Acorn

This document represents the basic layout and describes the required input for an ADD (**Acorn Design Document**).

Of each project within Acorn an ADD should be provided. The ADD should be stored and made available on the Acorn platform for the stakeholders concerned. This report is drawn up in close collaboration between the local partner and Acorn staff members. The local partner is responsible for providing all required information and performing the assessments. Acorn is responsible for the quality and continuously updating of the ADD. The ADD can be requested by validation and verification bodies and certifiers for third party oversight or quality checks at any given time.

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La Laja Acorn Design Document

Mexico | Veracruz

Date of Submission: March, 2024

Part A: Project Summary

Question	General Information	Answer
1	**Project location - country, region & district** (attach map if possible)	HUATUSCO, VERACRUZ MEXICO *Huatusco - Google Maps*
2	**Ecoregion(s)**	*Veracruz moist forests, Oaxacan montane forests and Petén-Veracruz moist forests*
2	**Local partner contact** (name, position, email, address, and website link)	*Concealed for data protection purposes.*
3	**Since what year has the local partner been active in the project area?**	La Laja works in the region and at a national level since 1999. In total, it has reached 15,000 farmers as part of the cooperative.
4	**Partnering NGOs, farmer cooperatives or sub-contractors** (name & role in project)	No partnering organizations will be involved
5	**Main cash crop(s)**	Main cash crop is coffee. *Some farmers count with other secondary crops, but these are not integrated in an agroforestry system at the start of the project.*
6	**Number of existing farmer participants**	3156 farmers.
7	**Potential number of additional participants**	2500 farmers (in total, 4000 farmers) in the short term and 10000 additional participants in the long term in Veracruz.
8	**Estimated average plot size per existing farmer (ha)**	2,65 ha
9	**Native language(s) spoken in the project area**	Spanish , in the region of Veracruz. In other regions where the project could scale up in the future, some native languages are still in use, such as Tseltal, tzotzil
10	**Describe how smallholder farmers/communities were**	Smallholders were engaged through in person meetings at several locations. Usually, there

	actively engaged and involved in the design of the agroforestry project, and not only informed (Provide evidence of participation. For example, photos or minutes taken in workshops, meetings)	are 5 meeting per year. These take place at the central office of La Laja (twice) or in other locations like the venue where the coffee is processed. In terms of dynamics, the average number of attendees is 120 farmers and several members of La Laja who lead the meetings. Topics are various, from agricultural practices to updates regarding partnerships. In the first case, La Laja is keen on inviting experts to share their knowledge and experience in specific topics. At the end of each session, there is room for feedback and questions by the participants (smallholder farmers)
11	**List the topics that have been raised with farmers/communities to seek their input on the project** (suitable tree/crop species, carbon payment, goals and objectives)	Sessions depart from a basic introduction and understanding to agroforestry, highlighting the possibilities and opportunities to implement agroforestry systems. As a next step, La Laja introduces topics based on previous farm visits. In this way, they cover relevant themes such as input utilization, tools and necessary practice which have shown to be relevant for smallholder farmers. 1- Interest in reforestation 2- Suitable areas to implement agroforestry 3- Management practices 4. Live barriers planting 5- Biological pest control
12	**Provide a general description of current socioeconomic conditions in the project area** (including marginalised/minority groups, income, poverty level, remoteness, education, transport, gender balance, migration, population growth etc.)	In the area where the Project will be carried out (Veracruz) the main crop is coffee, through which farmers obtain most of their income, likewise some producers have other crops such as lemon and avocado among others. Next to that, there is steady trend and of migration to the north of the country, specifically the United States and Canada, where people seek better conditions for their families out of the harvesting season, The region has infrastructure such as roads and public transport network, schools where they provide access to basic, secondary and higher education, for health services, there are health centers in the communities and hospitals in urban areas. In terms of minority groups, the area is different from other ones , such as Chiapas, for the lack of ethnic groups. However, given the agricultural activities in the areas, it is also common for the region to receive migrant workers during time of high demand of labor. As recently mentioned,

		Chiapas is a region with a considerable amount of ethnic groups and an area where. As such, this ethnic groups are considered a minority and they even still make use of their own language in their communities. In the Veracruz region population is aging, meaning that there is a higher rate of elderly people compared to younger groups. This difference is further enhanced by the migration of youth to northern countries. In this regard, the average income in the area (between 7000 to 10000 Mexican pesos) is lower than those of other areas in Mexico. On top of this, the income in rural areas tend to be lower than the average in cities. This situation is what nudges the younger groups to migrate. Contrary to the mentioned groups, women participation in the workforce , their influence and gender balances have been improving in the area the last years. While population presents a higher percentage of men compared to women, the latter have achieved greater inclusion in society, supported by the active effort of civil and governmental organizations to improve gender balances. When it comes to La Laja, women are part of the farmer groups and the aim is to achieve a ratio of 50% of women within the organization's farmers. Chiapas is another area where the project could potentially expand. Besides the ethnic groups, Chiapas also present a level of poverty greater than that of the Veracruz area. In this region, most of the indigenous people are governed by uses and customs, and have their local authorities.
13	**Describe any known local land degradation/deforestation processes or trends, and drivers of these** (For example, population increase, fire, conversion for agriculture)	The most prominent land degradation process in the area is due to climate change. Through its erratic rain patterns and temperatures, droughts have become more frequent and severe. At the same time, during excessive rainfall, soil undergoes an erosion process which due to nutrients run off, leading to decreased fertility in the long term. On top of this, current conditions are favourable to the appearance of different pests and coffee specific diseases. Regarding deforestation, there is no illegal activity of forest clearance, as much of the project area is already under agricultural

		activities. In any case, it is possible to find abandoned and unproductive lands due to low fertility. Finally, to a lesser extent, timber activity can also be found in the area. However, this is not carried out by farmers but other groups. These, do not clash with farmers nor interfere in their plots.
14	**Please describe the type of land use that best represents the project area before intervention** (For example, existing agroforestry/fallow/tree plantation/monoculture perennial crop/monoculture annual crop/mixed crops /marginal land)	The area can be described as one with existent agroforestry practices. Mainly, the systems are designed for coffee production. However, the current shading and density of these systems is insufficient. Next to that, the implementation of diverse tree species is also low, as those farmers with alternative species such as lemon, macadamia or avocado, do not always implement these as part of the system. Instead, these trees are separated and isolated from the coffee plantations.
15	**How is land tenure organised among participants and in what form is this evidenced** (formal titling, informal titling or land mapping – See 5.1.3 Acorn Framework)	Smallholder farmers have legal document issued by government agencies. Some of these are title deed or certificate of ownership. Alternatively, due to the long process involved in the acquisition of legal titling, some participants opt for leasing contracts as an annex to the original title deed. It is important to note that in the area the ejido system is still in place. In this regard, 5% of the participants have their lands under this system, which implies the use of communal lands based on user rights given by the government to a specific farmer.
	Theory of Change	
16	**Describe the target community of this project** (e.g. gender, age, marginalised groups, location, other stakeholders)	The group of participants is mostly formed of men and women between 40 and 60 years old. In terms of ratio, 30% are women and 70% men.
17	**What are the biggest agricultural challenges faced by farmers and their families, and the community in the project area?** (climate change, volatility in commodity prices, low productivity, access to resources, financial security, crop damage from wildlife, human conflict etc.)	There are several problems that coffee producers face. In climatic matters, the droughts in previous years have had an impact on the non-flowering of coffee farms, likewise, the instability of coffee prices each year, make producers look for other forms of income, they also face the lack of labor for coffee harvesting, due to migration or lack of interest of the new generations to carry out activities related to agriculture. New pests and diseases that affect crops, and that to

