p> <ul style="list-style-type: none"> <li>i. Review of annual reports and relevant communications between the project and Plan Vivo to assess which changes have been made to project design, whether these were justified, whether these have been implemented and to what extent they have contributed to project impacts</li> <li>ii. Discussions with Plan Vivo prior to verification to identify any particular areas of concern or issues that have been raised during the previous project period (if Plan Vivo is present as an observer during the verification process this can be an on-going discussion)</li> <li>iii. Discussions and presentations by the project coordinator highlighting and significant changes.</li> </ul>

## Verification Outputs

The output of the verification is a Plan Vivo Verification Report, which, along with any supporting documents, presents the review findings and details the project's conformance with each of the requirements in the Plan Vivo Standard and performance as per annual reports submitted. The verification report will have the following main sections:

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<sup>5</sup>Further information is available in the [Plan Vivo Procedures Manual](#) (Section 9, p.33) regarding project expansion and the specific circumstances that may trigger the need for a separate validation of these new activities/intervention(s).

#### **A. Assessment of project against the requirements of the Standard**

The report should describe whether the project meets each requirement of the Plan Vivo Standard using the verification template provided by Plan Vivo

#### **B. Presentation of the verification response to each of the verification questions**

The report should provide an answer to each of the verification questions using the verification template provided by Plan Vivo.

#### **Corrective Actions**

Where the verifier finds that the project is not compliant with a given requirement of the Standard or where the response to a verification question is not satisfactory, the report should specify the corrective action needed for compliance and propose a timescale within which it must be implemented. This should be discussed with the project coordinator. In cases where it is not possible to assess whether the project is compliant or where the question cannot be answered due to lack of adequate information, this should also be considered as a corrective action to be addressed by the project by provision of further information.

The reviewer should specify whether, in their professional opinion, a major or minor corrective action is required.

- **Major Corrective Action Request (CAR):** A non-conformance likely to result in the failure of the project or likely to materially reduce its ability to deliver the benefits intended. A major CAR may include a collection of many less significant non-conformances that collectively suggest critical failings in the project or inability of the project coordinator to successfully manage the project.
- **Minor Corrective Action Request (CAR):** A non-conformance not likely to materially affect the project's delivery of the intended benefits. This may include e.g. a single or small number of lapses in maintaining systems, minor omissions or inconsistencies in documentation.

Where corrective actions are specified, the Plan Vivo Foundation will conduct a follow-up review of any amendments or additions to project documentation, or other evidence submitted by the project to demonstrate that corrective actions have been fulfilled.

If major CARs are identified that substantially affect the project's ability to comply with the Plan Vivo Standard, then Plan Vivo may opt to temporarily suspend the project whilst these are being addressed. During the suspension period the project will not be issued with Plan Vivo Certificates and will not be able to sell any unsold certificates that have already been issued. If a project fails to address major CARs – despite having been formally requested by Plan Vivo to do so – Plan Vivo may choose to remove the project from the Plan Vivo registry.

#### **Observations/recommendations**

The verifier 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. In particular, the verifier should indicate in the report whether there is a need to revise the project technical specification(s) (as a result of more

recent monitoring data becoming available) or whether the % risk buffer as agreed in the original specification is still applicable.

### **C. Verification Opinion**

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

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

### **D. Project Documentation and Supporting Evidence**

The project coordinator should make the project documentation (PDD, technical specification, annual reports, databases, remote sensing reports/data, and any other supporting evidence, to show compliance with the Standard) needed for verification available to the reviewer, a minimum of 15 working days before the field visit. For this purpose, the Plan Vivo Secretariat can make available the most recent “List of Documents” the Project Coordinator must provide the verifier with in order to begin the desktop review of the REDD+ project.

The verifier is expected to use his/her expert knowledge and professional judgment to evaluate available evidence to determine which of the requirements of the Plan Vivo Standard are satisfied by the project as designed and documented.

The verifier is expected to operate by the principle of client confidentiality and treat all information provided by Plan Vivo and by the project coordinator as confidential both during and after the end of the verification assignment. Information should not be disclosed to any 3<sup>rd</sup> party or included in any other document or report without the express permission in writing from Plan Vivo.

## **Submission of Verification Reports**

A draft verification report will be submitted to the project coordinator and to Plan Vivo Foundation simultaneously by the verifier at the end of the verification visit. Plan Vivo will respond within 30 days with any requests for clarification, further questions or other comments to enable the verifier to finalise the report.

## **Publication of Verification Reports**

The final verification report, all of its contents and any drafts will remain confidential until the Plan Vivo Foundation publishes its contents following its decision regarding ongoing project approval.

All final verification reports will be published on the Plan Vivo website.

## **Verification Report Template**

*All items in this reports must be completed using Calibri 11, black and non-italic font. Please, do not modify the format of this template. The numbers in brackets (e.g. 1.2) refer directly to the requirements in the Plan Vivo Standard (v.12/2013) that they describe. If, at the time of verification,*

*the auditor has also been instructed to conduct the validation of a new project activity to be annexed into an existing Plan Vivo project, then the validation table on page 14 (*

ANNEX 1) must be completed.

