Terms of Reference for Project Validation against the Plan Vivo Standard V4.0

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 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 the 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

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Appendix 2: Project Validation Report

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.

Name of Reviewers:

José Luis Fuentes	Project Manager	AENOR
Pablo Moreno Cerero	Team Leader under supervision	AENOR
Cecilia Pizzurno Maidana	Auditor under supervision	AENOR
Marcos Recio Blitz	Auditor under supervision	AENOR

Date of Review:

- November 10th, 2023 to March 24th, 2024

Project Name: *Ecosystem restoration and rehabilitation in degraded savannas in Mosquitia, Honduras*

Project Description:

Mosquitia is located on the Caribbean Sea and is *Honduras'* last large primeval forest area. It is inhabited by the indigenous Miskito people who traditionally live in harmony with nature. A large part of the forest in the area has disappeared through centuries of harvesting valuable timber, the most famous being Honduran mahogany, but there are several different species of trees in these forests.

The project is focus on ecosystem-assisted and natural restoration in the large tracts of land covered by degraded *Pinus caribaea* savanna.
Also, the project includes the planting of mahogany on the privately owned land circumscribing homesteads as a project component. The areas targeted for Mahogany tend to be closer to waterways where the soil is more fertile.

List of Principal documents reviewed:

- PDD of Ecosystem restoration and rehabilitation in degraded savannas in *Mosquitia, Honduras,*
- Commercial Registry of Paskaia AB in Sweden,
- Constitution of Paskaia *Honduras* S.A.,
- Laws of *Honduras*,
- Cooperation Agreement between Paskaia AB and Paskaia *Honduras* S.A.,
- Project Budget and Financial Plan of the project,
- Cooperation Agreement: Paskaia *Honduras* S.A. - MASTA, November 20, 2021,
- Agreements signed by both parties:
  Paskaia S.A. – Territorial Council Lainasta – December 3, 2021
  Paskaia S.A. – Territorial Council Truksinasta – December 7, 2021

- Curriculums of Paskaia *Honduras'* Team: President, Chief Executive Director, Administrator and head of human resources, Administrative Assistant and Local Coordinator,
- Curriculums of Paskaia AB' Team: Chairman, Chief Executive Director and Members,
- Material titled "Knowing our Territorial Councils well: *La Mosquitia*",
- Proposal for the Special Law on Forest Carbon Transactions for Climate Justice in *Honduras,*
- Information about Forestry Species: *Swietenia macrophylla* (mahogany), *Cedrela odorata* (cedro), and *Dalbergia retusa* (rosewood).

Visited sites:

All areas visited are located in Gracias a Dios Department, *Honduras:*

- Puerto Lempira,
- Tipí (Tipi Lalma, Tipi Muna, Lisagni Pura, Blibli Laya),
- Tikirraya.

List of individuals interviewed:

Neil Power	Researcher - Paskaia AB
Hilda Madrigales	Human Resources - Paskaia AB
Marvin Rodríguez	Chief Executive Director - Paskaia S.A.
Edson Macklin	Coordinator - Paskaia S.A.
Hecrinda Cooper	Beneficiary
Linneth Godfree Cooper	Beneficiary
Elvis Bultán	Beneficiary
Roberto Secrestan	Beneficiary
Salio Cooper	Beneficiary
Linda Pedrik	Beneficiary
Sangelina Nixo	Beneficiary
Aristidic Godfree	Beneficiary
Yolanda Bosen Reyes	Beneficiary
Arturo Godfree	Community Leader of Tikirraya
Floy Bosen	Beneficiary
Charles Alexander Wood	Community Leader of Bipklarka
Edgardo Rugama	Commune Council of Bipklarka
Remele Nixon M.	Commune Council of Blibli Laya
Rocelita Manicion	Commune Council
Karolina Wislauth	Member of Community
Yonila Goufri Flores	Member of Community
Diana Rugama	Substitute Assistant
Ermelina Rugama	Vice-President of the Community
Saida Rugama M.	Member of Community
Arelia Rugama M.	Secretary
Leocadi Rugama M.	Beneficiary
Rosi Ronas Alvarado	Beneficiary

Kiutilde Manuel	Member of the village
Elvalina Dani Miguel	Youth Directive
Nesmia Guinsares	Member of the village
Bartolo Sivias	Participant
Heran Sivias	Participant
Eldaricio Michel	Participant
Onex Dibli Dama	Visitor
Sobortino Williams	Visitor
Denerio López Rasión	Commune Council
Iquedo Mantein	Visitor
Gonzalo Hernan	Substitute Assistant
Dere López	Tipi Muna
Baltazar Niken	Evangelical Pastor of Blibli Laya
Hilario Nixon	Leader of Blibli Laya
Sólida Flore	Tipi Lalma
Llaquero Risah	Tipi Lalma
Jorge Paman Melauth	President of Wamakkisinasta – Auka
Danna Brown	Presidential Commissioner Environmental for *Islas de la Bahía,* Honduras

Description of field visit:

The field visit has been performed during the second and third week of October 2023. The auditor interviewed different stakeholders and had the opportunity to visit different places in order to verify the activities implemented. The verified sites were distributed in the Territorial Councils called Lainasta and Trusksinasta, Municipality of Puerto Lempira, Gracias a Dios Department.

The project's objective is to focus on ecosystem-assisted and natural restoration in the large tracts of land covered by degraded *Pinus caribaea* savanna and on *Swietenia macrophylla* (mahogany) plantation in the individual farms of the beneficiaries.

Validation Opinion:

AENOR has performed the validation of the *Ecosystem restoration and rehabilitation in degraded savannas in Mosquitia, Honduras* project and has verified that the project is in compliance with the Plan Vivo Standard V4.0. The project is located in Puerto Lempira, *Gracias a Dios* Department, *Honduras.*

The validation process was performed on the basis of all issues and criteria of the ToR. The conclusions of this report show that the project, as it was described in the project documentation, is in line with all requirements applicable for the validation.

The review of the project design documentation and additional documents; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to validate the fulfilment of the stated criteria.

AENOR audit team reproduced the spreadsheets of carbon calculation and considers that the estimations have been determined properly.

In AENOR's opinion, based on an examination of the evidence, there is nothing in the project to suggest that these assumptions do not provide a reasonable basis for forecasting the estimates.

Table 1. Summary of draft report major and minor Corrective Actions
(This chart shows the number of CARs previous to the first response from Paskaia AB)

Theme	Major CARs	Minor CARs	Observations
Governance	3	1	0
Carbon	6	4	0
Ecosystem	0	2	0
Livelihoods	2	3	0

Table 2 - Report Conformance

Theme	Conformance of Draft Report	Conformance of Final Report or Forward Actions Required
Governance	Yes	Yes
Carbon	No	Yes
Ecosystem	Yes	Yes
Livelihoods	Yes	Yes

Table 3– Summary of open Forward Actions

Forward Action Requirement (FAR)	Description	Process to Resolve	Time Frame to be Closed By
List the FAR number (and the CAR it relates to if not obvious)	*Describe the non-compliance*	*Describe how this is to be resolved and who the evidence should be submitted to for review*	*When should the FAR be closed by*
1	In the framework of requeriment 3.12. "*Project records kept under requirements 3.10 and 3.11 must be backed up regularly (at least every 3 months unless there has been no activity) and held in an independent location from the primary source, to protect against data loss".* During the site visit and after interviews with project staff the VVB found no evidence about back up of records of the project.	*Within one year, the PP will establish and implement a system for back up regularly records of the project. In order to resolve, the PP shall:* *• Periodic copies every three months, on external storage units.* *• Have the information on a server, from which the information will be shared with the entire organization (Paskaia) and stakeholders or those who are involved in the forest landscape restoration program in La Mosquitia.*	*Provide the report after year 1 of validation*

2	There is a requirement in the Plan Vivo Standard (2013) Section 8.1 ***"****Transaction of ecosystem services between the project coordinator and participants must be formalized in written PES Agreements, where participants agree to follow their plan vivo in return for staged, performance-related payments or benefits****".*** While reviewing PES agreements during on-site visit, the VVB noted that several agreements did not have signature and did not achieve with all Requirements stipulates in 8.2. of Plan Vivo Standard 2013**.**	*Project Coordinator and technicians will ensure update all PES agreements.* *During the first verification, the VVB should ensure all PES agreements between Paskaia and participants must comply with the requirement 8.2 of Plan Vivo Standard.*	*Provide the report after as evidence for the first verification.*
3	While reviewing PES agreements during on-site visit, the VVB noted that several agreements have gaps and did not achieve with all Requirements stipulates in 8.8, 8.9, 8.12 and 8.13 of Plan Vivo Standard 2013**.**	*Within one year, the project will update all PES agreements in accordance with Requirements* 8.8, 8.9, 8.12 and 8.13 of Plan Vivo Standard 2013.	*Provide the report after year 1 of validation*

Table 4– Assessments requested by reviewers from PDD and/or technical specification review process