		combat them generate an extra and higher cost for greater maintenance for crops. One example of such a pest it the ''piojo harinoso'' (mealybug).
18	**Describe the project's aims and objectives** (e.g. the desired change the local partner wants to achieve)	The main objectives would be : a. Remediate and care for the natural ecosystems in the project area. b. Minimize the impacts of climate change that affect the planet and smallholder farmers livelihoods. c. Raise awareness among farmers in caring for the environment and adopt sustainable practices, as these can enhance their livelihood. d. Support smallholder farmers livelihood through improved yields, diversified crops and potential carbon revenue from CRU sale. e.Increase participation of youth to avoid rural migration and address lack of available labour
19	**Describe how the project expects to achieve the desired change** (e.g. project interventions and activities undertaken)	The project will provide specific training tailored to address the current challenges faced by farmers. Next to this, by increasing tree density on the agroforestry systems it aims to enhance the resilience of the systems to the new climatic conditions. However, to do this, ensuring genetic material availability will be necessary. Finally, to ensure long term sustainability, the project will focus on involving younger farmers and decrease the migration trend that is currently taking place.
20	**Describe the conditions/resources necessary to undertake the expected activities and achieve the desired outcome** (these are not always under the control of the local partner)	To achieve the desired change, certain conditions need to be met. Firstly, the reach and engagement with participants need to be efficient. This way, training on management practices and sensitisation on environmental topics can be well received by participants. Secondly, to increase tree density the availability of nurseries needs to be sufficient. Thirdly, the project should motivate younger participants or family members to get involved.

21	**Describe <u>how and why</u> the project intervention proposed is expected to positively/negatively impact the following;** (Provide examples or reasons)	*La Laja has developed a specific agroforestry design including different citric species(lemon, orange) that can provide shading, while others species bring nitrogen fixation properties. Altogether, this design will address soil fertility and erosion prevention through border planting . The design will be shared in meetings with participants and also through digital channels such as chats and emails. To implement the design in the right manner, La Laja will carry out several yearly meetings with farmers as a training on specific topics (biological inputs, soil fertility, tree planting, seedling raising, among others) and will also carry farm visits and meetings on location to provide tailored assistance and more practical trainings. All of these will be supported by the production of seedlings at farmers location and an additional nursery developed for this project by La Laja.*
		Food security/nutritional intake: *It is expected that by improving their current agroforestry systems, their yields will increase. Ultimately, this will result in extra income and also the potential additional revenue from carbon credits. This way, they would possess economic resources to acquire more and diversified food. Nonetheless, another important improvement would be the implementation of ''family horticulture'' , through which participants could produce diverse crops for their own consumptions, such as vegetables.*
		Farmer financial state: *Through the project, the farmers would be able to address the current aspects affecting their livelihood. Firstly, by improving their agroforestry system farmers will be able to address the new climate conditions (droughts, high temperatures, irregular rain patterns) and also learn how to deal with the more frequent pests. Next to that, the diversification of their crops would also bring along an alternative revenue stream (along with CRU sales) to endure the fluctuating prices of the coffee market. Finally, by applying sustainable practices, it would be possible for farmers to obtain a premium on their coffee.*
		Gender equality: *The project supports and promotes the inclusion of women in the program. In this regard, 30% of participants*

		are women and these are also land owners as much as other male participants. Additionally, the local partner will promote their daily involvement and support their role in the farm, which usually implies doing the financial administration of the household , planting activities and sometimes even work in the harvest or transport of inputs if necessary. On top of that , there is a gender equality committee within La Laja promoting and evaluating the equal rights between men and women within the La Laja network. A specific grievance mechanism has been set up to also address this.
		Farmer access to resources: *Firstly, the local partner would provide technical assistance to the producers. As such, teachings and training is not something farmers can access by themselves. Secondly, it will also support the access to seedlings and planting material for the farmers to implement their improvements on their agroforestry systems.*
		Biodiversity on farms: *The project aims to actively improve biodiversity within the agroforestry system through the diversification of plant species. On top of this, native species will be prioritize and included in the agroforestry design. At the same time, the increased diversification and tree density will bring along benefits for animal and insects species, such as shelter and food resources.*
	The Agroforestry System	
22	**How would you define an agroforestry system?**	A productive system, which includes the production of agricultural crops with the help of a diverse set of trees species
23	**Is this project new or existing agroforestry or a combination?** (Please note: Acorn considers "new" as no trees ever planted under an agroforestry project)	It is an existing agroforestry project.
24	**Type of trees that have/will be planted under agroforestry scheme** (shade, fruit-bearing, medicinal)	Based on the visits to the participants farms, the most suited trees are fruit species (lemon, avocado, macadamia) as well as beans and vines for nitrogen fixation.
25	**How will the project ensure the survival and health of both (1) trees that existed before the start of the Acorn project, and (2) trees**	Through training, follow-up monitoring, and provision of seedlings it will be guaranteed that the producers achieve the objective of the Project. More importantly, the project will

	that will be planted during the project?"	carry out sensitization of farmers to explicitly stress the requirement and importance of retaining trees.
26	**How do the agroforestry practices in this project differ to current farming practices in the region?**	Even though farmers in the area do make use of trees within their plots, they do so many times in an isolated manner. That is, for example, by planting fruit trees separately from their coffee plants. Next to that, farmers tend to have agroforestry systems which are not optimal in terms of species combination and sufficient shading. Regarding coffee production, farmers will also be encouraged to plant specific varieties (Costa Rica, *marcellesa, slachimores, guatas, anacafe* 14 among others) which are not common compared to other farmers in the area.
27	**Is planned harvesting part of the agroforestry design for this project?** (Please note: Acorn considers harvesting in this case as cutting down the entire tree)	Harvesting is not planned of this project. However, it is common and promoted that farmers cut down those trees that required renewal (due to their life cycle) or those that are rotten/ dead. In the case of the latter, this is even more important as these trees represent a hazard, being prone to fall and cause accidents. In terms of managing practices, minimum pruning of lower branches are advised on certain tree species once a year to optimize coffee production. This is done to achieve a suitable level of shading.
	Project Additionality	
28	**Is the project incorporated by any other accounting program (For example, compliance, voluntary or national GHG program)? If yes, describe how project ensures no carbon credit is accounted for in in any other carbon program other than Acorn.**	The project and the participating plots have not been incorporated by any other GHG accounting program before
29	**In what year, season and month(s) will/were the first trees planted?**	Trees were planted progressively since 2018 and this was done mostly during the rainy season between June and September.
30	**If existing agroforestry, approx. how many farmers were onboarded each year over a five-year period**	Year 1: Approximately 200 Year 2: Approximately 150 Year 3: Approximately 200 Year 4: Approximately 350 Year 5: Approximately 600
31	**Is this project mandatory under any national or local laws?** (List	No, it's fully optional and voluntary.