Name of Verifier(s)	Date of Review
A Prabu das, Lead Auditor, Dr D Siddaramu, Auditor, from EPIC Sustainability Services Pvt Ltd	On-site field inspection: 13 Nov 2017 to 18 Nov 2017 Draft Report: 20 March 2018  Final Report: 21 May 2018 (The on-site assessment for the Verification assignment is combined with the validation of Yaeda II which is adjacent to the previously validated Yaeda I project area)

### Project Description

The Yaeda valley REDD+ project involves the participation of native hunter-gatherer Hadzabe and pastoralist Barabaig communities in Mongo Wa Mono, Domanga and Yaeda chini villages, Mbulu District, Northern Tanzania. By working in conjunction with traditional leaders, the elected village governments and community members, Carbon Tanzania (CT) and Ujamaa Community Resource Team (UCRT), the project have created a unique community planned and operated Reduced Emissions from Deforestation and Degradation (REDD+) project in the Yaeda Valley and adjacent Gideru ridge. This REDD+ project envisages continued strengthening of land tenure, augmenting management capacity and effective local natural resource management, enhancing and diversifying local incomes, and in the process contributing to local and national environmental conservation aims and the Sustainable Development Goals (SDGs). The project aims to avoid deforestation successfully through a series of interventions including reinforcing the implementation of the approved village land use plan and associated village by-laws, improving forest conservation and management activities and addressing the primary driver of deforestation, i.e shifting agriculture.

The project “Yaeda I” which was initially registered under Plan Vivo has now expanded to include neighbouring village Yaeda Chinni covering an area of 13,283 hectares in the extension plan as “Yaeda II”. The Project Yaeda I and II and the included technical specifications is approved by Plan Vivo, in the form of accepted revised PDD dated June 2016. Both Yaeda I and II village follow the same governance and land ownership structures, baseline methodology for carbon accounting, Interventions and activity based monitoring approaches. The total project area in Yaeda I and II which is now incorporated into a single Yaeda Valley REDD+ project is 34,073 hectares.

### Description of field visits (including list of sites visited and individuals/groups interviewed)

The on-site assessment for the Verification assignment was combined with the validation of Yaeda II. The on-site field inspection was carried out between 13 Nov 2017 to 18 Nov 2017, it included meetings and interviewing 80+ people from the villages of Mongo Wa Mono, Domanga and Yaeda Chini villages. The meeting was in the form of community gathering in the active presence of community heads, local village government officials and the village beneficiaries.

List of Personnel interviewed:

1. Marc Baker, Project Coordinator, Carbon Tanzania



2. David Beroff, Project Operations Manager, Carbon Tanzania
3. Issac Bryson Magambo, Yaeda valley Manager
4. The list of village heads and project beneficiaries interviewed is attached as Appendix 2

*Table 1. Summary of major and minor Corrective Actions (Insert CAR Text)*

Theme	Major CARs	Minor CARs	Observations	Status
<b>Project's Eligibility</b>	-	-	-	In compliance
<b>Ecosystem Benefits</b>	-	-	-	In compliance
<b>Project Coordination and Management</b>	-	-	Obs 01, Obs 02	In compliance
<b>Participatory design</b>	CAR 01	-	-	In compliance
<b>Quantifying and Monitoring Ecosystem Services</b>	-	-	-	In compliance
<b>Risk Management</b>	CAR 02	-	-	CAR closed and FAR 01 Minor opened
<b>Livelihoods Impacts</b>	-	-	-	In compliance
<b>PES Agreement</b>	CAR 04	CAR 03	-	In compliance

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

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

<b>PROJECT'S ELIGIBILITY</b>			
<b>Requirement: Project directly engage and benefit community groups</b>			
<b>Verification Question: 1 and 2</b>			
<p><b>1.1</b> Project interventions are still taking on land where smallholders and/or community groups have clear land tenure <b>(1.1)</b></p> <p><b>1.2</b> Land that is not owned by or subject to use rights has included in the project area because <b>(1.2)</b>:</p> <ul style="list-style-type: none"> <li>• It represents less than a third of the project areas at all times</li> <li>• No part of the area was acquired by a third party from smallholders or community groups for the purpose of inclusion in the project</li> <li>• Its inclusion will have clear benefits to the project by creating landscape level ecosystem benefits such as biodiversity corridors.</li> <li>• There is an executed agreement between owners/mangers of such land and participants regarding the management of the area consistent with these requirements</li> </ul>			
<b>A. Findings (describe)</b>	<p>The project involves the active participation of Mongo Mongo Wa Mono Domanga and Yaeda Chinni villages in Mbulu District, Northern Tanzania. The total REDD project area of 34,073 hectares is located in and around these villages. The verification team has visited the villages and the project area as part of the on-site visit. The community groups/villages have clear land deed in their name, which is the legal document in the host country - Tanzania, this was verified by the title deed and during interaction with the members it was evident that they are aware of the title deed and the vested powers given by the deed. Land deed of the three villages participating in the REDD program was verified by the verification team. All village centres have copies of legal documentation for CCROs and land use plans</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 to participate in the project". The project has clearly developed the land use plans based on discussion with the village members and well informed decisions from UCRT, and has clear visible demarcated land area for grazing, carrying out agriculture activities etc. Demarcation of land use boundaries including beacons and signposts were observed during the site visit by the verification team, interaction with the village members confirms that they are aware of the project activity in their region.</p> <p>The project exhibits complaint to the PV standard requirement.</p>		
<b>B. Conformance</b>	Yes <input checked="checked" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	None		

<b>D. (Insert Project Coordinator's Name) Response</b>	<i>(Not applicable)</i>
<b>E. Status</b>	<b><u>In compliance</u></b>