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
		After assessing the project against the raised concerns, please include comments on whether any aspects of the project are non-compliant with the Plan Vivo Standard.	*Please write "none" if no correction actions required.*	*If corrective actions required, coordinator must provide response detailing changes made to address concerns.*	*(for validator) Has the coordinator's response resolved the concerns.*
3.12	*Project data sistematizad periodically*	During the on-site visit, it was found that the project does not comply with 3.12 *'Project records kept under requirements 3.10 and 3.11 must be backed up regularly (at least every 3 months unless there has been no activity) and held in an independent location from the primary source, to protect against data loss".*	AENOR requested evidence of how requirement 3.12 of the Standard will be addressed	*Because they did not have it systematized, Paskaia proposes to do:* • *Periodic copies every three months, on external storage units.* • *Have the information on a server, from which the information will be shared with the entire organization (Paskaia) and stakeholders or those who are involved in the forest landscape restoration program in La Mosquitia.*	*No, converted to FAR.*
3.4 *3.5* *3.6*	*Determination of* Technical capabilities	During the field visit, the CVs of the Director and Project Coordinator were reviewed. Other key CVs for project implementation remained pending.	*Update of CV of key people for the correct implementation of the Plan Vivo Project.*	*Provide documentation and* updated the CV of the Project Director	*Yes. CV were provided and information on implementers was updated in the PDD*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
4.14	*System for conflict resolution*	*According to requirement 4.14 of the Standard, the project needs "A robust grievance redressal system should be part of project design and should ensure that participants are able to raise grievances with the project coordinator at any given point within the project cycle, and that these grievances are dealt with in a transparent, fair, and timely manner. A summary of grievances received, the manner in which these are dealt with, and details of outstanding grievances must be reported to the Plan Vivo Foundation through the periodic reporting process."*	Provide evidence of established system for conflict resolution.	*Paskaia presents a policy that establishes provisions and rules to regulate the management of conflict resolution between Paskaia and its interest groups.*	*Yes, the PP presented a System for conflict resolution and that system was socialized with the participants.*
5.9	*Effective monitoring and reporting system*	During the on-site visit, conversations were held with the project team about the monitoring and reporting system. At that moment, it was under development based on the indicators included in Section "Part K Monitoring" of the PDD.	Provide the Monitoring Plan in compliance with all requirements 5.9.	*Paskaia provides the Monitoring Plan in compliance with all requirements of Plan Vivo and updated in the PDD.*	*Yes. The Monitoring Plan of the project was provided.*
5.18	*Accounting methodology*	The project needs to use "*An approved approach must be used to quantify initial carbon stocks and emissions sources and estimate how they are most likely to change over the project period, as part of the baseline scenario*".	Use an approved approach for every formula and equation used to define the baseline carbon pools in degraded Pine Savanna and Mahogany plantations	*Paskaia provided all the information on formulas and equations used to define the baseline carbon pools.*	*Yes. The PP used and approved approach to quantify initial carbon stocks and emissions sources.*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
5.5 *5.6*	*Project starting date, project period and crediting period clearly described and fully justified*	In the PDD the start date of the project, project period and crediting period are not clearly described.	Provide supporting documentation to substantiate: a- the project starting date, b- the project period; and, c- the crediting period, and, adjust the information in the PDD.	*Information with documentary support was provided by Paskaia and was updated in the PDD.*	*Yes. All supporting documentations was provided by the PP.*
5.2 *5.15*	*Sources used to calculate the Baseline*	The Plan Vivo Standard requires "*Sources of data used to quantify ecosystem services, including all assumptions and default factors, must be specified and as up to date as possible, with a justification for why they are appropriate."*	Provide the evidence of data source from every equation and parameters to define the baseline carbon pools in degraded Pine Savanna and Mahogany plantations	*Paskaia provided all the* evidence of data source.	*Yes. The PP provided all evidences.*
5.4	*Additionality of the Project*	Ecosystem services forming the basis of Plan Vivo projects must be additional i.e. would not have been generated in the absence of the project.	Provide documentary evidence of the project's additionality and Paskaia need to ensure that it does not have double counting with the VERRA 3294 project	*Paskaia submitted the evidence of additionality.*	*Yes. All information about additionality was provided by the PP.*
5.7 *5.8*	*Ecosystem Service Benefits calculations*	*An approved approach must be used to quantify ecosystem services generated by each project intervention compared to the baseline scenario.*	In the calculations, there are incongruences	*Paskaia changed the equation to calculate ecosystem services generated by the project and*	*Yes.*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
			between the figures and equations. Update the equations and update the calculations.	*updated the calculations in the spreadsheets.*	
6.4	*Permanence and Risk Management*	In requirement 6.4 the Standard mentions *"The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected"*	The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected.	Paskaia updated the level of risk buffer using an approved approach with supporting information (12.2%). The new risk level was included in the PDD.	*Yes. The PP presented information about* the level of risk (12,2%).
5.11 *5.19*	*The level of uncertainty and leakage of the project*	*Plan Vivo Standard requires:* *5.11 "Projects must identify and describe where uncertainty exists in quantifications of ecosystem services and estimate the approximate level or range of uncertainty. The level of uncertainty must be factored into the level of conservativeness applied in the accounting method for quantifying ecosystem services".* 5.19 "All potential sources of leakage and the location of areas where leakage could occur must be identified and any appropriate mitigation measures described".	Clarify the uncertainties identified for the Project and provide documentary support for the 5% of leakage calculation.	*Paskaia provided the required update.*	*Yes.*
5.14	*Avoid double counting of ecosystem services*	*To avoid 'double counting' of ecosystem services, project intervention areas must not be in use for any other projects or initiatives, including a national or regional level mandatory GHG emissions accounting*	Provide information about progress in the implementation of the Special Law on Forest Carbon Transactions	*Paskaia provided the required update.*	*Yes. The PP provides all information about "avoid double counting'*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
		program, that will claim credits or funding in respect of the same ecosystem services, unless a formal agreement is in place with the other project or initiative that avoids double-counting or other conflicting claims, e.g. a formal nesting agreement with a national PES scheme.	for Climate Justice and information about: MUSKITIA PÂSA KLÎN NÂKA SA – ID VERRA 3294 (https://registry.verra.org/app/projectDetail/VCS/3294).		
5.9	*Monitoring plan for each project intervention*	During the field visit, the auditor observed that the team lead by Paskaia AB was working in a Monitoring Plan in accordance with the proposal in "Part K Monitoring" of the PDD	Provide the Monitoring Plan in compliance with all requirement 5.9.	*Paskaia submitted the final version of the Monitoring Plan with the requirements stipulated by Plan Vivo.*	*Yes. The PP provided a complete Monitoring Plan.*
4.9	*Plan Vivos*	During the project area visit, the auditor confirmed, through interviews with the participants from Lainasta and Truksinasta, that the families worked on the *Planes Vivos* of their farms under the leadership of Paskaia AB. However, those Planes were not shared with the project participants.	Provide a copy of each of the *Planes Vivos* approved by the Project Director	*The Planes Vivos, agreements between Paskaia and the landowners, were submitted by Paskaia.*	*Yes, the Miskitos have access to their Plan vivo in an appropriate format and language.*
2.2	*Identification of ecosystem and biodiversity benefits and mitigation measures.*	*"Project interventions must be designed to maintain or enhance biodiversity and any threats to biodiversity caused by the project intervention must be identified and mitigated".*	Submit the environmental monitoring plan with defined indicators to assess impacts on the ecosystem and biodiversity throughout the project	*Paskaia submitted the environmental monitoring plan with the indicators to assess impact on the ecosystem and biodiversity throughout the Project.*	*Yes.*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
2.4	*Planting native and naturalized species*	*In the field it was found that the project only uses native species in the plantations.*	---	---	---
4.1 – 4.4	*Community-led planning*	*The Standard Plan Vivo requires that "A voluntary and participatory planning process must take place to identify project interventions that address local needs and priorities and inform the development of technical specifications*	Provide evidence of the voluntary and participatory planning process developed in Lainasta and Truksinasta	*Paskaia* provides substanial evidence of voluntary participation in the planning process.	*Yes.*
7.2	*Livelihoods impacts*	The Project Proponent conducted an evaluation of the socio-economic impact. During the field visit, the participants were unable to confirm whether they were involved in the participatory evaluation.	Provide documentary evidence of the evaluation process of the socio- economic impact conducted in a participatory manner in accordance with section 7.2 from the Plan Vivo Standard	*Paskaia provides documentary evidence of the evaluation process of the socio-economic impact. Also, includes socio-economic impact assessment in section 11.3 in the PDD*	*Yes.*
7.4	*Socio-economic impact assessment/monitoring plan*	During the validation visit it was observed that the team lead by Paskaia AB was working in a Monitoring Plan.	Provide the socio-economic impact assessment/monitoring plan of the project and the information on how the monitoring results will be shared and discussed with participants.	*Paskaia provides information on how the monitoring results will be shared and discussed with participants considering the real circumstances of the natives Miskitos*	*Yes.*

Relevant requirements within Standard	Description of concern	Validator comments	Corrective actions (if any)	Coordinator response	Resolved?
8.2	*Sale agreements and payments*	On the occasion of validation, documents were reviewed that demonstrate Paskaia S.A. has formalized agreements with various Miskito organizations, and for the signing, the application of the principals of free, prior and consent. But, the agreements did not have all the points required by the Standard.	AENOR requested all the agreements signed by Paskaia and the other interested parties and assessed the compliance with the PV Standard V4.0.	*Paskaia submitted the signed agreements for evaluation as part of the response to the rounds of findings raised by the audit team.*	*No, converted to FAR because several agreements did not have signature and did not achieve with all Requirements stipulates in 8.2. of Plan Vivo Standard.*
8.8, 8.9, 8.12 and 8.13	*Benefit sharing and equity*	The PP must develop projects that share benefits equitably and transact ecosystem service benefits through clear PES Agreements with performance-based incentives	AENOR requested all the agreements signed by Paskaia and the other interested parties.	*Paskaia submitted the signed agreements for evaluation as part of the response to the findings raised by the audit team.*	*No, converted to FAR because* the VVB noted that several agreements have gaps and did not achieve with all Requirements stipulates in 8.8, 8.9, 8.12 and 8.13 of Plan Vivo Standard 2013**.**

Theme	1. Effective and Transparent Project Governance
Ensuring that the project meets requirements 3.1-3.16 of the Plan Vivo Standard (2013)	
A. Requirement	**1.1 Administrative capabilities** Is there a legal entity place that has the sufficient capacity and a range of skills to implement all the administrative requirements of the project? Aspects of the project coordinator and management may include: 1.1.1 A legal entity (project coordinator) that is able to take the overall responsibility for the project and meet the requirements of the PV standard during the length of the project. 1.1.2 If there are multiple organizations coordinating the project, are the responsibilities of each body clearly defined? 1.1.3 Standard sale agreement templates for the provision of carbon services 1.1.4 The project coordinator must have the capacity to support participants in the design of project interventions, develop correct participatory relationship for ongoing support as needed in the project. 1.1.5 Identify relevant local/national or international regulations that can impact the project. 1.1.6 All necessary legal permissions to carry out the intended project activities. 1.1.7 Must have legal capacity to enter into PES agreements to manage the payments for ecosystem services. A project budget and financial plan must be developed and updated at least every 3 months. And demonstrate the adequate funds have been secured. 1.1.8 Must keep records of all Plan Vivos submitted by participants, PES agreements, monitoring results and all PES disbursed to participants. 1.1.9 The records must be backed up at least every 3 months unless there is no activity. 1.1.10 Mechanisms for participants to discuss issues associated with the design and running of the project. Participants must be assisted by the project coordinator to identify secure and legal permissions to carry out project interventions. 1.1.11 Procedures for addressing any conflicts that may arise. 1.1.12 If the project coordinator is changed, it requires approval of the PV Foundation. 1.1.13 Ability to produce reports required by Plan Vivo on a regular basis and communicate regularly with Plan Vivo.
B. Guidance Notes for Validators	Organizational and administrative capacity may be demonstrated through: • A record of managing other projects - especially those involving the receipt, safeguarding and management of funds and disbursement of these to smallholders/community groups • 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. • The views of others who have worked with the organisation in the past (such as government, other project partners or other NGOs) • A visibly efficient and functioning office with all necessary staff.
C. Findings	According to Sections 3.2, 3.10 and 3.15 of Plan Vivo Standard V4: *3.2 If coordinating functions are delegated or shared between the project coordinator and another body or bodies, the responsibilities of each body must be clearly defined and*

	formalised in a written agreement, e.g. Memorandum of Understanding, which must be kept up-to-date as the project progresses. *3.10 A project budget and financial plan must be developed by the project coordinator and updated at least every three months, including documentation of operational costs and PES disbursed, and funding received, demonstrating how adequate funds to sustain the project have been or will be secured.* *3.15. Persons employed as part of the project must not be below the age of 15.* In section "I1 The Project's Organisational Structure" of the PDD, it mentions: Governance level 1: The project developer. Paskaia Sweden (see annex 8 Agreement between Paskaia Sweden and Paskaia Honduras) is responsible for coordinating the project. The annex 8 provided by the PROJECT PROPONENT is the List of Plan Vivos on Private Land, TRUKTSINASTA & LAINASTA. Other annexes submitted before the audit do not match the designations in the PDD. During the on-site visit, it was found that the project does not comply with 3.12 *'Project records kept under requirements 3.10 and 3.11 must be backed up regularly (at least every 3 months unless there has been no activity) and held in an independent location from the primary source, to protect against data loss".*		
D. Conformance	Yes X	No ☐	N/A ☐
E. Corrective Actions	<u>**First round of findings:**</u> November 10th, 2023 **Major CAR:** Please, provide further supporting documentation for:: ♣ Document that demonstrates the functions and clear responsibilities between Paskaia AB and Paskaia S.A., ♣ Records of all Plan Vivos submitted by participants, ♣ Document supporting the expertise of Paskaia AB and Paskaia S.A., ♣ Records of Persons employed since the beginning of activities, ♣ Budget and financial plan of the last quarter. Furthermore, correct the denomination of all annexes in the PDD and submit the correct documents to the audit team. Please, provide evidence of how requirement 3.12 of the Standard will be addressed. <u>**Second Round of Findings:**</u> February 22nd, 2024 **Major CAR:** Please, the audit team requires: ♣ Document supporting the expertise of Paskaia AB (CV) and Paskaia S.A. (CV) ,		

<table>
<tr>
<td></td>
<td>♣ Records of all contracts of people employed by Paskaia S.A. (Director, Administrator, Assistant Administrator, Local Coordinator, Local Technicians) within the framework of the project "Ecosystem restoration and rehabilitation in degraded savannas in Mosquitia, Honduras" since the beginning of activities.
♣ Provide the project budget and financial plan enveloped by the project and all updates made every three months during the life of the project.
♣ Correct the naming of all annexes in the PDD and submit the correct documents to the audit team.</td>
</tr>
<tr>
<td>F. PASKAIA S.A. Response</td>
<td>Below, Paskaia S.A. submits the following supporting documents in response to the Findings.

<u>First round of findings:</u> January 18th, 2024

♣ Functions and responsibilities between Paskaia AB and Paskaia S.A. are available at <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.1.1
♣ Records of all Plan Vivos are available at <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.1.2
♣ See about expertise of Paskaia AB and Paskaia S.A. in the following link: <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.2
♣ Records of persons employed since the beginning of activities, see <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.1.4
♣ Budget and financial plan of the last quarter. See <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.1.5
♣ The denomination of all annexes in the PDD have been corrected.
♣ About requirement 3.12 of the Plan Vivo Standard, please, see <u>https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M</u> 1.1.6

<u>Second Round of Findings:</u> March 24th, 2024

♣ Document supporting the expertise of Paskaia AB (CV) and Paskaia SA (CV). See document 1.1.1 in <u>English</u> and <u>Spanish</u>
♣ Records of all contracts of people employed by Paskaia SA (Director, Administrator, Assistant Administrator, Local Coordinator, Local Technicians) within the framework of the project "Ecosystem restoration and rehabilitation in degraded savannas in Mosquitia, Honduras" since the beginning of activities are available at folder 1.1.2 in <u>English</u> and <u>Spanish</u>
♣ The project budget and financial plan enveloped by the project and all updates made every three months during the life of the project are available at folder 1.1.3 in <u>English</u> and <u>Spanish</u>
♣ The naming of all annexes in the PDD have been corrected.</td>
</tr>
<tr>
<td>G. Forward Actions</td>
<td>For the first verification, please, ensure an established system for back up of project' records.