	relevant forestry regulations, national climate change commitments etc.)	
32	**What is the main driver encouraging farmers to transition to agroforestry?**	Current climatic conditions and coffee's price has affected farmers livelihoods. In views of this, they are in need of increasing their yields and diversifying crops as much as possible to secure alternative sources of income next to their coffee plantations. While agroforestry could fulfil such a goal, farmers still lack knowledge to implement efficient practices and systems in which alternative crops can provide sufficient shading for their coffee along other benefits.
33	**Was the promise of carbon credits an enabling factor for farmers to transition to agroforestry?**	While the additional revenue from CRU sales represents a direct benefit for farmers. Many of them have indicated their interest to receive support when implementing agroforestry or improving their current practices. In this regard, they are keen on developing an efficient design and also incorporate suitable species and improved varieties for their coffee plantations. Through their participation in this Acorn project, farmers would be able to access technical assistance, a robust agroforestry design and support along the way to carry out all required practices in the right way, from seedling acquisition, to planting and management of the different crops. As an example, many farmers have already discussed potential agroforestry designs and improvement with the local partner.
	High-over business case	
34	**If existing agroforestry, how has this project been funded to date?** (financed by the local partner, the farmers, grants/funding, or a combination)	Currently there are producers who by their own means have started or have agroforestry systems in addition to cultivating coffee under shade, but they do not have financing
35	**Briefly describe the costs for the farmer in this project** (e.g. seedlings, fertilisers, pesticides, labour – planting and pruning, project cost, training, transport)	*Labour, planting and pruning costs on a one hectare farm with on average 200 trees is 1200 Mexican pesos per hectare per year* *On average a farmer pays 7 Mexican pesos for a tree seedling depending on the species*
36	**Briefly describe the costs for the local partner in this project**	*Trees: 15800. For a value of $142,700.00 mxm.*

	(e.g. seedlings, onboarding, data collection, training, farmer engagement, planting materials, see Annex 4 for more examples)	*Organic fertilizers 1053 bags of 35 kg $42,120.00 mxm* *Labour $240.00 mxm total for 395 employment days, total: $94,800.00 mxm* *Transport: $20,000.00 mxn annual.*
37	**How will this project be financed and by whom during the design and implementation stage** (e.g. financed by the local partner, the farmers, grants/funding, or a combination)	All activities carried out so far (trainings, most of seedling provision, etc) have been financed by la Laja. Moving ahead, the local partner is looking for financing options should this be necessary for scaling seedling production and engagement activities.
	Farmer survey	
38	**In addition to the mandatory indicators of farmer income, biodiversity and nutrition, please choose at least 1 of the following additional indicators that you would like to monitor at least every 3 years through sampled farmer surveys;** • Agricultural land use productivity • Women empowerment • Youth inclusion	Youth inclusion

Part B: Eligibility Checklists

Acorn eligibility checklist			
Topic	Sub-topic	Requested information	Result
Organizational capacity	Organizational structure	Provide a description of your organizational structure and roles of each organization involved in the project.	AC La Laja is a family company by origin. Since 1920, the Sampieri family started their work in the cultivation of coffee in the fertile lands of the highlands of the municipality of Huatusco, in the State of Veracruz. Then, in 1999, AC La Laja S.A. was established by Juan Hermilo Sampieri Jauregui and Juan Hermilo Sampieri Carcamo. The company is dedicated to the production, marketing and export of green coffee. With over 23 years of experience, the company has positioned itself in the coffee sector at a national level and still growing considerably. The company has its different departments governed by a president, general managers, accounting area, trading, quality assurance, purchasing and supplies maintenance, farms and certifications.
	Organizational capacity	Provide a description of your "on the ground" capacity to undertake long-term community-led project(s) and implement agroforestry (e.g. number of years active in project area, experience collecting data and engaging with farmers).	With over 23 years of experience, AC La Laja has established a network of 14 thousand producers throughout the regions of Chiapas, Puebla and Veracruz. It also has a processing plant, including a wet mill, which is considered the largest in Mexico, and a dry mill. In addition, groups of producers were created in different certification programs such as the Rainforest Alliance, C.A.F.E. Practices, Social Responsibility and 4c, to include an extra value to the coffee, by guaranteeing standards of good agricultural, social, and sustainable biodiversity practices. La Laja has been working with these different certification programs for more than 15 years, demonstrating enough experience to undertake long-term community-led projects.
	Inclusivity	The local partner has the capacity to undertake community engagement, promote social inclusion and ensure gender inequalities are not reinforced.	Yes
	Accessibility	The local partner is capable of providing all project documentation in the native language(s) of the project area.	Yes

Sustainability	The local partner agrees with the Rabobank's sustainability policy. [https://www.rabobank.com/en/images/sustainability-policy-framework.pdf]	Yes
Participant organization	Describe how the project is organized, or in the process of being organized, into cooperatives, associations, community-based organizations or other organizational forms able to contribute to the social and economic development of the participants and their communities (e.g. farmer groups/clusters for training).	The project will be organized into groups of producers, between 20 to 500 members, all of them organized by an internal management system. Such a system implies a work plan, field inspections and monitoring and a traceability system, which allows us to monitor the flow of the coffee, as well as information and data. This task is done by La Laja's "compradores'' in each village, who are the contact persons for the producers; they visit the producer 2/3 times a year; groups are between 20 to 500 members per comprador.
Project effects	The project strives to avoid any environmental or biodiversity harm.	Yes
Entity	The local partner is an established legal entity that takes responsibility for the project and for meeting the requirements of the Acorn Framework for the duration of the project.	Yes
Local presence	The local partner has a strong in-country presence and the respect and experience required to work effectively with local participants and their communities.	Yes
Local policies	The local partner has a solid understanding of	Yes

	local policies and can confirm that the country's policy allows individual CRUs to be sold. (Please attach an evidence of a letter to the government to inform the existence of Acorn project).	
Youth employment	The local partner confirms they do not employ workers below the ILO minimal age convention on child labor.	Yes
Influence	Describe your experience collaborating with local groups, organizations, institutions and government agencies (both formal and traditional).	AC La Laja is a national company that since its inception has worked jointly with coffee producers, have implemented good agricultural practices, care for the environment and biodiversity, certifying it under the seals of Rainforest Alliance, C.A.F.E, Social Responsibility and 4c practices.
Resources	The local partner has the ability to mobilize the necessary resources to develop the project and support participants (i.e. providing access to seedlings and farm inputs, agronomic knowledge, and monitoring and technical support).	Yes
GDPR	The local partner's current data handling policies are compliant with GDPR or similar national regulations.	Yes
Exclusion List	The local partner confirms that this project does not include any of the criteria listed in Acorn's exclusion list.	Yes
Data collection	The local partner confirms they have	Yes