<b>ECOSYSTEM BENEFITS</b>	
<b>Requirement: Project generates ecosystem service benefits and maintains or enhances biodiversity.</b>	
<b>Verification Questions: 1, 3 and 5</b>	
<p><b>2.1</b> Project interventions are maintaining or enhancing biodiversity <b>(2.2)</b></p> <p><b>2.2</b> Project interventions have not led to any negative environmental impacts <b>(2.3)</b></p> <p><b>2.3</b> Any trees being planted to generate ecosystem services are native or naturalised species and are not invasive <b>(2.4)</b></p>	
<b>A. Findings (describe)</b>	<p>The REDD+ Yaeda project involves in conservation activity, which is ensured through REDD (forest protection) interventions and by natural regeneration. Effective implementation of land tenure and follow of village by-laws demonstrate positive biodiversity results. The verification team witnessed the approaching land encroachment for agricultural and grazing related activities by the neighbouring villages which are not part of the project activity. This is reported as threat to the project activity, which is mitigated through effective implementation of land use planning and its enforcement, by engaging neighbouring communities/villages. land use planning is assisted by UCRT team, who is well versed with these kind of activities, and they are verified to have gained the confidence of the local govt as well as the community members, through their long association in the area.</p> <p>The project's Yaeda Monitoring Database evidences tracking of mammals, bird's sightings in the project area. The database contains a list of animals and birds observed by Village Game Scouts (VGS) or CT staff, (infact the reporting are also done by village/community members but gets recorded in the database only after verified by the monitoring team), the date and location they were observed. Timed Species Counts (TCS) for the avifauna is usually done by CT staff, whose expertise in the analysis was evident through interaction with the team. The database in addition to reporting animals and birds, also report land use changes and poaching related activities since beginning of the project and is verified to be updated upto the recent year i.e 2017. So far the reporting of the species or violation of land use change do not record the geo-coordinates of the area, but this has been taken as an area of concern and is proposed to include the geo-coordinates in the future monitoring.</p> <p>The verification team is convinced that the database provides verifiable evidence that biodiversity monitoring is taking place and that record are being kept for tracking purposes.</p>

	<p>Project interventions focus on forest conservation through land use reforms and creating village by laws, facilitating natural regeneration of forest on degraded lands, and the sustainable use of these resources. The project's monitoring activities have not reported any negative environmental impacts. Villager members, UCRT and local govt staff interviewed during the audit 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.</p> <p>The project does not involve any tree planting related activity, infact the focus is only through natural regeneration through conservation activities.</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<i>None</i>		
<b>D. (Insert Project Coordinator's Name) Response</b>	<i>(Not applicable)</i>		
<b>E. Status</b>	<b><u>In compliance</u></b>		

**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**

- 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)**
- 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)**
- 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)**
- 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><b>A. Findings (describe)</b></p>	<p>3.1 Carbon Tanzania, known by the name CT, is the project coordinator of the project, and is responsible for project administration and project technical operations. Ujamaa Community Resource Team (UCRT) is the identified community partner for the project, which does the following function:-</p> <ul style="list-style-type: none"> <li>• to provide legal counsel to communities for the purpose of securing land tenure and entering into PES agreements</li> <li>• Organize meetings with ward and district officials</li> <li>• Engage with communities where project is expected to scale-up – the initial PDD envisaged scaling up the project to neighbouring villages, it is evident that the Yaeda II, with the inclusion of Yaeda chinni village, with Yaeda I was made possible with the active support of the UCRT in the region. Yaeda II was not part of the initial PDD validated in 2012. It is testimony to participatory relationships including providing on-going support involving CT, UCRT and the community members.</li> <li>• Dispute resolution, if any that may arise</li> </ul> <p>The verification team has reviewed the MoU signed between UCRT and CT, and The Nature Conservancy and CT for the conformance.</p> <p>The elected Village Head represent their respective villages/communities and meet to review village/community natural resource management plans, and to select a community development project based on the proposals of their members. The proposals include effective implementation of land use plans after securing land use rights, and the list of beneficiary measure include medical benefits, educational facilities and food requirement. The proposals are formalised after taking informed inputs from UCRT reg land use planning, the beneficiary measures are decided by the village/community members themselves by active participation of all the individuals. The meeting of the beneficiaries and the proposals put forth are recorded in minutes of meeting, and are archived in the local govt office. CT has no role to play in the decision making process of identifying beneficiary.</p> <p>During interviews, the project beneficiaries confirmed to the audit team they were taking into confidence in the participatory project design process, and in its implementation. The team reviewed the MoM copies, interviewed the village heads, local govt official and the beneficiaries for the conformance.</p> <p>Capacity for project management is complex for all forest carbon projects of this nature, and it is opined that the project meets the standard's criteria.</p> <p><u>3.2 and 3.3</u> The project has demonstrated that it still has the legal and administrative capacity to enter into PES Agreements with participants and to manage the disbursement of payments for ecosystem services.</p>
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	<p>Recent PES agreement for the Yaeda II is a testimony to that effect, through this the audit team convinced that the requirement of the standard is met. After the successful registration of the project with Plan vivo, the project has been generating carbon revenues through the sale of CO2 certificates (PVC). The PVC sale is managed by the CT team through marketing initiatives including social media. The carbon revenue disbursement is not in the form of cash, dedicated accounts are earmarked which are managed by the elected village heads. Checks and balances are put forth in managing these accounts. The members through formal meeting (which is recorded in MoM also) decide the requirement of the village/community, and as per agreed terms among the members the benefit is enjoyed by them. Common beneficiary include for eg sponsoring for higher education, availing health benefits and availing food packets are the priority list identified by them. It's verified through interview that the members are prior informed about the carbon sale, its realised revenue attributed by the project activity, and even it is acknowledged by some of them in the meeting that only through effective implementation mechanism – the carbon revenue is assured to them in the coming years and they exhibited good understanding of the inherent risks associated with the carbon forestry projects.</p> <p>During the later period of monitoring period, all the payment schedule to the community guards, communities and local govt are met due to positive sale of PVC</p> <p>3.4 The project has periodically submitted annual reports to the Plan Vivo Foundation, describing progress, milestones, and challenges the project faces. The reports detail sales of CO2 certificates, and describe the disbursement of funds as per requirement.</p> <p>Payment meeting protocols document which is the guideline for annual/bi-annual payment meeting is reviewed. The project budget and financial plan' update is every 6 months, whereas the PV standard requirement is every 3 months – this is marked as observation Obs 01</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<p>Two observations are made in this section:-</p> <p><b>Obs 01:</b> Why 'project budget and financial plan' updation every 6 months is a better/feasible option than the requirement of every 3 months for the Yaeda project activity.</p> <p><b>Obs 02:</b> Although the village members/community are aware of the carbon sale (PVC) through the discussion of annual reports in their formal meeting, they are not aware of the price at which it gets sold, and they expressed desired that they should be informed periodically.</p>		
<b>D. (Insert Project Coordinator's Name)</b>	During every 6 month community and local government meeting, the community is informed of how many PVC have been sold and for how		