<table>
<tr><th>Forward Action</th><th>Why Unresolved</th><th>How to resolve</th></tr>
<tr><td>Yes</td><td>According to the requirement 3.12. Project records kept under requirements 3.10 and 3.11 must be backed up regularly (at least every 3 months unless there has been no</td><td>Establish and implement a system for back up regularly records of the project. Implementation</td></tr>
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<table>
<tr><td></td><td colspan="2"></td><td>activity) and held in an independent location from the primary source, to protect against data loss.</td><td colspan="2">before the first verification event, the VVB in charge of the verification shall make sure that the system is implemented and complies with the requirements of the standard.</td></tr>
<tr><td>H. Status</td><td colspan="5">CONVERTED TO FORWARD ACTION</td></tr>
<tr><td>A. Requirement</td><td colspan="5">1.2 Technical capabilities
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?</td></tr>
<tr><td>B. Guidance Notes for Validators</td><td colspan="5">Technical capabilities may be determined through:
• Discussions with project staff who should be able to define clearly who is responsible for the provision of technical support.
• 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
• Feedback from farmers/communities who have been supported in the past.
• On-site evidence of project activities (possibly from other projects) that have benefited from technical support.</td></tr>
<tr><td>C. Findings</td><td colspan="5">During the field visit, the CVs of the Director and Project Coordinator were reviewed. Other key CVs for project implementation remained pending.

Interviews were also conducted with community members, who expressed compliance with the technical expertise provided by the project.</td></tr>
<tr><td>D. Conformance</td><td colspan="2">Yes [X]</td><td>No [ ]</td><td colspan="2">N/A [ ]</td></tr>
<tr><td>E. Corrective Actions</td><td colspan="5"><u>First Round of Findings</u>: November 10th, 2023

Minor CAR:

Please,
♣ Provide the CVs of Magnus Bergström, Stina Powell and Neil Powell.
♣ Provide the CV of Hilda Madrigales and the supporting documents about her marine biology and ecotourism background.

Furthermore, in the Section of Project Coordination and Management of the PDD, update the CV of the Project Director.</td></tr>
<tr><td>F. PASKAIA S.A. Response</td><td colspan="5">Below, Paskaia S.A. submits the following supporting documents in response to the AENOR's Findings.

<u>First round of findings:</u> January 18th, 2024</td></tr>
</table>

	♣ CVs of Magnus Bergström, Stina Powell and Neil Powell are available at https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M folder 1.2 ♣ Hilda Madrigales's CV and the supporting documents about her marine biology and ecotourism background are available at https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M folder 1.2 ♣ Marvin Rodriguez's CV is available at https://drive.google.com/drive/folders/1TU4hflIA3fAJI4hlH5GxtUuyivtmPe3M folder 1.2
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**1.3 Social capabilities** 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: 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 Undertake the stakeholder analysis to identify communities/organizations. 1.3.3 Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services. 1.3.4 Local groups/communities that can demonstrate effective self-governance and decision-making. 1.3.5 Well-established and effective participatory relationships between producers and the project coordinator. 1.3.6 Community members, including women and members of marginalised groups must have opportunities to be employed by the project, where job requirements are met. 1.3.7 Demonstrated ability to establish land-tenure rights through engaging with producers/communities and other relevant organisations. 1.3.8 Ability to consult with and interact with producers/communities on a sustained basis through participatory 'tools' and methods. 1.3.9 Established system for conflict resolution.
B. Guidance Notes for Validators	Social capabilities may be determined through: • Records/minutes/photographs of community meetings and training workshops etc. • Project staff able to explain (in line with PDD) how land tenure is checked by the project. • 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. • 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. • Meetings held with specific target groups e.g. women, socially disadvantaged etc.
C. Findings	According to the requirements 3.13 & 3.14 of the Standard:

	Community members, including women and members of marginalised groups, must be given an equal opportunity to fill employment positions in the project where job requirements are met or for roles where they can be cost-effectively trained. *Where participants or other community members are given employment opportunities through the project, the project coordinator must identify relevant laws and regulations covering workers' rights in the host country and ensure the employment arrangements meet or exceed those requirements.* On the other hand, it was observed that the participants are not adequately informed about the Plan Vivo System and the nature of carbon and ecosystem services. And, the project does not count with an Established system for conflict resolution.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**First Round of Findings:** November 10th, 2023 **Major CAR:** Please, ♣ Provide information of all Territorial Councils of *La Mosquitia*. ♣ Provide stakeholder analysis to identify communities. ♣ Provide evidence of the incorporation of women and members of marginalised groups in the groups of foresters and the control rounds in the *Pinus caribaea* savanna. ♣ Demonstrate compliance with labor laws within the framework of the Labor Code of Honduras and include it in the PDD in the section "I3 Legal Compliance". Please, provide evidence of how the requirement 1.3.3 *"Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services"* will be addressed. Please, provide evidence of how the requirement 1.3.9 *"Established system for conflict resolution"* will be addressed. **Second Round of Findings:** February 22nd, 2024 **Major CAR:** Please, ♣ Provide documentary evidence of the process stakeholder analysis to identify the three communities. Documentary evidence may consist, but it is not limited to: evidence of call for meeting, attendance lists and minutes. Evidence is required. ♣ Provide the project's hiring policy that includes the incorporation of women and members of marginalized groups in the foresters groups and the control rounds in the Pinus caribaea savanna. ♣ Provide documentary support for compliance with articles 391 and 392 of the Labor Code of Honduras.

	♣ Evidence from the process of how the requirement *"Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services"* will be addressed. Documentary evidence may consist, but it is not limited to: evidence of call for meeting, attendance lists and minutes. Evidences are required. ♣ *Considering the circumstances of isolation of the Miskito, demonstrate the assurance process for well-informed about the Plan Vivo System and the nature of carbon and ecosystem services.* ♣ *Provide evidence of "Established system for conflict resolution". Requirement 4.14 stipulates "A robust grievance redressal system should be part of project design, and should ensure that participants are able to raise grievances with the project coordinator at any given point within the project cycle, and that these grievances are dealt with in a transparent, fair, and timely manner. A summary of grievances received, the manner in which these are dealt with, and details of outstanding grievances must be reported to the Plan Vivo Foundation through the periodic reporting process."*
F. PASKAIA S.A. Response	Paskaia S.A. submits the following supporting documents in response to the Findings. **First round of findings:** January 18th, 2024 ♣ Information of all Territorial Councils of *La Mosquitia*: Please See Table 1 in the PDD. Here we have included the three territiorial councils that the project is working in Lainasta, Truktsinasta and Wamakklisinasta. ♣ Stakeholder analysis to identify communities are available at Table 9 in PDD. See 1.3.2A https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H for additional information about the stakeholder analysis process. ♣ Information about incorporation of women and members of marginalised groups in the groups of foresters and the control rounds in the *Pinus caribaea* savanna are available at https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H 1.3.3 ♣ Compliance with labor laws within the framework of the Labor Code of Honduras and include it in the PDD in the section "I3 Legal Compliance" are available at https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H 1.3.4 ♣ Evidence of the implementation of requirement 1.3.3 "Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services" are available at https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H 1.3.6 ♣ Evidence of how the requirement 1.3.9 *"Established system for conflict resolution"* will be addressed are available at https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H 1.3.5 **Second Round of Findings:** March 24th, 2024 ♣ Documentary evidence of the process stakeholder analysis to identify the three communities are available at folder 1.3.1 in English and Spanish. ♣ The project's hiring policy that includes the incorporation of women and members of marginalized groups in the foresters groups and the control rounds in the *Pinus caribaea* savanna are available at folder 1.3.2 in English and Spanish. ♣ Documentary support for compliance with articles 391 and 392 of the Labor Code of Honduras are available at 1.3.3 in English and Spanish.

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Evidence of the process of how the requirement “Groups/communities that are well-informed about the Plan Vivo System and the nature of carbon and ecosystem services” are addressed with Miskitos are available at folder 1.3.4 in English and Spanish.
The assurance process for well-informed about the Plan Vivo System and the nature of carbon and ecosystem services are available at folder 1.3.5 in English and Spanish. Also see the Plan Vivo translated into miskito.
The evidences of compliance of Requirement 4.14 “A robust grievance redressal system should be part of project design, and should ensure that participants are able to raise grievances with the project coordinator at any given point within the project cycle, and that these grievances are dealt with in a transparent, fair, and timely manner. A summary of grievances received, the manner in which these are dealt with, and details of outstanding grievances must be reported to the Plan Vivo Foundation through the periodic reporting process” are available at 1.3.6 in English and Spanish.

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<tr><td>G. Forward Actions</td><td>NONE</td></tr>
<tr><td>H. Status</td><td>CLOSED</td></tr>
<tr><td>A. Requirement</td><td>1.4 Monitoring and Reporting capabilities

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? The annual reports will need to:

Accurately report progress, achievements and problems experienced.
Transparently report sales figures and demonstrate resource allocation in the interest of target groups.

</td></tr>
<tr><td>B. Guidance Notes for Validators</td><td>Monitoring and reporting systems and capabilities may be determined through:

Staff and participating communities able to explain the monitoring system (how each of the indicators in the PDD will be monitored).
Records of any monitoring already undertaken e.g. baselines or other information.
Project staff showing an understanding of the importance of annual reporting to Plan Vivo as a requirement for issuance of certificates.
Demonstrated ability to produce simple reports (e.g. for other projects).

</td></tr>
<tr><td>C. Findings</td><td>During the on-site visit, conversations were held with the project team about the monitoring system. At that moment, it was under development based on the indicators included in Section “Part K Monitoring” of the PDD.</td></tr>
<tr><td>D. Conformance</td><td>Yes [X]   No [ ]   N/A [ ]</td></tr>
<tr><td>E. Corrective Actions</td><td><u>First Round of Findings</u>: November 10th, 2023

Major CAR:

Please,

Provide the finalized Monitoring Plan.
Submit supporting documentation about the reporting system to provide annual reports to the Plan Vivo.
Communication mechanism with Project participants to socialize the Monitoring Plan.

</td></tr>
</table>

	♣ Provide evidence of the mechanism for sales figures and resource allocation in the interest of target groups. **Second Round of Findings:** February 22nd, 2024 **Major CAR:** ♣ Provide the Monitoring Plan in compliance with all requirement 5.9. Points missings: *5.9.3. Frequency of monitoring* *5.9.4. Duration of monitoring* *5.9.6. Resources and capacity required* *5.9.7. How communities will participate in monitoring, e.g. by training community members and gradually delegating monitoring activities over the duration of the project* *5.9.8. How results of monitoring will be shared and discussed with participants* ♣ Communication mechanism with Project participants to socialize the Monitoring Plan.
F. PASKAIA S.A. Response	Paskaia S.A. submits the following supporting documents in response to the Findings. **First round of findings:** January 18th, 2024 ♣ Monitoring Plan is available at part K in PDD. ♣ Supporting documentation about the reporting system to provide annual reports to the Plan Vivo Standard is available at https://drive.google.com/drive/folders/1Nu1_9QIU7H5pY8h03UJd0QQMv511zu0u 1.4.2 ♣ Communication mechanism with Project participants to socialize the Monitoring Plan. See section 11.4 in PDD ♣ Evidence of the mechanism for sales figures and resource allocation in the interest of target groups, please, see https://drive.google.com/drive/folders/1Nu1_9QIU7H5pY8h03UJd0QQMv511zu0u 1.4.4 **Second Round of Findings:** March 24th, 2024 ♣ Monitoring Plan in compliance with all requirement 5.9 are provided. See document 1.4.1 in English and Spanish ♣ See document 1.4.2 and 1.4.2 –B in English and Spanish about communication mechanism with Project participants to socialize the Monitoring Plan.
G. Forward Actions	*NONE*
H. Status	*CLOSED*

Theme	2. Carbon Benefits		
Ensuring that the project meets requirements 5.1-5.20 and 6.1-6.4 of the Plan Vivo Standard (2013)			
A. Requirement	**2.1 Accounting methodology and applicability conditions** • Have the carbon benefits been calculated using recognised carbon accounting methodologies and/or approved approaches and are the estimates of carbon uptake/storage conservative and credible enough to take into account risks of leakage and reversibility? • Are the applicability conditions appropriate for the planned intervention? • Have the project activities for each intervention been adequately described? • Are the activities likely to result in achievement of the intervention?		
B. Guidance Notes for Validators	Check the carbon accounting methodology used including: • The level of understanding of the methodology used amongst technical project staff • Whether all references and sources of information are available (include copies with the validation report if possible) • 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? • Are local experts able to comment on the accounting methodology and on the sources of information used?		
C. Findings	According to Section 5.18 of Plan Vivo Standard V4: For Section G4, "*An approved approach must be used to quantify initial carbon stocks and emissions sources, and estimate how they are most likely to change over the project period, as part of the baseline scenario*".		
D. Conformance	Yes [X]	No [ ]	N/A [ ]
E. Corrective Actions	**First Round of Findings**: November 10th, 2023 **Major CAR:** Please, use a approved approach for every formula and equation which are stated in Part "The parameters and methodology used to define the baseline carbon pools in degraded Pine Savanna": ♣ DBH and Height. ♣ Volume estimation. ♣ Biomass estimation. ♣ Calculation of Carbon in biomass. ♣ CO_2 Calculation. Please, use a approved approach for every formula and equation which are stated in Part "The parameters and methodology used to define the reference carbon pool in Mahogany plantations": ♣ Projection of growth of the DBH in Mahogany. ♣ Volume Calculation.		