	access to all farms, with permission of the land owners, to collect reliable data and provide this to Acorn (i.e. GPS polygons, phone numbers, other KYC data).	
Training	The local partner has the ability to mobilize and train participants, and implement and monitor project activities.	Yes
Voluntary participation	The local partner confirms that participants are aware their involvement in the project is entirely voluntary.	Yes
Participant payments	The local partner ensures that payments are made in a transparent and traceable manner and are agreed upon by participants.	Yes
Project Council	The local partner has the capacity to establish a project council that will meet at least twice a year to engage farmers in decision making throughout project design and implementation.	Yes
Contributions	The local partner does not draw more than 10% of CRU sales income for ongoing coordination, administration and monitoring costs.	Yes
Participant identity	The local partner is able to collect and provide proof of participant's identity.	Yes

	Smallholder labour force	The local partner confirms that participants are not structurally dependent on permanent hired labor, and manage their land mainly by themselves with the help of their families.	Yes
Sustainable land use activity	Smallholder farm size	The local partner confirms that the plots under Acorn where agroforestry practices are implemented do not exceed 10 ha.	Yes
	Carbon rights	The local partner recognizes that participants own the carbon benefits of the project intervention.	Yes
	Land-tenure	The project applies to land over which the participants/community have (formal/informal) ownership of land or long-term user rights.	Yes
	Project design	The project is/will be designed to promote sustainable land-use and has/will have a feasible business case underwritten by agronomist(s) and community representatives.	Yes
	Deforestation	The local partner confirms with all participants that no deforestation has taken place within five years before the start of the Acorn project intervention. If this cannot be confirmed, please describe the cause of	Yes

	the deforestation and the measures that have been or will be taken to prevent deforestation from happening again.	
Additionality	The local partner ensures project additionality.	Yes
Durability	The local partner and participants both confirm that they are aware of and commit to the mandatory durability period of 20 years.	Yes
Existing agroforestry (i)	The local partner and participants both confirm that agroforestry at the farm level has been implemented less than 5 years before the start of the Acorn project intervention.	Yes
Existing agroforestry (ii)	The local partner and participants both confirm that the plots proposed for Acorn have not been previously monetized for other carbon sequestration projects.	Yes
New agroforestry	There is sufficient supply of seedlings, inputs, water and other required resources.	Yes
Naturalized species	The local partner promotes the use of native species, or naturalized where socio-economic and environmental benefits are expected.	Yes
Current habitat	Provide a description of the current ecosystem and flora	The area where the project will be implemented is characterized by being mostly mountainous, close to

	and fauna species of the project area (e.g. type of landscape - hilly/forest, elevation, soil condition, water availability, and native plants, shrubs, trees and wildlife).	a cloudy forest, named by its frequent or persistent presence of clouds at the vegetation level. Most producers of the groups grow coffee, under diverse shade of trees like oak, mango, avocado, citrus, *inga vera*, Fraxinus excelsior, and cedar trees. Species of animals commonly found in the project area includes squirrels, rabbits, armadillos, and various birds.

Part C: Additionality Assessment

Barrier analysis	Demonstrate that the project intervention would not have taken place due to a least one of the following barriers.	
Type of barrier	Situation without project	Situation with project
Financial/ economic barrier	The improvement of current agroforestry systems bring along an unavoidable investment , mostly in the form of seedlings and labor. In this sense, farmers are keen on investing in their own farms. However, the last years have seen a decreased coffee yield , volatile prices and also expensive seedlings. On top of this, young workers migrate frequently to North America and Canada looking for better incomes . Ultimately, this decreases labor availability , making it more expensive. Consequently, farmers are not able to improve their agroforestry systems or if they do so, they decide to postpone it until prices allow them to do so.	La Laja aims to enhance farmers livelihoods by securing better prices and promoting certain management practices in order to increase yield and quality of coffee. Next to this, it promotes the inclusion of certain tree species in combination with coffee to provide shading but also alternative crops, such as lemon, avocado ,macadamia or mango. This last approach is highly appealing to farmers , as it allows them to hedge against coffee price fluctuations. Through this measures, the farmers income increase and allow for a surplus which could be invested to improve agroforestry system's tree density and incorporate new species. Logically, the possibility of accessing CRU revenue would represent a valuable additional income to acquire seedlings , labour and other possible investments in order to improve the farms output.
Technical barrier	The lack of planting material in the area hinders the attempt of farmers to improve their agroforestry systems. Currently, the only source of seedlings are either La Laja or the ones produced by some farmers.	La Laja will set up a new and additional nursery in collaboration with farmers, in order to meet the demand of seedlings that the scale of the Acorn project would demand. To do this, La Laja would finance the construction of the nursery as much as possible , with no additional cost to farmers. Additionally, it has also considered setting up smaller nurseries at different farms of participants who wish to provide space for such installation. Once the nurseries are built , farmers would be in charge of raising seedling and securing the provision of plants for their agroforestry systems. Finally, to ensure there is no lack of seedlings availability, it would be possible to purchase the plants from three private nurseries close to the project location. However, this approach is not a priority and La Laja is keen on developing a nursery for the project itself. It is important to highlight that for both La Laja and farmers, the CRU revenue would

		be instrumental to support the required scaling in terms of nurseries and seedling purchase.
Ecological barrier	The area has witnessed the effects of climate change. These, have caused prolonged droughts, and patterns of excessive rainfall. As a result, raising seedlings and ensuring survival of new planted trees is a difficult task during drought periods. Opposite to this, the excessive rainfall leads to wash off nutrients in the project area, as its hilly geography worsens the effect of it. Along with this direct effects, new pests and diseases have been spreading rapidly within the project area such as the ''Piojo harinoso'' and in some cases, coffee plants were not even able to flower due to the climatic conditions.	With the execution of the program, over time there will be a greater tree cover that will help to maintain higher rainfall in the areas and will reduce the impact of droughts that may occur in the area. Additionally, the project promotes soil conservation practices and application of organic inputs to increase soil fertility. This would allow to address the current trend of soil degradation in the project area. Overall, these are examples of climate smart practices promoted by La Laja in the project area.
Social barrier	Firstly, the current trend in the project area is the migration of young workers to United States and Canada in search of better wages. This results in low labor availability and sometimes even abandoned lands. Secondly, farmers in the area are not grouped and rather operate individually.	With the intervention of the Project, it is expected that farmers are able to achieve higher yields and also access extra revenue through the sale of carbon credits. Even though not guaranteed, this could represent a motivation for young farmers not to migrate to northern countries. In order to achieve this, La Laja is actively grouping farmers based on their geographic location in order to enhance the engagement with them. For example, it has formed three different groups in the region of Veracruz. With the implementation of the project, it would be possible to incorporate new onboarded farmers to the existing governance structure in place by La Laja. Through these groups, the local partner is not only able to provide knowledge through training and farm visits but also promote knowledge exchange among farmers.
Cultural barrier	Farmers have been carrying out traditional practices which are not suited for current climatic conditions, pests, and many times rely on the implementation of chemical inputs. At the same time, their agroforestry designs are not efficient and lack the right combination of tree species and densities.	La Laja carries out between 5 to 7 yearly training sessions on specific topics. These take place at La Laja's processing location, which allows for meetings of up to 200 participants. Additionally, they schedule farm visits in groups to have more on hand experiences with farmers. Next to this, its extension officers visit farms on a regular base to asses crops or provide tailored