<b>Response</b>	much. We then break down all costs, both CT operation costs and what the community have spent revenue on. In our socio-economic surveys, some community members have outlined that they would like to validate what we are telling them. This is so they can understand that they are in fact receiving 60% of revenue. This has been done through the bi-annual meetings and validated by a member of UCRT.
<b>E. Status</b>	<p>The project coordinators response to observation 01 and 02 is accepted by the verification team and the explanation is detailed as below:-</p> <p>The Verification team has agreed that the for the Yaeda project activity – the on-going ‘project budget and financial plan’ updation every 6 months is a better/feasible option than the PV Standard requirement of every 3 months, since the frequency aligns with the community and local government meeting schedule. The quantity of PVC and its sale price annually are proposed to be openly disclosed in the future village level meetings in the presence of trusted UCRT members.</p> <p><b><u>In compliance</u></b></p>

<b>PARTICIPATORY DESIGN AND DEVELOPMENT OF PLAN VIVO</b>	
<b>Requirement: the project has demonstrated community ownership: communities participate meaningfully through the design and implementation of plan vivos that address local needs and priorities.</b>	
<b>Verification Questions: 1, 2 and 6</b>	
<p><b>4.1</b> A voluntary and participatory planning that address local needs and inform the development of technical specification is taking place <b>(4.1; 4.6; 7.1.)</b>. Barriers to participation are being identified and measures taken to encourage participation <b>(4.3)</b></p> <p><b>4.2</b> 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 <b>(4.2)</b></p> <p><b>4.3</b> The project is not undermining the livelihood needs and priorities or reduce the food security of the participants <b>(4.7; 7.1; 7.5)</b></p> <p><b>4.4</b> There exist a system for accurately recording and verifying location, boundary and size of each plan vivo <b>(4.8)</b>. Participants have access to their <i>plan vivos</i> in an appropriate language and format <b>(4.9)</b></p> <p><b>4.5</b> 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 <b>(4.12)</b>. A robust grievance redressal system is in place <b>(4.14)</b></p>	
<b>A. Findings (describe)</b>	<p>4.1 &amp; 4.2: Participatory planning process by the stakeholders is already detailed in sec 3.1 of “PROJECT COORDINATION AND MANAGEMENT”. The audit team has reviewed the local government letters, records of community meters - MoM of the village/community meetings, socio-economic baseline results, and through the interview of few of them</p>



	<p>confirm that the participation in the planning process exists and it is voluntary. Through the entire audit trail, barriers to participation or discrimination of any nature in the participation have not surfaced.</p> <p>4.3 In order to ensure transparency and to obtain feedback from the community, the project partnered with Uppsala university and has conducted socio –economic baseline study in 2016. The outcome of the survey served as inputs for the UCRT team for effective communication.</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.</p> <p>4.4 All Plan Vivo project areas are clearly mapped and their respective land use plan are defined and known to the stakeholders. During the on-site visit, it is observed that the land use plan maps are displayed at local govt offices, and it is also confirmed that they are the same as that depicted in the project PDD. Legal documents related to CCRO's and land use plans are kept in possession at each of the village centres. Land use boundaries are demarcated through two-coloured beacons and sign posts. Interestingly the locals understood what the boundary's are. Plan vivo copies also exist in the language commonly understood by the stakeholders.</p> <p>4.5 The validated PDD is silent on grievance mechanism, hence the team could not verify its compliance against the standard, it is raised as corrective action CAR 01 Major.</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<p><b><u>CAR 01 Major</u></b></p> <p>The validated PDD is silent on grievance mechanism, section E.3 of the PDD template requires information on the 'community-based grievance and grievance recording system', pls refer to Plan vivo standard 4.13 &amp; 4.14</p>		
<b>D. (Insert Project Coordinator's Name) Response</b>	<p>The contracts (PES agreement) have a grievance mechanism under dispute resolution (see below copied from the contracts). In relation to individuals who may have a grivance with someone in CT, CT Ltd has a grievence policy that covers all employees, partners and community members. The CT office in Arusha and in Yaeda have the policy displayed.</p> <p><b>2.3 Dispute resolution</b></p> <p>In the event of any dispute that may arise between the parties in</p>		

	<p>relation to this contract, all parties will meet to discuss how to resolve the dispute. If one party remains unsatisfied or if the parties fail to reach an agreement, they will refer their dispute to the Appeal and Complaints Committee. The Committee will be constituted of the following people:</p> <ol style="list-style-type: none"> <li>1. A representative or representatives of Ujamaa Community Resource Team (UCRT)</li> <li>2. A representative from Carbon Tanzania.</li> <li>3. An elected representative from each of the villages participating in the avoided deforestation programme.</li> <li>4. A representative of Jamii ya Hadzabe from each of the villages participating in the avoided deforestation programme.</li> <li>5. Two persons of appropriate qualifications and expertise chosen by both parties to represent them.</li> </ol> <p>Either party has the right to bring a dispute to court after exhausting the processes above.</p>
<b>E. Status</b>	<p>The project coordinator has updated the PDD dated 18 May 2018 in response to CAR 01 Major. The grievance mechanism which is detailed in the PES agreement is now included in Sec E.3 of the updated PDD as well. Upto the current verification period since the registration of the project under PV, no disputes have been reported which required the intervention of Appeal and Complaints Committee. Interaction with the village members, UCRT and local govt officials confirms the same. The project participant discusses the running of the project in their periodical meeting and the 'minutes of the meeting', which is a kind of official document in the host country, records such activities. The verification team has accessed the copies of the minutes of the meeting for the conformance.</p> <p><b><u>In compliance</u></b></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