	♣ Biomass calculation: Stem, Branch and Root. ♣ Calculation of Carbon. ♣ Calculation of Carbon Dioxide CO_2.
F. PASKAIA S.A. Response	**<u>First Round of Findings</u>:** January 18th, 2024 The following issues are updated. Please, see 2.1: ♣ DBH and Height. ♣ Volume estimation. ♣ Biomass estimation. ♣ Calculation of Carbon in biomass. ♣ CO_2 Calculation. "The parameters and methodology used to define the reference carbon pool in Mahogany plantations" are updated. Please, see 2.1 ♣ Projection of growth of the DBH in Mahogany. ♣ Volume Calculation. ♣ Biomass calculation: Stem, Branch and Root. ♣ Calculation of Carbon. ♣ Calculation of Carbon Dioxide CO_2.
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**2.2 Project Period** • Have the project starting date, project period and crediting period been clearly described and are they fully justified?
B. Guidance Notes for Validators	Check the crediting period using the following documents: Schedule of the project, contract of the start date and/or implementation plan.
C. Findings	In the PDD the start date of the project, project period and crediting period are not clearly described.
D. Conformance	Yes [X] No [ ] N/A [ ]

D. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Major CAR:** ♣ Please, provide supporting documentation to substantiate: a- the project starting date, b- the project period; and, c- the crediting period. ♣ Adjust the information in section "G3 Project Period" of the PDD. **<u>Second Round of Findings</u>:** February 22nd, 2024 **Major CAR:** Please, provide supporting documents to fully justified: a- the project starting date: The date on which activities are implemented on the initial group of plan vivos (management plans) in the project b- the project period: The length of time the project coordinator commits to supporting and monitoring project activities. c- the crediting period: The length of time over which carbon services are calculated. And, finally, adjust the information in section "G3 Project Period" of the PDD.
E. PASKAIA S.A. Response	**<u>First round of findings:</u>** January 18th, 2023 Paskaia S.A. are provided documentation about: a- the project starting date, b- the project period; and, c- the crediting period. Please see G3 in PDD The information in section "G3 Project Period" of the PDD was updated. **<u>Second Round of Findings:</u>** March 24th, 2024 • Please, see documents to fully justified: a- the project starting date: The date on which activities are implemented on the initial group of plan vivos (management plans) in the project b- the project period: The length of time the project coordinator commits to supporting and monitoring project activities. c- the crediting period: The length of time over which carbon services are calculated. See document 2.2. 1 – 3 in <u>English</u> and <u>Spanish</u> The information in section "G3 Project Period" of the PDD was updated.
F. Forward Actions	*NONE*
G. Status	*CLOSED*

A. Requirement	**2.2 Baseline** • Are the carbon benefits of the project measured against a clear and credible carbon baseline (for each project intervention)? • Has evidence been provided to show that the project area has not been negatively altered prior to the project for the purposes of claiming PES payments? • Are baseline conditions adequately described? • Are the estimates of carbon stocks under baseline conditions reasonable? • Have all data sources used to be identified? If not, indicate other available data sources could improve the baseline estimates of carbon stocks?		
B. Guidance Notes for Validators	Check the baseline scenario in the technical specifications of the PDD: • Check that baseline measurements have been carried out and information properly recorded • 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) • Check for evidence of recent disturbance on sites and compare against conversations with land owners and neighbours to determine if sites have recently been altered.		
C. Findings	According to Section 5.2 of Plan Vivo Standard V4: For Section G4, "*Sources of data used to quantify ecosystem services, including all assumptions and default factors, must be specified and as up-to-date as possible, with a justification for why they are appropriate.*" In the Spreadsheet, some evidence is missing.		
D. Conformance	Yes X	No ☐	N/A ☐
E. Corrective Actions	<u>**First Round of Findings**</u>: November 10th, 2023 **Major CAR:** Please, provide the evidence of data source from every equation and parameters which are stated in Part "The parameters and methodology used to define the baseline carbon pools in degraded Pine Savanna": ♣ DBH and Height. ♣ Volume estimation. ♣ Biomass estimation. ♣ Calculation of Carbon in biomass. ♣ CO_2 Calculation. Please, provide the evidence of data source from every equation and parameters which are stated in Part "The parameters and methodology used to define the reference carbon pool in Mahogany plantations": ♣ Projection of growth of the DBH in Mahogany. ♣ Volume Calculation. ♣ Biomass calculation: Stem, Branch and Root. ♣ Calculation of Carbon. ♣ Calculation of Carbon Dioxide CO_2.		

	In the spreadsheet, provide evidence for: density both for *Pinus caribaea* and *Swietenia macrophylla* (mahogany) (Arb/ha and kg/m^3). **Second Round of Findings:** February 22nd, 2024 **Major CAR:** ♣ In the spreadsheet, provide evidence for density of *Pinus caribaea* and *Swietenia macrophylla* (mahogany) in kg/m^3.
F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 Please, see the evidence of data source from every equation and parameters which are stated in Part "The parameters and methodology used to define the baseline carbon pools in degraded Pine Savanna" that are available at section 7.1 in PDD. Please, see the evidence in section 7.2 in the PDD about data source from every equation and parameters which are stated in Part "The parameters and methodology used to define the reference carbon pool in Mahogany plantations" In the spreadsheet are provided evidence for *Pinus caribaea* and *Swietenia macrophylla* (mahogany)'s densities (Arb/ha and kg/m^3). Please, see Tables 15 and 16 in the PDD. **Second Round of Findings:** March 24th, 2024 • In the spreadsheet was provided evidence for densities of *Pinus caribaea* and *Swietenia macrophylla* (mahogany) in kg/m3. The value was removed from PDD. Please, see folder 2.3 in English and Spanish. • The clarification of how "Density Trees" has been calculated for the *Pinus caribaea* savanna are available at document 2.3.4 in English and Spanish. Also see equations on page 79 of the document "Chapter 8 Tatascán Magazine". The information was updated in the PDD.
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**2.3 Additionality** • Are the carbon benefits additional to those that would anyway be required under law or regulations? • Does generation of the ecosystem service benefits (carbon benefits) depend solely on implementation of the activities by the project or would these benefits have been generated anyway? • Will activities supported by the project happen without the availability of carbon finance?
B. Guidance Notes for Validators	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. Also, assess whether without project funding there are social, cultural, technical, ecological or institutional barriers that would prevent project activities from taking place.

<table>
<tr><td>C. Findings</td><td colspan="3">According to requirement 5.4 of the Plan Vivo Standard V4:

Ecosystem services forming the basis of Plan Vivo projects must be additional i.e. would not have been generated in the absence of the project, which involves as a minimum demonstrating that:
5.4.1. Project interventions are not required by existing laws or regulations, unless it can be shown that those laws are not enforced or commonly met in practice and the support of the project is therefore justified;
5.4.2. There are financial, social, cultural, technical, scientific or institutional barriers preventing project interventions from taking place.

The PDD does not clearly describe the project’s additionality, and there is a lack of supporting documentation.</td></tr>
<tr><td>D. Conformance</td><td>Yes X</td><td>No</td><td>N/A</td></tr>
<tr><td>F. Corrective Actions</td><td colspan="3"><u>First Round of Findings</u>: November 10th, 2023

Major CAR:

♣ Please, provide documentary evidence of the project’s additionality.

In section “G2 Additionality and environmental integrity” of the PDD, more information is required about the additionality, and each piece of information should be accompanied by supporting documentation.

<u>Second Round of Findings</u>: February 22nd, 2024

Major CAR:

♣ Please, provide documentary evidence of the project's additionality. How will Paskaia ensure that there is no double counting when a project such as VERRA 3294 is in the process of validation?
“MUSKITIA PÂSA KLÎN NÂKA SA – ID VERRA 3294” (<u>https://registry.verra.org/app/projectDetail/VCS/3294 </u>)</td></tr>
<tr><td>G. PASKAIA S.A. Response</td><td colspan="3"><u>First round of findings:</u> January 18th, 2024

♣ Documentary evidence of the project’s additionality are available at folder 2.4.
♣ Section “G2 Additionality and environmental integrity” of the PDD was updated. See https://drive.google.com/drive/folders/1xF1b_q-yT6laEb_lv_1Y6B0c4bIpnLcm 2.4 . Also see section 8.2 in the PDD

<u>Second Round of Findings:</u> March 24th, 2024
♣ Please, see documentary evidence of the project's additionality in relation of “MUSKITIA PÂSA KLÎN NÂKA SA – ID VERRA 3294” (<u>https://registry.verra.org/app/projectDetail/VCS/3294 </u>)
See folder 2.4 in <u>English</u> and <u>Spanish</u></td></tr>
</table>

H. Forward Actions	*NONE*
I. Status	*CLOSED*
A. Requirement	**2.4 Ecosystem Service Benefits calculations** • Have all the carbon pools been identified and has justification been given for those that will be accounted for? • Has the project used an approved approach to calculate estimated ecosystem service benefits? • Are the calculations used for estimating the carbon benefits available e.g. in attached spreadsheets? • Have any potential negative impacts on carbon pools been accounted for in the calculations? • For tree afforestation/reforestation projects only: Are the allometric equations and growth rates used for modelling tree growth appropriate? • For forest conservation/avoided deforestation projects only: Is the baseline deforestation/degradation rate defined and reasonable based on the evidence provided? Is the expected reduction in deforestation/degradation or enhancement in carbon stocks reasonable based on the activities proposed?
B. Guidance Notes for Validators	Assess whether the estimations of the carbon benefits align with best practice, are conservative and the correct evidence is provided. Compare the outputs of the carbon benefit calculations against what you can observe on the ground. Is there approximate agreement? Check that the excel spreadsheet provide is in accordance with the Plan Vivo Standard.
C. Findings	In Section G4, there are incongruences between the figures and equations stated in the PD and ones in the Excel "Calculo captura CO_2 por *Pinus – Swietenia* 02-10-2023."Please correct both documents. In Section G4, there are several equations, parameters, expansion factors, which an accurate explanation is required. Additionally to the species *Swietenia macrophylla* (Honduran mahogany) described in the PDD, two other species were found in the field, *Cedrela odorata* (cedar) and *Dalbergia retusa* (rosewood), which are part of the reforestations and are not included in the carbon calculation spreadsheets.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	<u>**First Round of Findings**</u>: November 10th, 2023 **Minor CAR:** ♣ The equation to calculate the Volume (*Pinus caribaea*) does not match with ones described in the Excel. ♣ The equation to calculate the volume of the stem of Pinus caribaea from middle age to adulthood does not match with ones described in the spreadsheet_Calculos pino. ♣ For biomass calculation the Density indicatd in PD is 590 kg/m^3. The figure does not match with ones described in Spreadsheet.

	♣ Provide further clarification to verify that the growth projections based on the Suarez Cerrato (2012) precision expression for *Pinus oocarpa* is the most apropiate and accurate study for this project and for *Pinus caribaea* specie. ♣ Provide further clarification about the equation used to determinate the amount of total biomass in tons of the Pinus. ♣ Provide further explanation about the usage of a average carbon content factor for Pinus of 0.50. ♣ Provide further clarification about the equation used to determinate the total carbon in a given area. ♣ For CO_2 calculation, provide further explanation about the usage of a constant factor of 3.67. ♣ On the other hand, provide further clarification about the equation used to calculate the amount of carbon dioxide captured per hectare. ♣ Explain what is the Expansion factor for the tree stem. Explain the use of the forestry species *Cedrela odorata* (cedro) and *Dalbergia retusa* (rosewood) in the planting plots. **Second Round of Findings:** February 22nd, 2024 **Minor CAR:** ♣ The equation to calculate the Volume (*Pinus caribaea*) does not match with ones described in the Excel. Clarify the reason for using another formula between the ages of 13 to 20 years. ♣ The PP uses the formula: Vol = 0.05115146 + 0.0000310327*D^2*H, between the ages of 13 to 20 years. Between 8 years and 12 years old is not considered middle age to adulthood? Please, clarify the ranges between middle age and adulthood. ♣ For biomass calculation the Density indicated in PD “For coniferous species, the specific density of biomass in the stem and bark can be between 0.55 (g/cm^3) and 0.53 g/cm^3 respectively ”. The figure does not match with ones described in Spreadsheet. Specify clearly in the PDD and in the spreadsheet. ♣ The PP uses an equation to find the BIOMASS in *Pinus* (aerial): BMA = (0.11264421*(DAP^2*ht)^0.85091168)/1000. However, in Excel calculations it is not used. Provide further clarification about the equation used to determine the amount of total biomass in tons of the pine (in Spreadsheet).