	assistance if needed. In this sense, La Laja has several channels of communication available for participants to raise questions or request help. Based on this , La Laja obtains some reference for the design of the yearly trainings. In terms of agroforestry designs, the local partner aims to promote the inclusion of commonly used citric and bearing nuts tree species in combination with coffee to provide optimal shading. Finally, it has a strong focus on the implementation of organic manure and biological pest managements to nudge farmers away from agrochemicals.

Overall conclusion:

La Laja is an experienced organization with almost 20 years of history working in the project area. Through this project, it aims to address specific challenges that are leading farmers to low yields on their coffee plantations as well as a weakened livelihood due to market conditions. In order to achieve the desired change, La Laja has designed a specific agroforestry design combining common tree species in the area but making use of them within the agroforestry system to provide shade and offer farmers an alternative source of income, such as lemon, avocado or macadamia. The current effects of climate change require a change on the common practices that have been taking place in the project area. In order to promote new practices, La Laja would make use of its current governance structure (including internal groups of farmers) to provide yearly trainings on specific topics. Next to this, it will also seek to guarantee the availability of seedlings to increase current densities in the farmers systems. This would be done by setting up an additional nursery in combination with the participant farmers, as well as setting up smaller in different farms spread across the project area. Looking forward, the trees would be planted over 10 years, so that it is a process of continuous improvement, and the necessary economic resources are available. In this sense, the potential CRU revenue would be instrumental to scale operations and onboard more farmers in the future.

Part D: Farmer Survey

Number of participants surveyed		Total number of project participants	Percentage of total participants included in baseline		
112		2002	5.59		
Area	**Indicator**	**Metric**	**Source**	**SDG**	**Result**
Local livelihood	**Farmer financial state**	Farmer income (costs – revenues)	Farmer survey	1, 2, 8	$ 5315
	Nutritional variety	Number of food groups in the diet (see Appendix 7.9)	Household Dietary Diversity Score (HDDS) index survey[1]	1, 2	3
	Agricultural land use productivity	Yield of main cash crops (kg/ha/year) and/or total farm yield (kg/year)	Farmer survey	1, 2, 8	13887 kg/ha/year
	Youth inclusion	Number of youth in decision making and farmer perceptions	Farmer survey and local partner survey	8	0
Environmental improvement	**Agricultural biodiversity**	Crop/animal/pollinators count	Gini-Simpson Index survey[2]	2, 15	41%

1. Famer financial state

I.) Describe the current financial state of farmers and how project intervention is expected to positively/negatively impact these.

Farmers surveyed count on average with 3.20 hectares of land and more than 70% uses fertilizers (mostly for nitrogen addition to coffee plants), which as such, represents a recurring cost in their activities. When asked how would they define their financial state, majority of them indicated to earn just enough (38%) , closely followed by those who lack resources to some extent (32%). Also, some of them consider themselves to be undergoing financial hardship , but to a lesser extent (13% of respondents). Opposite to this, but also to a similar extent, 15% of the respondents indicated that they are able invest on their farms. Naturally, this also affects the access of education for farmers and their families. In this regard, only 50% is able to access it, while 40% can do so to a limited extent. Finally, it is important to highlight that most of surveyed farmers are able to profit from their farms. However, 20% of them have to deal with high expenses that outpace the yearly earnings. More details on this results can be found on the next table.

II.) Please fill in the table below depending on the type and amount of income and expenses you have on the farm each year.

[1] *Swindale & Bilinsky, 2006*
[2] *Izsák & Papp, 2000*

Annual farm revenue	**Description of revenue sources** (crops for market, livestock products, selling fruit from trees)	**Annual operating expenses**	**Description of Expenses** (food, seeds, fertilisers, feed, pesticides, livestock purchases, veterinary costs, labour, fuel, transport, taxes, loan interest, rent)	**Average farmer available funds** (revenue – operating expenses)
$ 47618.33	Among farmers, the selling of coffee is by mar the most frequent source of revenue. After this, sale of lemons was also listed by some participants. However, this is only the case for 10% of the respondents.	$42302.4	The most common expenses among farmers is the purchase of Plants and seedlings. As such, this has been referenced repeatedly by surveyed participants. Next to this, labour and time spent on management practices is the second most recurrent expense. Finally, purchase of food and fertilizers were cited but to a lesser extent.	$5315.93

III.) Fill in the table below based on the carbon credits received by farmers *(only applicable in year 3)*

Farmer name		**Number of credits received**	**Time period credits were received**	**Total income from carbon credits**

This table remains empty, as no farmers have received CRU revenues at the start of the project.

2. Nutritional Variety

I.) Describe farmer nutritional intake currently and how project intervention is expected to positively/negatively impact this.

Nutrition of surveyed participants has shown to have room for improvement in terms of diversification. The reason being that only 5 food groups are common among farmers and overall, on average 3 food groups are consumed. These are cereals, fruits, vegetables and eggs. In this regard, legumes , nuts seeds and roots or tubers are notoriously not common in their diets. As none of these are consumed by even 10% of the respondents. Looking further into the nutritional results, 92% of farmers buy additional food to diversify their diet. This is also in line with the amount of respondents that produce their food within their farms. Most of them produce between 25% and 50% of their nutritional intake on their own land. Finally, over 80% of the farmers has access to three meals per day. However, 44% of them are forced to skip meals on a daily or weekly basis.

II.) HDDS Index Survey Results.

Food group type	**Amount of farmers consuming each food group (%)**
Cereals	67%
Root and tubers	*5%*
Vegetables	*53%*
Fruits	68%

Meat, poultry, offal	31%
Eggs	59%
Fish and seafood	8%
Pulses, legumes, nuts and seeds	1%
Milk and milk products	11%
Oils and fats	11%
Sweets	4%
Spices, condiments and beverages	20%
Average number of food groups consumed: 3	

3. Agricultural Biodiversity

I.) Describe the current state of biodiversity and how project intervention is expected to positively/negatively impact this.

In terms of impact, the improvement of agroforestry systems is expect to enhance biodiversity through the concrete addition of new plant species , specially native ones but also through the additional resources these will represent to animal species in the project area. Overall, the increased density of the agroforestry systems will provide protection to both crops and soils from the effect of climate change.

II.) How many farmers perform beekeeping?