	<p>used to update the project's PDD and technical specifications, including the quantification of climate benefits <b>(5.3)</b></p> <p><b>5.3</b> A clear and consistent Standard Operating Procedure (SOP), or equivalent, for remote sensing analysis has been elaborated by the project coordinator.</p> <p><b>5.4</b> The results of the remote sensing analysis are not in stark conflict with the results of Activity-Based Monitoring and there is a high level of correlation between the two monitoring methods. Reasons for any discrepancy have been accurately justified.</p> <p><b>5.5</b> Ecosystem services forming the basis of the Plan Vivo project are still additional <b>(5.4)</b>.</p> <p><b>5.6</b> To avoid double counting of ecosystem services, the project interventions are not being used for any other project or initiative <b>(5.14)</b></p> <p><b>5.7</b> A monitoring plan has been correctly implemented and a system for checking its robustness is in place, where <b>(5.9; 7.2.; 7.3)</b>:</p> <ul style="list-style-type: none"> <li>• The Activity-Based Monitoring indicators and performance targets directly or indirectly linked to the delivery of ecosystem services. ABM provides sufficient evidence that the project is on track to deliver the expected impacts and to reduce the drivers of deforestation.</li> <li>• Corrective actions and contingency plans are described when performance targets have not been met</li> <li>• The validity and assumptions of the technical specifications have been correctly tested</li> <li>• Communities have been actively participating in monitoring activities</li> <li>• Monitoring has been regularly shared and discussed it with the participants</li> </ul>
<p><b>A. Findings (describe)</b></p>	<p>Project technical specification only quantifies the carbon benefit resulting from the project. And the carbon accounting of the project adopt the Winrock methodology of calculating carbon above ground biomass with the assistance of 'Nature Conservancy'. As per the validated PDD dated June 2016 and the latest updated PDD dated 18th May 2018: Aboveground biomass and belowground biomass were the only carbon pools considered when calculating the carbon benefits resulting from project interventions. The project has opted to exclude soil carbon, leaf litter, deadwood, and grass biomass. The verification team acknowledges that by not including these carbon pools in the calculations, the projected carbon benefits are conservative. Though the PDD says the soil carbon might be introduced as a carbon pool at a later date, until the current verification the project has not considered soil carbon and carbon accounting is limited only to the above ground biomass. The annual reports reported so far also verified to be followed the same model.</p> <p>The baseline was established through analysis of ground-truthed landsat data, and this was validated during the initial registration of the project under plan vivo. For the project case- continuous activity based monitoring is conducted, with the performance targets linked to the delivery of ecosystem services.</p> <p>Annual reports contain sufficient information on the activity based monitoring. The 'Yaeda Monitoring Database' evidences tracking of mammals, bird's sightings in the project area – it is a kind of biodiversity database which signifies the health of the project forest</p>

	<p>area. Biodiversity of the project area is a very good indicator of the project attributes. The database also contains detailed information on encroachment, breach of village by-laws, poaching etc. The information contained in the 'Yaeda Monitoring Database' are regularly discussed in the stakeholder meeting periodically, it serves us feedback to have the contingency plan and mitigation action. Activity based monitoring is done on continuous basis as part of daily work and is compiles into monthly reports, during the onsite audit the verification team has reviewed the data sheet filled by the VGS for the conformance. They are verified to be having sufficient knowledge on the monitoring process and its implications on the project, since the members are from the village/community the effective participation is ensured. Few VGS are periodically sent for training by the military at relatively high cost, so that the trained staff is effective in dealing with emergencies. The audit team, managed to interview one such trained personnel during the audit.</p> <p>For effective monitoring the PP propose to record the geo-coordinates of the locations where instances of project targets are breached eg poaching/change of land use etc. The VGS are proposed to be provided with motor cycle for effective patrolling, and their count increased in the future monitoring.</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<i>None</i>		
<b>D. (Insert Project Coordinator's Name) Response</b>	<i>(Not applicable)</i>		
<b>E. Status</b>	<b><u>In compliance</u></b>		