Calculo Captura CO2 por Pinus - Swietenia 02-10-2023 Cecilia .XLSX

Archivo Editar Ver Insertar Formato Datos Herramientas Ayuda

H16 =G16*(D16)/1000

	B	C	D	E	F	G	H	I	J	K
1	Edad	Densidad		Estimaciones			Biomasa			
2		Árboles	Madera	Diametro	Altura	Volumen	Componentes del árbol/ Toneladas			
3	Años	Arb/ha	Kg/m3	DAP (cm)	HT (m)	Vol (m3)	Fuste	Raíz	Ramas	Total
4	1	1500	550	0.0	0.0	0.000	0.000	0.000	0.000	0.000
5	2	1500	550	0.0	0.6	0.000	0.000	0.000	0.000	0.000
6	3	1500	550	3.6	2.1	0.001	0.001	0.000	0.000	0.001
7	4	1500	550	5.7	3.9	0.005	0.003	0.001	0.001	0.004
8	5	1500	550	7.6	5.7	0.013	0.007	0.002	0.002	0.011
9	6	1500	550	9.1	7.3	0.024	0.013	0.003	0.004	0.020
10	7	1500	550	10.4	8.7	0.037	0.020	0.005	0.006	0.031
11	8	1050	550	12.2	10.0	0.058	0.032	0.008	0.009	0.050
12	9	1050	550	13.2	11.0	0.076	0.042	0.011	0.012	0.064
13	10	1050	550	14.0	12.0	0.093	0.051	0.013	0.015	0.079
14	11	1050	550	14.8	12.8	0.110	0.060	0.016	0.018	0.094
15	12	1050	550	15.4	13.6	0.126	H16	0.028	0.020	0.108
16	13	1050	550	16.0	14.3	0.051	=G16*(D16)/1000		0.008	0.044
17	14	1050	550	16.4	14.9	0.176	0.097	0.025	0.028	0.150
18	15	750	550	17.6	15.4	0.199	0.110	0.029	0.032	0.170

- The PP uses a factor of 0.26 in the calculation of BIOMASS of roots and uses 0.29 for the calculation of BIOMASS of branches. Explain what is the Expansion factor for the tree stem. What is the expansion factor that relates aerial biomass to root biomass?
- In point 2.5.9 the PP did not provide a clear explanation. Please, provide.

F. PASKAIA S.A. Response

First round of findings: January 18th, 2024

- The equation to calculate the Volume (*Pinus caribaea*), please, see in section 7.4 in the PDD.
- See 7.4 in PDD about the equation to calculate the volume of the stem of *Pinus caribaea* from middle age to adulthood according to the spreadsheet_Calculos pino.
- For biomass calculation the Density indicated in the PDD is 590 kg/m^3. The updated is available at section 7.4 in PDD.
- Clarification to verify that the growth projections based on the Suarez Cerrato (2012) area available at section 7.4 in PDD.
- The equation used to determinate the amount of total biomass in tons of the Pinus are available at section 7.4 in the PDD.
- Further explanation about the usage of a average carbon content factor for Pinus of 0.50 are available in section 7.4 in PDD.
- Clarification about the equation used to determinate the total carbon in a given area are available at section 7.4 in PDD.
- For CO_2 calculation, see further explanation about the usage of a constant factor of 3.67. On the other hand, see further clarification about the equation used to calculate the amount of Carbon Dioxide captured per hectare. See section 7.4 in PDD
- The Expansion factor for the tree stem was explained. See 7.4 in PDD.
- The use of the forestry species *Cedrela odorata* (cedro) and *Dalbergia retusa* (rosewood) in the planting plots was explained. See 7.4 in PDD

Second Round of Findings: March 24th, 2024

For all items, please see document 2.5 in English and Spanish

G. Forward Actions

NONE

H. Status	*CLOSED*		
A. Requirement	**2.5 Permanence and Risk Management** • 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? • Has the risk buffer level suggested and reflective of the level of risk outlined? • Has the defined risk buffer been used in the calculation of carbon benefits in Table F1 of the PDD? • Has the minimum risk level met?		
B. Guidance Notes for Validators	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. Assess all assumptions made in levels of risk implied in the project's risk assessment and whether they are appropriate given the project's baseline, interventions and the socio-economic and environmental context visible in the project areas. 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.		
C. Findings	According to requirement 6.4 of the Standard: *The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected.* The project uses the minimum percentage (10%) for its calculations.		
D. Conformance	Yes ☒	No ☐	N/A ☐
E. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Minor CAR:** Please, documentary evidence is required to support the assumptions and how the 10% risk buffer was obtained for both the plantations and the Pinus caribaea savannas. Provide information on the feasibility of the mitigation actions proposed in section "H1 Identification of Risk Areas". **<u>Second Round of Findings</u>:** February 22nd, 2024 **Minor CAR:** ♣ Please, provide documentary evidence to support the requirement 6.4. *The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected. It is required that the information provided be sufficiently justified and evidenced.*		

F. PASKAIA S.A. Response	**First Round of Findings:** January 18th, 2024 ♣ See section 8.2 in the PDD for evidence to support the assumptions and how the 10% risk buffer was obtained for both the plantations and the *Pinus caribaea* savannas. ♣ Information on the feasibility of the mitigation actions proposed in section "H1 Identification of Risk Areas". See section 8.1 in the PDD **Second Round of Findings:** March 24th, 2024 The Project Proponent provided documentary evidence to support the requirement 6.4. The level of risk buffer must be determined using an approved approach and be a minimum of 10% of climate services expected. Please, see document 2.6 in English and Spanish. For the project, the level of risk buffer calculated is 12,2%.
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**2.6 Leakage and uncertainty** • Have uncertainty been identified in the project? • Have potential sources of leakage been identified and are effective and feasible mitigation measures in place for implementation? • Where leakage is likely to be significant, is there appropriate monitoring methods planned and is the project making a conservative deduction from the estimated carbon benefits to compensate? • Are the assumptions used in the methodology and calculation justified and appropriate for the project? • Have measures been described to validate these assumptions over the course of the project?
B. Guidance Notes for Validators	Check the sources of leakage and the effectiveness of mitigation measures: • By discussions with local experts, the project coordinator and others. • Assess whether there is a good understanding of the importance of addressing leakage amongst project participants • Assess whether the mitigation measures proposed are really effective and likely to be implemented. Have they already started?
C. Findings	According to requirement 5.11 of the Plan Vivo Standard V4: Projects must identify and describe where uncertainty exists in quantifications of ecosystem services and estimate the approximate level or range of uncertainty. The level of uncertainty must be factored into the level of conservativeness applied in the accounting method for quantifying ecosystem services.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	***First Round of Findings:*** *November 10th, 2023*

	Minor CAR: Please, ♣ Clarify the uncertainties identified for the Project. ♣ Clarify the potential sources of leakage and the identified mitigation measures. ♣ Provide further clarification about "Leakage Monitoring". ♣ Justify the leakage hypothesis used in the project and calculations. Update the information in section "G6 Leakage and uncertainty". **Second Round of Findings:** February 22nd, 2024 **Minor CAR:** ♣ Please, provide documentary support for the 5% of leakage calculation. The text provided in the first round of Findings is explanatory, not real evidence for justification.
F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 ♣ Clarifications of the uncertainties identified for the Project are available at section 7.6 in the PDD. ♣ Clarifications about the potential sources of leakage and the identified mitigation measures are available at table 17 in the PDD. ♣ Clarification about "Leakage Monitoring" are available at section 7.6.1 in PDD. ♣ The justification of the leakage hypothesis used in the project and calculations are avilable at section 7.6.2 in the PDD. **Second Round of Findings:** March 24th, 2024 ♣ The Project Proponent provided documentary support for the 5% of leakage calculation. See document 2.7 in English and Spanish
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**2.7 Traceability and double-counting** • 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)? • Have sufficient steps been taken to avoid double counting of carbon benefits with any other initiatives in place in the project area?
B. Guidance Notes for Validators	Check the possibility of double counting and whether the carbon sales are traceable by: • By discussions with local experts, the project coordinator and other projects (including any national or regional level GHG coordination unit)

	• 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).
C. Findings	In the section 5.14 of the Plan Vivo Standard V4 it mentions: *To avoid 'double counting' of ecosystem services, project intervention areas must not be in use for any other projects or initiatives, including a national or regional level mandatory GHG emissions accounting programme, that will claim credits or funding in respect of the same ecosystem services, unless a formal agreement is in place with the other project or initiative that avoids double-counting or other conflicting claims, e.g. a formal nesting agreement with a national PES scheme.* During the stay in the Project Area, the auditor was able to converse with the Presidential Commissioner of the Environment for Islas de la Bahía, Honduras. In July, the National Congress approved the Special Law on Forest Carbon Transactions for Climate Justice. Until the week of the audit, the Government of Honduras had not yet shared the final text of the Law.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Major CAR:** Please, ♣ Justify implications for the project of the Special Law on Forest Carbon Transactions for Climate Justice. ♣ Inform AENOR if there is a Carbon Credit Registry in Honduras. ♣ Justify the measures to avoid double counting of carbon benefits with any other initiative in the project area. **<u>Second Round of Findings</u>:** February 22nd, 2024 **Major CAR:** Please, ♣ Provide information about progress in the implementation of the *Special Law on Forest Carbon Transactions for Climate Justice*. ♣ The project intervention areas covered by other projects: MUSKITIA PÂSA KLÎN NÂKA SA – ID VERRA 3294 (https://registry.verra.org/app/projectDetail/VCS/3294). Therefore, the PP must clarify with Verra: a- the registration date of project ID 3292 and b- the status of the project.
F. PASKAIA S.A. Response	**<u>First round of findings:</u>** January 18th, 2024 ♣ Implications for the project of the *Special Law on Forest Carbon Transactions for Climate Justice* are available at section 7.2.1.1 in the PDD.

	♣ See section 7.2.1.1 in the PDD to clarify about Carbon Credit Registry in Honduras. ♣ Justify the measures to avoid double counting of carbon benefits with any other initiative in the project area. See section 7.2.1.1 in the PDD **Second Round of Findings:** March 24th, 2024 ♣ The Project Proponent provided information about progress in the implementation of the Special Law on Forest Carbon Transactions for Climate Justice. See section 7.2.1.1 in the PDD ♣ All information about the project: MUSKITIA PÂSA KLÎN NÂKA SA – ID VERRA 3294 (https://registry.verra.org/app/projectDetail/VCS/3294) are available at document 2.8 in English and Spanish
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**2.8 Monitoring** • Does the project have an appropriate monitoring plan for each project intervention that they are implementing? • Does the project have a monitoring and data management system in place? Is it being implemented and does it seem to be an effective system for monitoring the continued delivery of the ecosystem services? • Will the monitoring management system enable the assumptions to be validated and tested by year 5 of the project? • Does the project coordinator prescribe and record corrective actions where monitoring targets are not met and are these effectively followed up in subsequent monitoring? • Is a process defined for updating the technical specifications as monitoring data becomes available?
B. Guidance Notes for Validators	All monitoring plans should have the following: • 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 successful implementation of management activities or other improvements but must serve to motivate participants to sustain the project intervention • Monitoring approaches (methods) • Frequency of monitoring • Duration of monitoring • How the validity of any assumptions used in *technical specifications* are to be tested • Resources and capacity required • How communities will participate in monitoring, e.g. by training community members and gradually delegating monitoring activities over the duration of the project How results of monitoring will be shared and discussed with participants Check whether the monitoring plan is effective and likely to be fully implemented: • 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 • Are the selected indicators (covering all aspects of monitoring) SMART? I.e. Specific, Measurable, Achievable, Relevant and Time-bound?