Beekeeping is not a common practice among farmers. This is further confirmed by the baseline survey, which showed that only 9% of respondents perform beekeeping. Among these, raised beekeeping is the most common practice.

III.) Gini-Simpson Index Results.

Crops	Area	pi	p2	Livestock	number	equivalent	pi	p2
Coffee	282,29	0.8600	0.7896	Cows	6	6	0.15328	0.0234
Citric	30.12	0,0917	0,0084	Chickens	1185	16.59	0.42382	0.1796
Banana	2.8	0,0085	0,0000	Pigs	22	0.594	0.01517	0.0002
Macadamia	1	0,0030	0.0000	Rabbits	33	0.66	0.01686	0.0002
Sugar cane	2	0,0060	0.0000	Goats/sheep	7	0.7	0.01788	0.0003
Avocado	10	0,0304	0,0009	Horse	8	6.4	0.16349	0.0267
				Donke / Mules	7	5.6	0.14306	0.0204
				Guinea pigs	13	2.6	0.06642	0.0044
Total	**328.21**		**0,79**	**Total**		**39.14**		**0.2555**
Final crop index		**0.21**		**Final Livestock Index**			**0.74**	

Natural vegetation, trees and pollinators		
	Description	**Value**
Productive area with natural vegetation	Majority of farmers indicated to have between 25% and 50% of their plots covered by natural vegetation. More precisely, this was the case for 55% of the respondents. After this group, another 30% of respondents have most of their plots covered by natural vegetation (between 50% and 75% of their plot)	**0.25**
Pollinator Presence	Considering all the different pollinators seen by the surveyed participants and the frequency on which these are seen in their plots, majority of them are not seen at a moderate extent. That means, their presence is not regular but does occur frequently.	**0.66**
Beekeeping	Beekeeping is not a common practice among participants, this is only done by 5% of the surveyed farmers.	**0**
Average natural vegetation, trees and pollinators	**0.30**	
Agricultural Biodiversity Score	**41%**	

IV.) List pollinator species in the project area.

Present in project area	**Pollinator type**
Regularly	
Moderately	Butterflies , Mosquitoes, Butterflies , Flies , Hummingbird
Sometimes	
Rarely	Ants , Bats, Bees , Beetles , Moths

The table above indicates which is the most common frequency for each type of pollinator

V.) List wild animal species in the project area.

Species (*latin name)*	**Prevalence (*Regularly/Sometimes/Rarely)***
Snakes (Serpents)	Sometimes
Wild boar (Sus scrofa)	*Rarely*
Squirrel (*Sciuridae*)	*Regularly*

4. Agricultural land use productivity

I.) Please describe your current productivity level, challenges around productivity and yield from farm outputs, and how project intervention is expected to positively/negatively impact this.

Yields have been decreasing and not meeting expectations. A possible reason for this is the fact that farmers often apply traditional practices which are not suited for current climatic conditions, pests, and many times rely on the implementation of chemical inputs. Furthermore , the average agroforestry system among participants is not efficient due to a lack of the right combination of tree species and densities.

II.) Please fill in the survey in Table 10 depending on the yield of your cash crop and total farm yield, including the percentage of productivity that accounts for crops other than the cash crop.

Cash crop	Average yield of cash crop (kg/ha/year)	Average total farm yield (kg/year)	Other crops contributing to productivity and their amount (%)
Coffee	3076 kg/ha/year	13887 kg/ha/year	Other cash crops that contribute to the overall farm productivity are maize ,beans and sugar cane , which on average represent 20% of the total farm output.
Lemon	7167 kg/ha/year		
Bananas	5000 kg/ha/year		

5. Youth inclusion

I.) Please describe how youth are involved in the project and challenges experienced in terms of inclusion of youths in decision making and leadership positions, and how project intervention is expected to positively/negatively impact this.

Youth are actively involved in the project through several tasks. For example, they are employed by La Laja as field officers in charge of gathering participant's data , polygons and checking that the measured plots are eligible for the Acorn project. By involving youth in the aforementioned tasks, it is expected that their involvement in the project and agricultural activities and role as decision makers increases, along with their interest for sustainable agriculture.
In terms of challenges, youth lack with experience in certain fields, such as managing relationships with groups or being able to exert influence on current practices carried out by older farmers.

II.) Please fill in the table below depending on the number of young people involved in certain roles in the project.

Number of participants aged between 15-24	Number of lead farmers aged between 15-24P	Number of farmers aged 15-24 participating in project council	Areas where farmers aged 15-24 are employed in the project (nurseries, agronomists, project coordinators etc.)
5	0	0	*Agronomists, extension officers, data collectors and administrative workers within La Laja.*

Part E: Baseline Assessment

Carbon Baseline		
Requested information	Format	Answer
Describe potential land tenure issues and measures taken to mitigate these	Text	*No potential land tenure issues are expected among participants nor in the project area. In case of any land dispute between communities, Mexico's national agricultural laws will guide the dispute resolution.*
Description of how the land and natural resources are currently used	Text	*The most common land use in the project area and its surroundings is the production of coffee for later commercialization. The land is mostly owned by smallholder farmers carrying out agroforestry. As part of this practice, the most common crops are coffee and critics. The use of pesticides and fertilizers is also common in the area. For example, more than 60% of surveyed farmers indicated to apply nitrogen fertilizers to their crops, being coffee the one most frequently fertilized. Fortunately, in terms of pesticides, their uses is less frequent and 80% of surveyed farmers during the baseline process apply either manual or no control at all.* *Given the recently low yields and inputs costs, without the project intervention, it is expected for farmers to expand their agricultural activities but at a low density and the likelihood of them planting native species is considered low. Ultimately, the diversification of crops is expected to decrease. For example, there is currently a trend of replacing sugar cane for coffee plantations.*
Description of current habitat species	Text	*The project is located in a mountainous area, which provides good conditions for coffee production. The area which could be described as humid and forested hosts different woody plant species besides mosses, ferns and lichens. Other common species are orchides and bromeliads, which grow on top of woody surfaces.* *In terms of animals, the most common species are amphibians such as frogs and toads, reptiles such as snakes along with mammals and birds.*
Description of deforestation potential	Text	*No deforestation has taken place in the last 5 years. This type of illegal activity is not common in the area. At most, unproductive and abandoned lands can be found in the project area. However, the project aims to generate awareness on the importance of retaining trees and what benefits this bring to*