**RISK MANAGEMENT**

**Requirement:** The project manages risks effectively throughout its design and implementation.

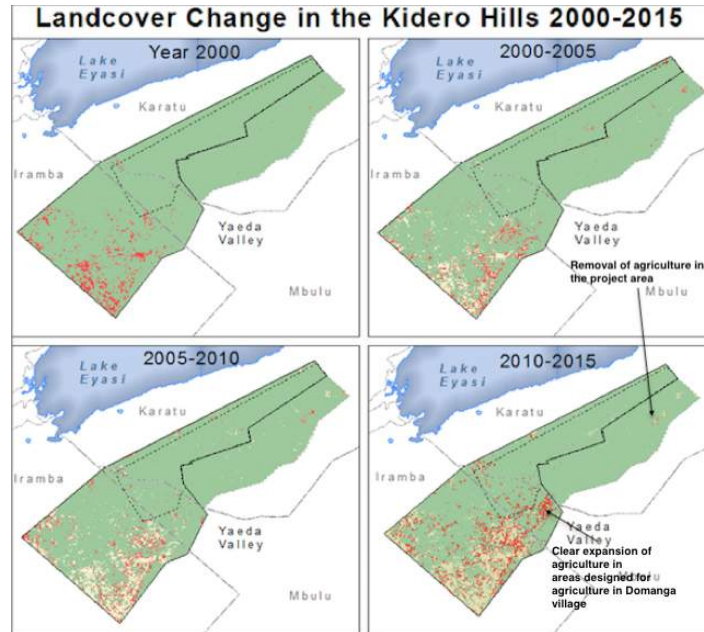
**Verification Questions: 2 and 4**

**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**)

**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 <b>(6.3)</b>			
<b>6.3</b> 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? <b>(6.3)</b>			
<b>A. Findings (describe)</b>	<p>6.1 Leakage can be defined as net changes of anthropogenic emissions by GHG sources that occur outside the project or program boundary, but are attributable to the project or program due to being displaced by project activities. The project acknowledges that it faces serious threat of deforestation for conversion to agriculture related activities by nomadic communities and by extensive grazing in non-designated areas by pastoral communities. One of the mitigation measure proposed by the PP is <i>“in partnership with UCRT the PP will continue to contract with agricultural specialists in sustainable agriculture to provide the neighboring villages with an alternative to continued land conversion”</i>. But the list of such measures initiated and its effectiveness verified by the PP is not evident for this MR period. So it is raised as CAR 02 Major.</p> <p>6.2 The project is applying a 20% risk buffer (non-permanence) against the climate benefit claimed, it is after the 10% leakage buffer on the carbon benefit. Since this approach was used in the validated project documents, which the project achieved during initial registration, the Verification team is convinced that the validated approach used for the verification is appropriate and hence accepted.</p> <p>6.3 The project maintains a buffer account to which 20% of total credits are allocated by the project.</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<p><b><u>CAR 02</u></b></p> <p>One of the Leakage mitigation measure proposed by the PP in the PDD is <i>“in partnership with UCRT the PP will continue to contract with agricultural specialists in sustainable agriculture to provide the neighboring villages with an alternative to continued land conversion”</i>. But the list of such measures initiated and its effectiveness verified by the PP is not evident for this Monitoring Report period, PP to address this concern raised.</p>		
<b>D. (Insert Project Coordinator's Name) Response</b>	<p>Leakage is addressed through a number of strategies</p> <p><b>1. Alleviating the threat of land encroachment = Land use planning</b></p> <p>Continued enforcement of Land-use plans by the community guards has helped keep agriculture within the areas designated as an agricultural area and importantly out of the reserved project and leakage area. Simultaneously our partners UCRT continue to implement land-use planning in the surrounding areas (notably in neighbouring Eshkesh) around Yaeda helping mitigate land</p>		

encroachment locally and within the larger landscape. UCRT has also begun physically demarcating the borders of different land-use area types with beacons around all the Yaeda Valley.



**Map showing agricultural expansion limited to areas demarcated for agriculture.**

## **2. Ref to training agriculturists in improved techniques and management**

Based on a FarmAfrica assessment and discussions with other experts and the local community Carbon Tanzania has decided to focus its agricultural program on these areas.

- Improved technique and access to production of high-yielding sorghum varieties as well as legumes
- Training by experts on how to locally produce fertilizers to improve soil health and thus yields
- Expert training on how to produce and use locally made and safe pesticides
- Create a hot-line where community members can call free of charge a qualified agricultural extension area, something unavailable locally
- To create a Swahili handbook for improved agriculture in the Yaeda valley focused on the aforementioned goals and techniques

## **3. Information about the engagement with FarmAfrica in July 2016**

	<p><b>and its outcome along with evidence.</b></p> <p>In July 2016 Farm Africa was tasked with doing a major evaluation of potential for agricultural improvement and production in the Yaeda Valley (the Yaeda Valley which includes the project villages of Mongo and Domanga along with neighbouring villages of Eshkesh and Endagunda). Ultimately the suggested actions were as follows. Initial efforts should probably focus on two grain crops and one legume: drought-tolerant maize, high yielding sorghum, and cow peas (or greengrams). These crop choices should be validated through discussions with farmers and adjusted to reflect local interests. Support would concentrate on four key areas:</p> <ul style="list-style-type: none"> <li>• Establishing reliable new seed sources of crop varieties appropriate to the area</li> <li>• Introducing fertilizer (pesticides are a lower priority)</li> <li>• Providing extension services on good agricultural practices</li> <li>• Developing farmers' understanding of crop markets</li> </ul> <p>Taking this into effect Carbon Tanzania began to develop its agricultural engagement strategy.</p> <p><u>This ongoing approach is documented in section A4. Of the 2016-2017 Annual Report and shown below;</u></p> <p>Our Yaeda manager has begun the situation analysis this year with the onset of the rains so we have a baseline to work with, agricultural success varies every year which requires us to engage with the question; 'What agricultural output is likely to provide the best outcomes for land and regular marketable produce'. Our participatory analysis from the areas under makazi (agriculture) is on target for the second trimester of 2016 and will be reported on in the next annual report. UCRT have also made a proposal to increase rangeland health within the project area working with neighbouring pastoralist communities, the output from this is again a focus on rangeland health. All of these approaches play a role in reducing the need to impact the current project area.</p> <p>Supporting documentation is available and has been provided.</p>
<b>E. Status</b>	<p>The explanation (Point 01: Alleviating the threat of land encroachment = Land use planning) provided by the project coordinator in response to mitigation of leakage is accepted by the verification team. During the on-site visit, and interaction with the UCRT and by visual observation it is confirmed that efforts to mitigate leakage exist in the project. Continuous engagement of neighbouring villages by UCRT was officially recognised during the site visit. It was observed that different land use plans in the project area are clearly demarcated by means of beacons, and the land use maps are displayed at the local govt</p>