	• Do the selected indicators properly measure impacts of the project or are they only able to measure inputs/activities? • Are communities effectively involved in monitoring and do they understand their role?		
C. Findings	During the field visit, the auditor observed that the team lead by Paskaia AB was working in a Monitoring Plan in accordance with the proposal in "Part K Monitoring" of the PDD.		
D. Conformance	Yes X	No ☐	N/A ☐
E. Corrective Actions	**First Round of Findings:** November 10th, 2023 **Minor CAR:** Please, ♣ Provide the Monitoring Plan of the project. ♣ Inform, with supporting documents, how monitoring results will be shared and discussed with participants. Update section "Part K Monitoring" of the PDD. **Second Round of Findings:** February 22nd, 2024 **Minor CAR:** Please, ♣ Provide the Monitoring Plan in compliance with all requirement 5.9. See section 12 in PDD and see document 1.4.1 in English and Spanish ♣ Monitoring results will be shared and discussed with participants. Provide the Socialization Plan including safeguards for the circumstances of accessibility to Miskito information. See section 12.4 in the PDD		
F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 ♣ The Monitoring Plan of the project is available at section 12 in the PDD. ♣ Monitoring results will be shared and discussed with participants considering the section 12.4 in the PDD. **Second Round of Findings:** March 24th, 2024 ♣ The Monitoring Plan in compliance with all requirement 5.9 are available at section 12 in PDD and see document 1.4.1 in English and Spanish. ♣ The Socialization Plan including safeguards for the circumstances of accessibility to Miskito information are available at section 12.4 in the PDD.		
G. Forward Actions	*NONE*		

H. Status	*CLOSED*
A. Requirement	***2.9 Plan Vivos*** • Are the *plan vivos* (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? • Are the plan vivos above 5 hectares accurately recording using GPS? • Are the plan vivos above 50 hectares have a GIS version? • Do the participants have access to their plan vivo in an appropriate format and language? • Is there a robust grievance redressal system part of the project design?
B. Guidance Notes for Validators	Where small-holder farmers have prepared individual *plan vivos*, 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. For community-projects managing a common (forest) resource, check 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.
C. Findings	During the project area visit, the auditor confirmed, through interviews with the participants from Lainasta and Truksinasta, that the families worked on the *Planes Vivos* of their farms under the leadership of Paskaia AB. However, those Planes were not shared with the project participants. Another significant finding is that none of the visited areas (reforestation and *Pinus caribaea* savanna) matched the information provided in the shapefiles sent by the Project Proponent prior to the audit.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Major CAR**: Please, ♣ Provide a copy of each of the *Planes Vivos* approved by the Project Director. ♣ Provide cartographic data for all validated areas. ♣ Ensure the mechanism for participants to have access to their Plan Vivo in the relevant format and language. **<u>Second Round of Findings:</u>** February 22nd, 2024 **Major CAR**: ♣ Ensure the mechanism for participants to have access to their Plan Vivo. During the visit, it was found that the participants do not have access to the internet and other communication services, therefore, the PP is requested to ensure the mechanism for

	participants to have access to their Plan Vivo in the relevant format and language (Miskito).
F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 ♣ *Planes Vivos* approved by the Project Director for Truktsinasta and Lainasta are available at https://drive.google.com/drive/folders/1RxriBeLQabL7D3sGu-2Yj2K1lJheoIqD 2.10 ♣ Cartographics data for all validated areas are available at https://drive.google.com/drive/folders/1RxriBeLQabL7D3sGu-2Yj2K1lJheoIqD 2.10 ♣ The mechanism for participants to have access to their Plan Vivo in the relevant format and language. See https://drive.google.com/drive/folders/1RxriBeLQabL7D3sGu-2Yj2K1lJheoIqD 2.1.3 **Second Round of Findings:** March 24th, 2024 ♣ The Project Proponent ensured the mechanism for participants to have access to their Plan Vivo in the relevant format and language (Miskito). See document 2.10.1 in English and Spanish See Plan Vivo translated into miskito. Also see documents 1.3.4 and 1.3.5 in English and Spanish
G. Forward Actions	*NONE*
H. Status	*CLOSED*

Theme	3. **Ecosystem benefits**		
Ensuring that the project meets requirements 2.1-2.4 of the Plan Vivo Standard (2013)			
A. Requirement	**3.1 Identification of ecosystem and biodiversity benefits and mitigation measures.** • Have ecosystem and biodiversity benefits (both negative and positive) been defined in all categories included in Table F3 of the PDD template? • Have appropriate mitigation measures been included to address any negative ecosystem and biodiversity impacts? • Is there an environmental monitoring plan in place with defined indicators that will enable ecosystem and biodiversity impacts to be assessed over the course of the project? • Do the technical specifications describe the habitat types and main species in project intervention including areas of High Conservation Values or IUCN red list species present?		
B. Guidance Notes for Validators	Check this using a number of sources: • Visual observations of fauna and flora practices • Discussions with communities and project staff • Discussions with local experts (forestry and biodiversity experts) • Published information (refer to this in the validation report if used)		
C. Findings	Requirement 2.2 of the Plan Vivo Standard V4: *"Project interventions must be designed to maintain or enhance biodiversity and any threats to biodiversity caused by the project intervention must be identified and mitigated".*		
D. Conformance	Yes X	No ☐	N/A ☐
E. Corrective Actions	<u>**First Round of Findings**</u>: November 10th, 2023 **Minor CAR:** Please, ♣ Provide documentary evidence of the legality of prescribed fire in Honduras. ♣ Justify the mitigation measures to address any negative impact on the ecosystem and biodiversity. ♣ Submit the environmental monitoring plan with defined indicators to assess impacts on the ecosystem and biodiversity throughout the project. ♣ Provide evidence of the presence of High Conservation Values or IUCN Red List species in the project area. *Update section "F3 - Ecosystem & biodiversity benefits" of the PDD.* <u>**Second Round of Findings**</u>: February 22nd, 2024 ***Minor CAR:*** ♣ *Please, submit the environmental monitoring plan with defined indicators to assess impacts on the ecosystem and biodiversity throughout the project.* ♣ *Justify the mitigation measures to address any negative impact on the ecosystem and biodiversity.*		

F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 ♣ Evidences of the legality of prescribed fire in Honduras are available at https://drive.google.com/drive/folders/198nWByfDt9guklVH8XQA6LIRVzE-GMS6 3.1.1 ♣ The mitigation measures to address any negative impact on the ecosystem and biodiversity are available at https://drive.google.com/drive/folders/198nWByfDt9guklVH8XQA6LIRVzE-GMS6 3.1.2 ♣ The environmental monitoring plan with defined indicators to assess impacts on the ecosystem and biodiversity throughout the project was submitted. See part 11 in the PDD ♣ Evidence of the presence of High Conservation Values or IUCN Red List species in the project area are avialable at https://drive.google.com/drive/folders/198nWByfDt9guklVH8XQA6LIRVzE-GMS6 3.1.4 **Second Round of Findings:** March 24th, 2024 ♣ The environmental monitoring plan are available at part 11 in the PDD and see document 1.4.1 in English and Spanish ♣ The justification of the mitigation measures to address any negative impact on the ecosystem and biodiversity are available at document 3.1.2 in English and Spanish.
G. Forward Actions	*NONE*
H. Status	*CLOSED*
A. Requirement	**3.2 Planting native and naturalised species** • 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: • Visual observations of local tree-growing practices • Discussions with communities and project staff • Discussions with local experts (forestry and biodiversity experts) • Published information (refer to this in the validation report if used)
C. Findings (describe)	At the time of validation, the planted species are *Swietenia macrophylla* (Honduran mahogany), *Cedrela odorata* (cedar), and they are now beginning with *Dalbergia retusa* (rosewood). All species are native, and in the case of Dalbergia, it is listed in Appendix II of CITES. Logging of mature reproductive specimens and the corresponding reduction in population size and density pose a threat to the regenerative capacity of D. retusa. The Project Proponent confirmed that other species that may be planted in the future could include *Calophyllum brasiliense* (Santa María) and *Carapa guianensis* (Cedro Macho). All of them are native tree species in Honduras.

D. Conformance	Yes ☒	No ☐	N/A ☐
J. Corrective Actions	*NONE*		
F. PASKAIA S.A. Response	--		
G. Forward Actions	*NONE*		
H. Status	*CLOSED*		
A. Requirement	**3.3 Ecological impacts** 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: • Visual observations of the environment in the project area • Discussions with communities and project staff • Discussions with local experts (environmental experts) • Published information (refer to this in the validation report if used)		
C. Findings	The PDD mentions: *In 2022 Paskaia employed two staff from the local community, who are presently being trained to monitor the project's ecosystem service benefits and socio-ecological impacts. As the project scales up, more local community staff will be employed to carry out this function*		
D. Conformance	Yes ☒	No ☐	N/A ☐
E. Corrective Actions	**First Round of Findings**: November 10th, 2023 **Minor CAR:** ♣ Provide the employment contracts with Paskaia for the two employed community members. ♣ Provide information on the outcomes of these hirings. **Second Round of Findings**: February 22nd, 2024 **Minor CAR:** ♣ Provide Paskaia's contract with the local Technician.		

F.	PASKAIA S.A. Response	**First Round of findings:** January 18th, 2024 ♣ The employment's contracts and relevant information are available at https://drive.google.com/drive/folders/1dQqdckksVneZRZfYTTpHe7cVzM3uu5Vu 3.3 **Second Round of Findings:** March 24th, 2024 ♣ Paskaia provided a contract with the local Technician. See folder 3.3 in English and Spanish
G.	Forward Actions	*NONE*
H.	Status	*CLOSED*

Theme		**4. Livelihood Benefits, PES agreements and benefit-sharing**
Ensuring that the project meets requirements 4.1-4.4, 7.1-7.5 and 8.1-8.13 of the Plan Vivo Standard (2013)		
A.	**Requirement**	**4.1 Community-led planning** • Has the voluntary and participatory planning process taken place and took into consideration the following items: - Local livelihood needs and opportunities to improve existing or diversify livelihoods and incomes, - Local customs, - Land availability, - Food security, - Land tenure, - Practical and resource implications for participation of different groups including marginalised groups, - Opportunities to enhance biodiversity including through the use of native species? • Has the project undergone a producer/community-led planning process aimed at identifying and defining sustainable land-use activities that serve the community's needs and priorities? • Have barriers been identified and reasonable measures taken to encourage participation in the participatory planning process? • Do the community groups participating in the project have a governance structure?
B.	**Guidance Notes for Validators**	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.
C.	**Findings**	In section "E2 Community-Led Implementation" of the PDD, the Project Proponent details the process used for planning with the participants.

D. Conformance	Yes X	No ☐	N/A ☐
E. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Minor CAR:** Please, ♣ Provide evidence of the voluntary and participatory planning process developed in Lainasta and Truksinasta.		
F. PASKAIA S.A. Response	**<u>First Round of Findings</u>:** January 18th, 2024 ♣ Section 6 in the PDD provides substanial evidence of voluntary participation in the planning process. The entire co-design process builds on this philosophy. Moreover photographic evidence has provided and the film describing the co-design process also provides additional evidence. We have also compiled addition information see https://drive.google.com/drive/folders/14-2NXCmDdzUSDiC6lTDuIeL-BmuE9k8H 1.3.2 1.3.3 and 1.3.6		
G. Forward Actions	*NONE*		
H. Status	*CLOSED*		
A. Requirement	**4.2 Livelihoods impacts** • Has the project demonstrate the benefits for the livelihoods of participants? Has the socioeconomic impact assessment been developed in a participatory manner? • Has a socioeconomic baseline scenario been defined with the basic information of section 7.2 from the PV standard? • Have the expected socioeconomic impacts of the project been described in comparison with the socioeconomic baseline scenario? • Have livelihoods benefits (both negative and positive) been defined for all the categories included in Table F2 of the PDD template? • If negative socioeconomic impacts have been identified, have them been reported to Plan Vivo Foundation? • Have appropriate mitigation measures been included to address any negative livelihoods impacts?		
B. Guidance Notes for Validators	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 identification process and mitigation measures that has taken place.		
C. Findings	The Project Proponent conducted an evaluation of the socio-economic impact.		