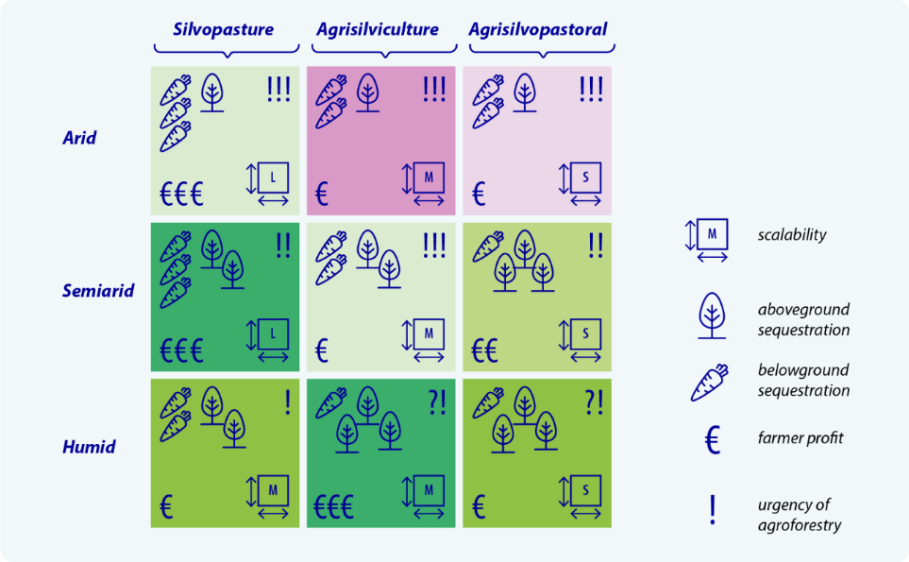
		agricultural activities in the area. At the same time, monetizing carbon sequestration represents a concrete incentive for farmers, who otherwise might find themselves in the need for income and proceed to cut down trees.

1. Provide a description of the ecoregion(s).

This Acorn project takes place in three ecoregions of southern Mexico. One of this is the Veracruz Moist Forests. As such, it presents a tropical moist broadleaf forests Covering an extensive area from central Veracruz state to northern Guatemala and most of Belize, these forests experience substantial rainfall. The climate remains warm and humid, with wet and dry seasons. The ecoregion includes the Lacandon Forest of Chiapas and the Petén Basin of Guatemala, supporting diverse wildlife that spans from central Veracruz state across portions of Oaxaca, Tabasco, Chiapas, and Campeche, as well as northern Guatemala and most of Belize. This area receives abundant rainfall, contributing to lush vegetation. The climate is warm and humid due to the tropical location, and there are distinct wet and dry seasons. Orchids, bromeliads, moss, and lichens thrive here, creating a diverse ecosystem. Next to this, the Oaxacan Montane Forests can be found on the eastern slope of the Sierra Madre de Oaxaca and the eastern Trans-Mexican Volcanic Belt ranges, this forest receive moderate to high rainfall. Due to their elevation, temperatures are cooler compared to lowland forests. Seasonal variations include a distinct dry season. The vegetation mix includes broadleaf trees, pines, and oaks. Finally, the third ecoregion , Petén Veracruz Moist Forests covers an extensive area from central Veracruz state to northern Guatemala and most of Belize. . The ecoregion includes the Lacandon Forest of Chiapas and the Petén Basin of Guatemala, supporting diverse wildlife. These forests experience substantial rainfall. The climate remains warm and humid, with wet and dry seasons.

Part F: Agroforestry design

1. Describe the agroforestry system to be implemented as part of the project using the figure below (silvopasture/agrisilviculture/agrisilvipastoral).



2. For each agroforestry system fill out Table 2 below (use additional tables if necessary):

Species	Native, naturalised or invasive?	If naturalised, please describe its likely: Livelihood benefits that make it preferable to any alternative native species	If naturalised, please describe its likely: Impact on biodiversity or other provision of key ecosystem services in the project and surrounding areas	Expected carbon benefit /ha	Project period for carbon benefit (e.g. 10 years)
Cojoba arborea	Native	Not applicable	Nitrogen fixing species	0,047 Tons/CO2/Ha	0.034 Tons/C02/Ha
Inga Jinicuil	Native	Not applicable	Nitrogen fixing species , shade and food provision	1,3875 2E-05 Tons/CO2/Ha	0,018 Tons/CO2/ Ha
Cordia Alliodora	Native	Not applicable	Nitrogen fixing species , shade provision and also used on plot borders as a live barrier or wind breaker	1,3875 2E-05 Tons/CO2/Ha	0,075 Tons/C02/Ha
Plantanus Occidentalis Mexico	Native	Not applicable	Beneficial to prevent soil erosion and provision of shade	0,0850 01522 Tons/CO2/Ha	0.034 Tons/C02/Ha

Citrus latifolia	Naturalized	It is a proven suitable species that provides an alternative cash crop to local farmers	Provision of shade for cash crops	0,0475668 Tons/CO2/Ha	0.015 Tons/C02/Ha
Syzygium jambos	Naturalized	Not applicable	Provision of shade for cash crops and implemented within the plot as well as on borders	0,120220168 Tons/CO2/Ha	0.013 Tons/C02/Ha
Prunus salicifolia	Native	Not applicable	Provision of shade for cash crops and implemented within the plot as well as on borders	0,127370396 Tons/CO2/Ha	0.045 Tons/C02/Ha
Psidium guajava	Native	Not applicable	This species is highly relevant for farmer's livelihoods as it represents a cash crop and is also used as a shade tr	0,023997686 Tons/CO2/Ha	0.055 Tons/C02/Ha
Persea schiedeana	Native	Not applicable	Provides shade for cash crops and also fruits for farmers	0,115132111 Tons/CO2/Ha	0.0775 Tons/C02/Ha
Liquidambar Styracifua	Native	Not applicable	Enhances soil nutrition while providing shade and protection from winds.	0,211039353 Tons/CO2/Ha	0,072 Tons/C02/Ha
Grevillea Robusta	Naturalized	It is a fast growing species suitable for the area. Allowing participants to benefit fast from its inclusion in the agroforestry system	Provides shade and wind protection, while improving soil fertility	0,266454016 Tons/CO2/Ha	0,0832 Tons/C02/Ha
Persea Americana	Native	Not applicable	Provides a source of food for participants and increases the agroforestry system biodiversity	0.7 Kg CO2/Ha	0.0775 Tons/C02/Ha
Fraxinus	Native	Not applicable	Provides shade, erosion control and habitat for wildlife	1,1 Kg /CO2/Ha	0.0171 Tons/C02/Ha
Senna espectabilis	Native	Not applicable	Provision of shade for cash crops and it is planted on borders of the plots	1,9 Kg/CO2/Ha	0,1152 Tons/CO2/Ha

Swietenia macrophylla	Native	Not applicable	Provision of shade for cash crops and it is planted on borders of the plots	2,3 Kg/CO2 /Ha	0,0645 Tons/CO2 per Ha

3. Provide a summary of the project's agroforestry design/implementation plan.

The implementation of agroforestry systems on participating plots will varied depending on the initial state of each plot. In any case, the first step will be carrying out an assessment at a plot level to identify opportunities for improvement and select suitable spots to plant the additional trees required to achieve the desired tree density. The next step will be preparing the planting sites and gathering any additional input that might be necessary for the initial stages of tree growth. An example of this could be compost or organic fertilizers. To support soil nutrition, a practices promoted during implementation is using byproducts of trimming and vegetation removal as mulch on the ground. It is important to highlight that participants are informed of the need to retain existing trees and the use of heavy machinery is not advised.