	<p>offices/places of village gathering. Further, the submitted maps for the period 2000, 2000-05, 2005-10 and 2010-15 clearly supports the claim of the project activity (Map showing agricultural expansion limited to areas demarcated for agriculture).</p> <p>Since the points “2. <i>Ref to training agriculturists in improved techniques and management</i> 3. <i>Information about the engagement with FarmAfrica in July 2016 and its outcome along with evidence</i>” is an on-going activity, the verification team marks the finding CAR 02 as closed and opens Forward Action Request (<b>FAR</b>) <b>01 Minor</b> and recommends the activities/events to be verified in the next annual reporting or in the next verification event, as appropriate.</p> <p><b>FAR 01 Minor:</b> OUTSTANDING to be closed during next annual reporting period or by the next verification event.</p>
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PES AGREEMENT AND BENEFIT SHARING	
<b>Requirement:</b> project shares benefits equitably and transact ecosystem services benefits through clear PES Agreements with performance-based incentives.	
<b>Verification Questions: 1, 2 and 6</b>	
<p>7.1. Procedures for entering into a PES Agreement with participants are being applied correctly <b>(8.2)</b></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 <b>(8.3)</b></p> <p>7.3. PES Agreements are not removing, diminishing or threatening participant’s land tenure <b>(8.4)</b></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 <b>(8.8; 8.9; 8.10)</b></p> <p><b>7.5.</b> 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 <b>(8.12)</b></p>	
<b>A. Findings (describe)</b>	<p>7.1 The Plan Vivo 2013 Standard specifies that PES agreements signed between the project coordinator and project participants should address the following points: 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>7.2 Based on interviews conducted during the on-site visit, the audit team can confirm that the project participants are entering in to the PES agreement voluntarily with the informed consent of all the</p>

	<p>members of the community, local govt and UCRT etc.</p> <p><b>CAR 03 Minor PP to submit the signed PES agreement for all the community/villagers</b></p> <p>7.3 The project's PES agreements are not removing, diminishing or threatening participants' land tenure, in fact through CCRO the members know their rights and have their land tenure is secured – it is as per the standard and it is in compliance</p> <p>7.4 It is evident that fair and equitable sharing mechanism is in place by way of written agreement among the parties involved. The project does not involve cash disbursal, instead the amount is deposited in an account managed by the beneficiaries without the intervention of CT (project coordinator). Checks and balances are in place for the fund to reach the end beneficiary, during on-site interview with the PP/stakeholders it is observed that no dispute/complaint related to fund management has surfaced.</p> <p>7.5 The PP to demonstrate how the committed delivery % on average of the proceeds of sales of PVC is continuously met for the entire Monitoring Report period – this is raised as CAR 04 Major</p>		
<b>B. Conformance</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>C. Corrective Actions (describe)</b>	<p><b><u>CAR 03 Minor PP to submit the signed PES agreement copies for all the community/villagers for review.</u></b></p> <p><b><u>CAR 04 Major</u></b></p> <p>The PP to demonstrate how the committed delivery % on average of the proceeds of sales of PVC is continuously met for the entire Monitoring Report period</p>		
<b>D. (Insert Project Coordinator's Name) Response</b>	<p>58.4% of revenue has been paid is directly paid to communities after transaction costs, which include; bank charges (paid per transfer per account (4usd), transfer fees for M-Pesa (1usd). Excise duty is levied on bank charges 0.3%. Charges for collecting the revenue from the bank in Mbulu (the nearest town, 60km away) and delivering it to the communities is covered by CT.</p>		
<b>E. Status</b>	<p>The verification team has reviewed the PES agreement copies signed for all the three villages/communities participating in the project, and confirmed that the signed PES agreement is not removing, diminishing or threatening participant's land tenure. The terms of the PES agreement is clearly explained to the users and is accepted by them.</p> <p>Regarding the commitment to deliver at least 60% on average of the proceeds of the sales of Plan Vivo Certificates, the project coordinator CT has explained that 58.4% of revenue is paid directly to communities. The PlanVivo standard recommends a share of 60% to communities and requires CT to explain if it is not able to meet the said %. The operating costs of the project is also detailed in the annual</p>		

	<p>report submitted periodically to the Plan Vivo foundation, the reported 58.4% is after the transaction costs and also the costs incurred in collecting the revenue from bank. The verification team has reviewed the payment receipts and Payment minutes of meeting, also the Financial records – such as bank statements, annual financial statements, accountant records and project costs for the conformance.</p> <p>Though the reasons provided by the CT are found to be acceptable, the project coordinator should explore ways to bring down the transaction and other running costs of the project to the extent possible and maximise the share to the project communities.</p> <p><b><u>In compliance</u></b></p>
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## Audit Plan

Days	Activity performed
Day 1	<p>Audit team opening meeting with CT project team</p> <p>Document Review and Project Staff Interviews:</p> <ul style="list-style-type: none"> <li>• Baseline activities, maps;</li> <li>• Ownership/tenure, landowner MOU documents (e.g. contracts etc);</li> <li>• Legality and compliance;</li> <li>• Project activities and its implementation as per the validated PDD</li> </ul>
Day 2 to 4	<p><b><u>Activities performed cover villages of Mongo Wa Mono, Domanga and Yaeda Chini</u></b></p> <ul style="list-style-type: none"> <li>• Project area (REDD) site visit and data collection – related to presence of wild life species, land encroachment, boundary marking, tasks performed by VGS staff etc</li> <li>• Interaction with the village heads, community members and carbon payment beneficiaries, VGS and local government official etc</li> <li>• Meeting with Ujamaa Community Resource Team (UCRT)</li> </ul>
Day 5	<ul style="list-style-type: none"> <li>• Accounting staff – interview and document review related to financial sustainability and payments to beneficiaries;</li> <li>• Meet technical staff re forest management plan, inventory and analysis, carbon calculations, biodiversity monitoring;</li> <li>• Review of monitoring related documents and interview eg maps, GIS imagery etc</li> <li>• Review record keeping, database management</li> </ul> <p>Closing meeting with the CT project team:</p> <p>Discussion of preliminary audit related findings</p>

**ANNEX 1****VALIDATION TABLE**

**Description of Area to be validated:** *Not applicable, validation of Yaeda II is assessed in a separate validation report*