	During the field visit, the participants were unable to confirm whether they were involved in the participatory evaluation.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**First Round of Findings**: November 10th, 2023 **Minor CAR:** ♣ Provide documentary evidence of the evaluation process of the socio-economic impact conducted in a participatory manner in accordance to section 7.2 from the Plan Vivo Standard.
F. PASKAIA S.A. Response	**First round of findings:** January 18th, 2024 ♣ See monitoring plan which also includes socio-economic impact assessment are available at section 11.3 in the PDD.
G. Forward Actions	NONE
H. Status	*CLOSED*
A. Requirement	**4.3 Socio-economic impact assessment/monitoring plan** Is there a robust socio-economic impact assessment and monitoring plan in place that can measure changes against the baseline scenario and disaggregated indicators that will enable livelihood benefits to be assessed over the course of the project?
B. Guidance Notes for Validators	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: • Whether the livelihoods indicators can effectively monitoring socio-economic changes takeing place • 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 • Whether any groups in the community are likely to be adversely affected by the project and whether there are any mitigation meausures in place to addres this.
C. Findings	During the validation visit it was observed that the team lead by Paskaia AB was working in a Monitoring Plan.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**First Round of Findings**: November 10th, 2023 **Minor CAR:** Please, ♣ Provide the socio-economic impact assessment/monitoring plan of the project.

	♣ Provide information on how the monitoring results will be shared and discussed with participants. ♣ Demonstrate how women, disadvantaged people and other social groups have participated in the processes of the project. **Second Round of Findings:** February 22nd, 2024 **Minor CAR:** ♣ Provide information on how the monitoring results will be shared and discussed with participants considering the real circumstances of the natives Miskitos.
F. PASKAIA S.A. Response	**First Round of findings:** January 18th, 2024 ♣ See the monitoring plan which also includes socio-economic impact assessment in section 11.3 in the PDD. ♣ Information about how the monitoring results will be shared and discussed with participants are available at section 11.4. in the PDD. ♣ Demonstration of how women, disadvantaged people and other social groups have participated in the processes of the project are available at https://drive.google.com/drive/folders/1PUTrhqH9Iqsr6rFnpxaTQXuxKCC09rGE 4.3.3 **Second Round of Findings:** March 24th, 2024 ♣ Monitoring results will be shared and discussed with participants considering the real circumstances of the natives Miskitos according to section 11.4 in the PDD and see document 4.3.1 in English and Spanish
K. Forward Actions	*NONE*
L. Status	*CLOSED*
A. Requirement	**4.4 Sale agreements and payments** • Has the transaction of ecosystem services between the project coordinator and participants been formalized in written PES Agreements? • Have the PES agreements followed all the requirements from section 8.2 of the PV standard? • Does the project have clear procedures for entering into sale agreements with producers/communities based on saleable carbon from plan vivos? • Does the project have an effective and transparent process for the timely administration and recording of payments to producers? • Do participants enter into PES agreements voluntarily according to the principle of free, prior and informed consent? • Do the project coordinators have the capacity to meet the payment obligations, by one or more requirements of the PV Standard, section 8.5?

B. Guidance Notes for Validators	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?
C. Findings	On the occasion of validation, documents were reviewed that demonstrate Paskaia S.A. has formalized agreements with various Miskito organizations, and for the signing, the application of the principals of free, prior and consent. Twenty-three contracts between Paskaia S.A. and the project participants have also been reviewed. Several of them had not been signed by the participants. During the meetings in Lainasta and Truksinasta, inquiries were made about the contract signing. When asked, the participants confirmed that they had signed a contract, but they had not received a copy from Paskaia S.A. at the time of the meeting.
D. Conformance	Yes [X] No [ ] N/A [ ]
E. Corrective Actions	**<u>First Round of Findings</u>:** November 10th, 2023 **Major CAR:** Please, provide the agreements signed by both parties, including: ♣ Paskaia S.A – MASTA – November 20, 2021 ♣ Paskaia S.A –Lainasta Territorial Council– December 3, 2021 ♣ Paskaia S.A –Truksinasta Territorial Council– December 7, 2021. ♣ Provide all agreements between Paskaia S.A and the project participants signed by both parties. **<u>Second Round of Findings</u>:** February 22nd, 2024 **Major CAR:** ♣ Please present documentary support of compliance with requirements 8.2 and 8.12 in the Contracts signed in accordance with the provisions of the PDD: In accordance with the Plan Vivo Standard, 61% of the income generated by the credits will go to the community, while the remaining 39% will be allocated for project coordination and administration. ♣ Provide contracts between Paskaia SA and the participants including clearly: *8.2.1. The quantity and type of ecosystem services transacted* *8.2.2. The project interventions to be implemented* *8.2.3. The live plan the PES Agreement relates to and its date of approval and implementation* *8.2.4. Performance targets that must be met to trigger the disbursement of payments or other benefits, with reference to monitoring methods, frequency and duration* *8.2.5. The amount of payment or benefit to be received (or what is the process for determining this)* *8.2.6. Consequences if performance targets are not met, eg withholding of some or all payments and how corrective actions will be agreed.*

<table>
<tr>
<td></td>
<td>
8.2.7. The PES period (period over which monitoring and payments will take place) and overall duration of commitment to the living plan
8.2.8. Any impacts of the agreement on rights to harvest food, fuel, timber or other products
8.2.9. Deduction of a risk buffer where applicable
8.2.10. Agreed upon mechanism to resolve or arbitrate any conflict arising from the implementation of the project, following established community practices or legal rules in the country.
The audit team was able to verify that, in the Contracts and the PDD, the distribution of benefits from the sale of wood and Payments for Ecosystem Services is not clear . Please clearly stipulate the distribution of profits in the contract and in the PDD.
Octavo. – Los costos y ganancias. Los costos operativos y administrativos serán cubiertos en su totalidad por la empresa Paskaia Honduras S.A. de las ganancias después de la recuperación de los costos incurridos, los beneficios generados por la comercialización de los productos y servicios serán divididos de la siguiente manera; 45% para La Empresa Paskaia, 45% para el Silvicultor, 5% MASTA y 5% para el Concejo Territorial.
In the contracts the period is ambiguous. Please clearly stipulate the period in the contract and in the PDD.
Noveno. – Duración del Contrato. El presente contrato tendrá una duración de entre 20 y 40 años, periodo que permite el desarrollo de las plantaciones
Långsiktigt klimatarbete, Socialt hållbart
Trabajo climático a largo plazo, Socialmente sostenible
Taim saura patka nani ba wark wal pain dauki piuwa Yari lahma mapara sip main kaiki briaia
www.paskaia.se
Paskaia Honduras S. A.
Roatán, Islas de la Bahía, Honduras
forestales en parcelas puras y sistemas Agro-Forestales. partiendo desde la fecha en que se firme este convenio.
</td>
</tr>
<tr>
<td>F. PASKAIA S.A. Response</td>
<td>
<u>First Round of findings:</u> January 18th, 2024

Agreement between Paskaia S.A and MASTA – November 20, 2021. See 4.4
Agreement between Paskaia S.A and Lainasta Territorial Council– December 3, 2021 See 4.4
Agreement between Paskaia S.A and Truksinasta Territorial Council– December 7, 2021. See 4.4.
Agreements between Paskaia S.A and the project participants signed by both parties See 4.4

</td>
</tr>
</table>

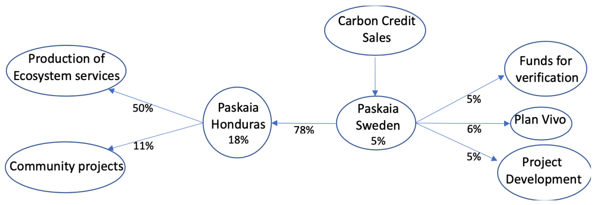
<table>
<tr><td></td><td><u>Second Round of Findings:</u> March 24th, 2024

♣ Documentary support of compliance with requirements 8.2 and 8.12 in the Contracts signed in accordance with the provisions of the PDD are available at document 4.4 1-4 in <u>English</u> and <u>Spanish.</u> In accordance with the Plan Vivo Standard, 61% of the income generated by the credits will go to the community, while the remaining 39% will be allocated for project coordination and administration
♣ Contracts between Paskaia SA and the participants are available at document 4.4 1-4 and “Notice of modification of agreements and contracts” in <u>English</u> and <u>Spanish</u>
♣ The distribution of profits in the contract and in the PDD are available at document 4.4 1-4 in <u>English</u> and <u>Spanish</u></td></tr>
<tr><td>G. Forward Actions</td><td>During the first verification, the VVB should ensure all PES agreements between Paskaia and participants must comply with the requirements of Plan Vivo Standard.

<table>
<tr><th>Forward Action</th><th>Why Unresolved</th><th>How to resolve</th></tr>
<tr><td>Yes</td><td>While reviewing PES agreements during on-site visit, the VVB noted that several agreements did not have signature and did not achieve with all Requirements stipulates in 8.2. of Plan Vivo Standard 2013.</td><td>Within one year, Project Coordinator and technicians will ensure update all PES agreements. The PP shall share with the VVB in charge of the first verification even that all the agreements have been updated and that the stakeholders linked to the agreements have knowledge of the updates and their rationale.</td></tr>
</table></td></tr>
<tr><td>H. Status</td><td>CONVERTED TO FORWARD ACTION</td></tr>
<tr><td>A. Requirement</td><td>4.5 Benefit sharing and equity
• Has a fair and equitable benefit-sharing mechanism been agreed with the communities involved?
• The benefit-sharing mechanism shall include the following issues:

-An appropriate format and language.
-Might change overtime as the project progresses.
-Justifications for any payments
-Must be equitable.
• Does the project sell at least 60% of the proceeds of sales on average to communities? Is the process of the benefit-sharing mechanism recorded?
• Are these benefits likely to cover 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?</td></tr>
<tr><td>B. Guidance Notes for Validators</td><td>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:
• Checking whether a local stakeholder/well-being analysis has been conducted to identify socio-economic groupings in the communities</td></tr>
</table>

	• Assessing the level of governance of local groups (are issues of equity and benefit sharing discussed during meetings? • 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.		
C. Findings	In the agreement signed on November 20, 2021, between Paskaia S.A. and MASTA, the following distribution is identified: After cost recovery, the benefits from the sale of products will be distributed as follows: ♣ Paskaia S.A.: 45% ♣ MASTA: 5% ♣ Territorial Council: 5% ♣ Members of participating communities: 45% Duration of the Agreement: 5 years from the date of its signing. It can be extended for an additional 5 years.		
D. Conformance	Yes ☒	No ☐	N/A ☐
E. Corrective Actions	**First Round of Findings:** November 10th, 2023 **Major CAR:** ♣ Please provide a copy of the agreement between Paskaia S.A. and MASTA. ♣ Also, provide information on measures being taken by the project to ensure that disadvantaged groups, women, landless households, poor people will benefit from sales of Plan Vivo certificates. ♣ Submit supporting documentation on the fair and equitable benefit-sharing mechanism between Paskaia S.A. and the participants. ♣ Justify why Paskaia would keep 45% and distribute only 55% among the participants. **Second Round of Findings:** February 22nd, 2024 **Major CAR:** ♣ Please present documentary support of compliance with requirements 8.2 and 8.12 in the Contracts signed in accordance with the provisions of the PDD: In accordance with the Plan Vivo Standard, 61% of the income generated by the credits will go to the community, while the remaining 39% will be allocated for project coordination and administration. ♣ The audit team was able to verify that, in the Contracts or in the PDD, the distribution of benefits from the sale of wood and Payments for Ecosystem Services is not clear . Please clearly stipulate the distribution of profits in the contract and in the PDD.		

	Octavo. – Los costos y ganancias. Los costos operativos y administrativos serán cubiertos en su totalidad por la empresa Paskaia Honduras S.A. de las ganancias después de la recuperación de los costos incurridos, los beneficios generados por la comercialización de los productos y servicios serán divididos de la siguiente manera; 45% para La Empresa Paskaia, 45% para el Silvicultor, 5% MASTA y 5% para el Concejo Territorial. ♣ *Figure 18 of the PDD (page 94) presents the depiction of the flow finances within the projects. The audit team requests a clarification of Figure 18 and to include it again in the PDD.*  **Figure 18** Depiction of the flow of finances within the project
F. PASKAIA S.A. Response	**<u>First Round of findings:</u>** January 18th, 2024 ♣ Agreement between Paskaia S.A. and MASTA: https://drive.google.com/drive/folders/1g3QRRMl8W8_N_CfA63tMA96aUOicchsv 4.5.1 ♣ Sales of Plan Vivo certificates and implications are available at https://drive.google.com/drive/folders/1g3QRRMl8W8_N_CfA63tMA96aUOicchsv 4.5.2 ♣ Supporting documentation on the fair and equitable benefit- sharing mechanism between Paskaia S.A. and the participants is available at https://drive.google.com/drive/folders/1g3QRRMl8W8_N_CfA63tMA96aUOicchsv 4.5.3- 4 ♣ Justification of why Paskaia would keep 45% and distribute only 55% among the participants. See https://drive.google.com/drive/folders/1g3QRRMl8W8_N_CfA63tMA96aUOicchsv 4.5.3-4 **<u>Second Round of Findings:</u>** March 24th, 2024 ♣ Please, see documentary support of compliance with requirements 8.2 and 8.12 in the Contracts signed in accordance with the provisions of the PDD: In accordance with the Plan Vivo Standard, 61% of the income generated by the credits will go to the community, while the remaining 39% will be allocated for project coordination and administration. See document 4.5.1 in English and Spanish ♣ The distribution of profits in the contract and in the PDD are available at document 4.5.2 in English and Spanish ♣ Please, see Figure 18 in the PDD (updated).

<table>
<tr><td>G. Forward Actions</td><td>During the first verification, the VVB should ensure all PES agreements between Paskaia and participants must comply with the requirements 8.8, 8.9, 8.12 and 8.13
<table>
<tr><th>Forward Action</th><th>Why Unresolved</th><th>How to resolve</th></tr>
<tr><td>Yes</td><td>While reviewing PES agreements during on-site visit, the VVB noted that several agreements have gaps and did not achieve with all Requirements stipulates in 8.8, 8.9, 8.12 and 8.13 of Plan Vivo Standard 2013.</td><td>Within one year of validation, provide an update PES Agreements. The PP shall share with the VVB in charge of the first verification even that all the agreements have been updated and that the stakeholders linked to the agreements have knowledge of the updates and their rationale.</td></tr>
</table></td></tr>
<tr><td>H. Status</td><td>CONVERTED TO FORWARD ACTION</td></tr>
</table>

Table 5. Site Visit Itinerary

<table>
<tr><th>Activity</th><th>Location</th><th>Date</th><th>Duration (hours estimated)</th></tr>
<tr><td>Arrival in San Pedro Sula, Honduras</td><td>San Pedro Sula</td><td>2023-10-10</td><td>N/A</td></tr>
<tr><td>Transfer from San Pedro Sula to La Ceiba</td><td>La Ceiba</td><td>2023-10-10</td><td>4 h</td></tr>
<tr><td>Transfer from La Ceiba to Puerto Lempira</td><td>Puerto Lempira</td><td>2023-10-11</td><td>1 h</td></tr>
<tr><td>Initial meeting:
♣ Presentation of Paskaia AB,
♣ Presentation of Paskaia S.A.,
♣ Presentation of the project,
♣ Project governance,
♣ Technical capacity to implement the project.</td><td>Puerto Lempira</td><td>2023-10-11</td><td>4 h</td></tr>
<tr><td>Meeting with the team work:
♣ Main Stakeholders,
♣ Participation of women, disadvantaged people and other social groups in the project,
♣ Interventions and project activities</td><td>Puerto Lempira</td><td>2023-10-12</td><td>3 h</td></tr>
<tr><td>Transfer from Puerto Lempira to Tipí</td><td>Tipí</td><td>2023-10-12</td><td>4 h</td></tr>
<tr><td>Meeting with the team work:
♣ Interventions and project activities in Lainasta</td><td>Tipí</td><td>2023-10-13</td><td>1 h</td></tr>
<tr><td>Transfer from Tipí to Tikirraya and visit to plantations</td><td>Tikirraya</td><td>2023-10-13</td><td>4 h</td></tr>
<tr><td>Meetings and stakeholder consultation</td><td>Tikirraya</td><td>2023-10-13</td><td>3 h</td></tr>
<tr><td>Meeting with leader of Tikirraya</td><td>Tikirraya</td><td>2023-10-14</td><td>1 h</td></tr>
<tr><td>Visit to plantations</td><td>Tikirraya</td><td>2023-10-14</td><td>4 h</td></tr>
<tr><td>Transfer from Tikirraya to Tipí</td><td>Tipí</td><td>2023-10-14</td><td>3 h</td></tr>
<tr><td>Meeting with the team work:
♣ Interventions and project activities in Truksinasta.</td><td>Tipí</td><td>2023-10-15</td><td>1 h</td></tr>
<tr><td>Meetings and stakeholder consultation</td><td>Tipí</td><td>2023-10-15</td><td>4 h</td></tr>
<tr><td>Visit to restauration and reforestation areas</td><td>Truksinasta</td><td>2023-10-16</td><td>2 h</td></tr>
<tr><td>Verification of nurseries for sapling production</td><td>Tipí</td><td>2023-10-16</td><td>1 h</td></tr>
</table>

Transfer from *Tipí* to *Puerto Lempira*	*Puerto Lempira*	*2023-10-16*	*3 h*
Meeting with leader	*Puerto Lempira*	*2023-10-16*	*1 h*
Meeting with the team work: ♣ Baseline Scenario, ♣ Additionality, ♣ Project Period, ♣ Project implementation status, ♣ Monitoring Plan, ♣ PES Agreement, ♣ Benefit sharing, ♣ Communication mechanisms, ♣ Drivers of degradation, ♣ Land tenure, ♣ Carbon Rights in Honduras	*Puerto Lempira*	*2023-10-17*	*8 h*
Meeting with the team work: ♣ Biomass Estimation, ♣ Carbon Calculations (carbon reservoirs in the degraded *Pinus* savanna and Mahogany plantations), ♣ Planting density and silvicultural care, ♣ Leakage, ♣ Project risks (risk buffer)	*Puerto Lempira*	*2023-10-18*	*4 h*
Meeting with Government Officials	*Puerto Lempira*	*2023-10-18*	*1 h*
On-site validation closure	*Puerto Lempira*	*2023-10-19*	*1 h*
Departure from *Puerto Lempira* to *La Ceiba*	*La Ceiba*	*2023-10-19*	*1 h*
Departure from *Puerto Lempira* to *San Pedro Sula*	*San Pedro Sula*	*2023-10-20*	*4 h*
Departure from *Honduras*	*San Pedro Sula*	*2023-10-21*	*N/A*

The Validator:

Signature: Pablo Moreno Cerero **Date:** May 14th, 2024

PLAN VIVO
For nature, climate and communities

Appendix 3:

Lists of participants

AENOR
Confía

Ecosystem restoration and rehabilitation in degraded savannas in Mosquitia, Honduras

Octubre 2023

N°	Nombre y apellido	Posición	Firma
01	Neil Powell	Researcher Plan Vivo AB	[signature]
02	Hilda Madrigal S	Recursos humanos P. AB	[signature]
03	Marvin Rodriguez	Director P.S.A	[signature]
04	Edson Macklin	coordinador P.S.A	Edson Macklin
05	HEcrinda cooper	venipiciado	Ecrinda c.
06	Linneth Godfre Cooper	venipiciado	[signature]
07	Elvis Bultan	yenipiciado	Elvis
08	Roberto secrestan	veneficiario	Roberto
09	salio cooper	veneficiario	salio
10	Linda pcdrik	veniFCSrio	Linda
11	Sangelina Nixo	veneficiorio	Sangelina
12	Aristidic GoDFri		[signature]
13	Yolanda Bosen Reyes	venificiado	Yolanda
14	Arturo Godfre	venificiario	[signature]
15	Floy Bosen	beneficiario	Floy
16	Charles Alexander wood	Lider comunitario de Bipklarka	[signature]
17	Edgardo Rugama	concejo comunal Bipklarka	[signature]
18	Remele Nixon M	concejo comunal Bliblilaya	R.N.M.
19	Rocelita manicion	concejo	Rocelita
20	Karolina wislacth		Karulin
21	Yonila Goufri Flores		Goufri
22	Diana Rugama	auxiliar Suplente	DianaR.
23	Ermelina Rugama M.	vicepresidenta CTI	E.R.M.
24	Saida Rugama M.		S.R.M
25	Arelia Rugama M	sikritaria	A.R.M
26	Leocadia Rugama M		Leocadia
27	Rosi Ronas Alvarado	venificiada	RRA
28	(Yal) Kiotilde manuel	miembro du pueblo	Kiutilda

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AENOR
Confía

N°	Nombre y apellido	Posición	Firma
29	Elvalina Dani Miguel	directiva de juventud	E D M
30	NESMia Quinsares	partis dir pueblo	NEMIA
31	Bartolo Sivias	partisipante	Bartolo
32	HERAN Sivias	silvi cultura	HERAN
33	Eldericio michel	participante	Eldaricio
34	oner Bibi' Dama	bisitante	[illegible]
35	SoboR tino willias	bisitante	[illegible]
36	Denerio lopez Pasion	consejo comunal	[illegible]
37	Queso Mantin		
38	SREAoA	Firman	
39	GONZAlo HERman	Auxiliar soplente:	[illegible]
40	Dena Lopos	Aucelar tipiman	[illegible]
41	Baltazar Nikan	Pastor Blibilaya	Baltazar
42	Hilario nixon	Lider Blibilaya	[illegible]
43	Solida flore	TipiLoma	Solida
44	LLaqueRo Risah	TipiLamo	LLaqueRa
45	Jorge Peman Melaoth	Auka	[illegible]
		Presidente: Wamakkisinasta.	
46	Dana Brown	Comisionada Presidencial del Medio Ambiente para Islas de la Bahía —	Zoom Meeting

Photos[1]

[1] © Pizzurno (2023)

Field notebook[2]

Name	Location	Coordinates
Oficina Truktsinasta	Lainasta	14°59'52.631"N, 83°46'27.545"W
Río Cruta	Lainasta	14°58'51.499"N, 83°46'5.761"W
Heran Sivias Nixon	Lainasta	14°58'31.919"N, 83°45'2.02"W
Rosi Ronas Alvarado	Lainasta	15°0'5.8"N, 83°41'46.28"W
Vértice 1-Rosi Ronas Alvarado	Lainasta	15°0'6.322"N, 83°41'46.18"W
Vértice 2- Rosi Ronas Alvarado	Lainasta	15°0'6.232"N, 83°41'49.236"W
Vértice 3- Rosi Ronas Alvarado	Lainasta	15°0'2.92"N, 83°41'48.775"W
Vértice 4- Rosi Ronas Alvarado	Lainasta	15°0'3.96"N, 83°41'46.86"W
Teófilo Richards	Lainasta	15°0'27.66"N, 83°41'24.24"W
Escuela Tikirraya	Truksinasta	15°1'8.551"N, 83°38'28.496"W
Yolanda Bosen	Lainasta	15°0'31.565"N, 83°38'31.358"W
Vértice 1-Yolanda Bosen	Lainasta	15°0'31.5"N, 83°38'31.44"W
Vértice 2-Yolanda Bosen	Lainasta	15°0'27.48"N, 83°38'31.2"W
Vértice 3-Yolanda Bosen	Lainasta	15°0'27.6"N, 83°38'33.12"W
Vértice 4-Yolanda Bosen	Lainasta	15°0'31.5"N, 83°38'32.7"W
Arturo Godfree	Lainasta	15°0'31.08"N, 83°38'31.32"W
Vértice 1-Arturo Godfree	Lainasta	15°0'30.96"N, 83°38'31.38"W

[2] These plots below have been visited during the on-site visit in *Mosquitia, Honduras*

Name	Location	Coordinates
Vértice 2-Arturo Godfree	Lainasta	15°0'31.766"N, 83°38'28.237"W
Vértice 3-Arturo Godfree	Lainasta	15°0'34.44"N, 83°38'28.44"W
Vértice 4-Arturo Godfree	Lainasta	15°0'34.157"N, 83°38'31.315"W
Salmerón Lavayo	Lainasta	15°2'4.715"N, 83°37'40.796"W
Vértice 1-Salmerón Lavayo	Lainasta	15°2'4.801"N, 83°37'41.412"W
Vértice 2-Salmerón Lavayo	Lainasta	15°2'4.909"N, 83°37'39.317"W
Vértice 3-Salmerón Lavayo	Lainasta	15°2'7.85"N, 83°37'37.78"W
Vértice 4-Salmerón Lavayo	Lainasta	15°2'9.1"N, 83°37'40.127"W
Vértice 1-Elvis Bultan	Lainasta	15°1'58.4"N, 83°37'38.964"W
Vértice 2-Elvis Bultan	Lainasta	15°2'3.152"N, 83°37'37.65"W
Vértice 1-Cilan Wislouth	Lainasta	15°2'0.319"N, 83°37'48.014"W
Vértice 2-Cilan Wislouth	Lainasta	15°1'59.725"N, 83°37'46.628"W
Serana Felman	Truksinasta	14°59'43.793"N, 83°45'19.166"W
Inicio De Zona Intensiva	Truksinasta	15°0'53.964"N, 83°46'50.257"W
Puesto de Vigilancia - Oficina	Truksinasta	15°2'16.807"N, 83°47'33.364"W
Límite Intensiva - Extensiva	Truksinasta	15°2'41.226"N, 83°48'14.209"W
Límite Intensiva - Extensiva	Truksinasta	15°2'5.309"N, 83°49'19.898"W