**Date of Validation:** *Not applicable*

**Technical Specification:** *Not applicable*

**Validation Findings:** *Not applicable*

<b>F. Findings (describe)</b>	<b>Not applicable</b>		
<b>G. Conformance</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>H. Corrective Actions (describe)</b>	<b>Not applicable</b>		
<b>I. (Insert Project Coordinator's Name) Response</b>	<b>Not applicable</b>		
<b>J. Status</b>	<b>Not applicable</b>		

**The Verifier: (Name in Capital Letters)**

**Signature:** Mr A PRABU DAS (Lead Auditor)  
Dr D SIDDARAMU (Auditor)

**Verification Final report Date:** 21/May/2018

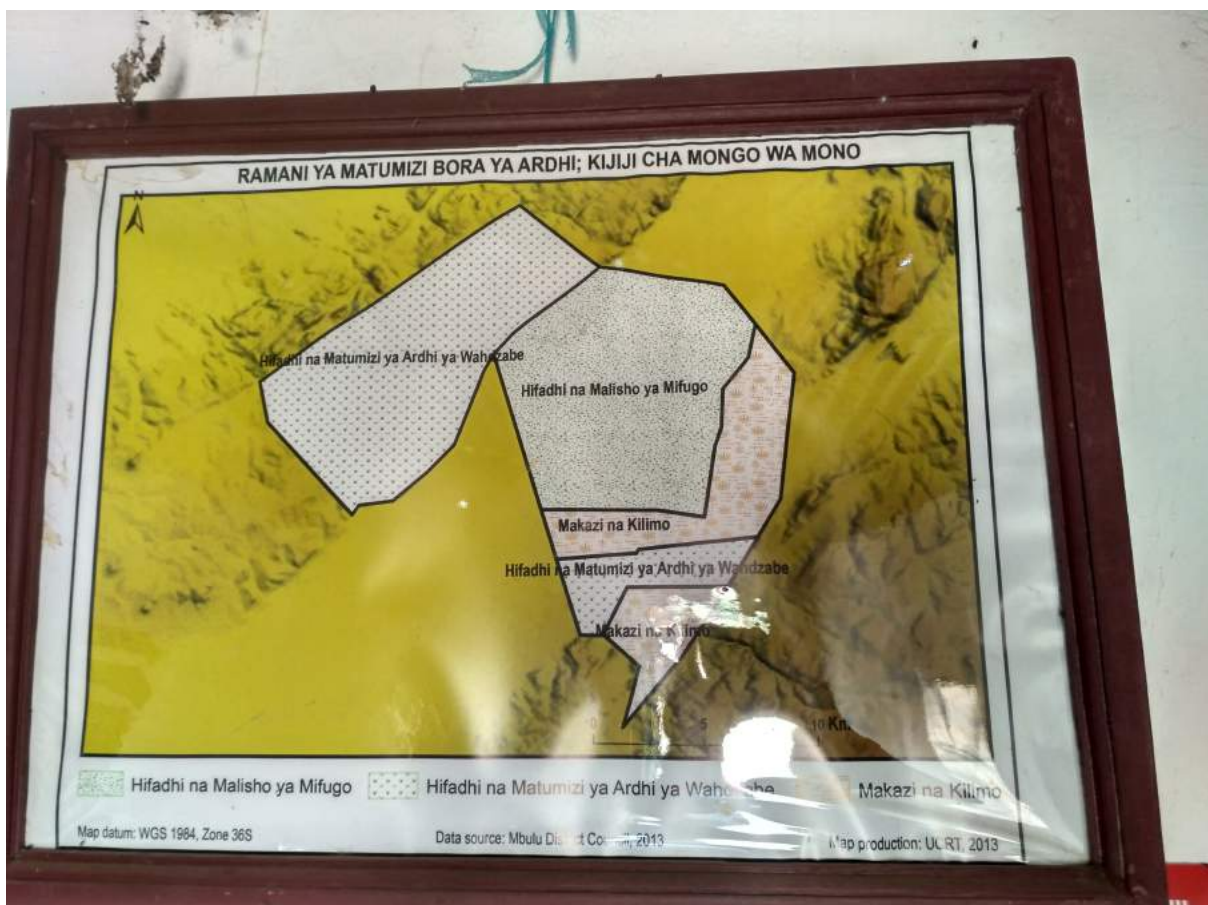
## **APPENDIX 1 -THE SITE VISIT PHOTOGRAPHS AND MAPS**













## **APPENDIX 2 Reference list**

1. Maps of project area – Land Use Planning, By laws
2. Maps of leakage – satellite imagery (Land cover Change 2000, 2000-05, 2005-10 and 2010-15)
3. Proof of land tenure
4. MoU with project partners – i) The Nature Conservancy and ii) The UCRT
5. Forest inventory data
6. CT and Village/communities contract
7. Records of payments – Payment receipts and Payment minutes of meeting
8. Biodiversity database
9. Community meeting records, payment meeting protocols
10. Records of community design – socio economic baseline results, community participation – photos and minutes
11. Local government letters related to the project activity
12. Carbon accounting calculation spread sheet
13. Remote sensing – Ground Sat images, Yaeda Landcover Change Analysis based on satellite imagery
14. Project monitoring database
15. Yaeda Project manager reports
16. Records of grievance mechanism
17. Financial records – bank statements, annual financial statements, accountant records and project costs
18. Training records – Monitoring protocols, Mammals monitoring, Financial training etc
19. Legal documents – Annual Return receipts, Certificate of Incorporation, Arusha City council approval etc
20. Tanzania Forest policy, The Forest Act – 2002, Community Based Forest Management Guidelines from MINISTRY OF NATURAL RESOURCES AND TOURISM, Tanzania
21. Annual reports of years 2012, 2013, 2014, 2015, 2016 (ending 31 Jan 2017)