Harvesting of annual crops (maize and beans) takes place during July and August and these are planted during April. In the case of these crops, they are planted in different areas of the plots where light is sufficient. Therefore, there is no standard amount of seeds or seedlings used by participants. Most of the time, these are planted in between coffee rows. As such, coffee is their main cash crop and the density of plants is planned between 3300 and 3500 per hectare. The plants are harvested between November and March for the Arabica species , while harvesting of Robusta takes place from January to May. Common management practices are pruning at 1,5 meters to let the plant's side branches grow freely and a high trimming of the plant, at the highest section possible, to allow the growth of lower branches and section of the plant.

Next to the aforementioned cash crops, participants are also encouraged to plant other tree species to provide different benefits. Some of these are citric, cane, avocado , cedro and pines. In general, all these species are better planted every 5 to 6 meters, to avoid any negative competition with cash crops. Seedlings and seeds are collected from 5 local nurseries and the death rate is low, estimated at 4%.

Part G: Project council

1. Describe the project council governance structure, showing that participants or community groups collectively nominate project representatives who have the capacity to operate and make decisions on their behalf and determine a decision-making mechanism for the project council.

   The project council meetings will take place in the offices of La Laja and will be scheduled in accordance with the meeting participants. The meetings will be attended by a representatives of the project council, a secretary, participants representatives and a moderator. In terms of smallholder representatives, these will have right to vote in any decision and the project council with count with at least 2 representative of each area in which the project is active. In total, there are 11 municipalities in which the project is located. Election of farmer representatives will take into consideration that lead farmers are active within the producer groups. For that, La Laja is able to pre- identify active participants based on their attendance to trainings and meetings. After this, the pre selection will be communicated and confirmed during an assembly and by means of voting. The result will be registered in the assembly report. Finally, after every Project council , all decisions and outcomes will be communicated to the rest of participants. This will be done through the use of chat groups memos at different meeting points.

2. Describe how project council allows participants to provide feedback on the project design and implementation.

   During the Project council sessions, the local partner will ensure to provide participants the possibility to communicate their opinion or raise any necessary question. To achieve this, each session will count with the participation of a moderator to guide the discussions. Next to that, communication channels will always be available for participants. Some of these are for example, a mail box, emails , phone lines and online chat groups (WhatsApp). The project design and implementation (including agroforestry design) is communicated along with the presentation of Acorn to potential participants. At this moment, they are already able to provide input. It is also possible to support voting instances through electronic means, such as google forms, or physically during meetings.

3. List the lead farmers that have been nominated by participants to represent project participants during project council meetings to voice concerns and needs, and actively engage in decision making.

First name	Gender	District
Farmer 1	Feminine	Totula
Farmer 2	Masculine	Tlatetela
Farmer 3	Feminine	Ixhuatlan
Farmer 4	Feminine	Totutla
Farmer 5	Masculine	Ocotitlan
Farmer 6	Masculine	Atoyac
Farmer 7	Feminine	Zapotitla
Farmer 8	Masculine	Zentla

Part H: Grievance mechanism

1. Describe the grievance mechanism for this project, including how, when and by who it was created.

   La Laja has a developed grievance mechanism that has been in place even prior to the development of this Acorn project. Therefore, the local partner will make use of the existent structure and resources to implement the project's specific grievance mechanism.

2. Describe the method in which local stakeholder (participants and non-participants) are expected to communicate grievances (WhatsApp/phone, email, Facebook, meeting, letters, anonymous box etc.).

   Participants have a grievance mail box at the disposal to communicate any issue or concern. This is at the same time, an additional communication channel besides phone lines and emails. For all these channels of communication, La Laja has designated a person in charge and also count with a committee in charge of addressing any grievance and following up until its resolution. Participants can proceed to communicate any grievance or concern using any of the previously detailed communication channels. It is also possible for them to communicate their message to their representative who will then bring it up and discuss it during the project council, in case the participants agrees and grievance allows to do so.

3. How does the project ensure that complaints and/or recommendations can be done by local stakeholders at any time and can be identified or be anonymous.

   Both physical communication channels as well as phone lines allow participants to present grievances at any time. More specifically, La Laja counts with grievances mail box at their central offices for participants to communicate any input or concern.

4. Describe the process in place to ensure grievances raised are dealt with in a transparent, fair and timely manner (e.g. chain of escalation).

   The process begins with the person in charge of recollecting any communication left in the grievance box and other nonphysical communication channels. This check is carried out periodically, to ensure complains are received with no delay. Then, the committee in charge of grievance resolution will address it , whether it is a grievance or a suggestion.

5. Describe the actions to be taken in the case that the affected parties are unable to satisfactory resolve grievances (e.g. involvement of an independent arbitrator that will be responsible for mediating resolution)

   La Laja always considers reaching out to external people or organizations with expertise on the topic at hand. The organization attempts to address issues internally but if necessary, is able to rely on the corresponding national or regional authorities.

6. Describe how the grievance mechanism is communicated to participants to ensure they are aware of its existence and the manner in which they can report grievances.

   During the presentation of the project ,through meetings, potential participants are also informed on the availability of a grievance mechanism, with its communication channels and resolution practices. Additionally, project council representatives will inform the different farmer groups about the grievance mechanisms.

Part I: Organizational Capacity

1. Describe your legal status as a local partner and attach certificate of registration (e.g. NGO, local co-op or trader).

   The local partner, La Laja is established in Mexico as a commercial entity. That is, its main activity is the purchase of coffee to smallholder farmers for the sale and export of the produce.

2. Describe your in-country presence and relationship with participants and communities in the project area.

   La Laja is present in three different states within Mexico. These are, Veracruz, Chiapas and Puebla. It is here that the organization has installed infrastructure for the storing of coffee. Through this, La Laja holds commercial relationships with smallholder farmers from whom it purchases coffee while also providing technical assistance and support.

3. Briefly describe how you contribute to the social and economic development of the participants and their communities.

   La Laja contributes to and supports social and economic development of local smallholder farmers, from whom it sources the coffee. More importantly, beyond this commercial relationship, La Laja provides support to farmers to implement different certifications that allow them receive a premium for their coffee, such as the Rainforest Alliance certification. Additionally, as part of this Acorn project, La Laja provides training to participants at least twice a year on different topics such as seedling , management practices (such as pruning) and also on agroforestry systems. In this way ,participants are able to enhance their capacities and become more resilient and sustainable in the long term. Ultimately, La Laja aims to enhance the knowledge and capacity of smallholder farmers on topics regarding sustainability and social safeguarding.

4. What is the experience of the local partner working with farmers and in the project location (organising land tenure, implementing agroforestry, providing training etc.).

   La Laja has a vast experience working with smallholder farmers more than 25 years of experience working in close collaboration with smallholder farmers. Besides the training provided and previously described, the organization supports the formalization of land titling and fiscal requirements set up by the Mexican government so smallholder farmers can carry out their activities accordingly.

5. Describe how the project will securely store project information, including project designs, business case details, proof of payment, record of participants events and monitoring results.

   All information will be securely stored in the offices of La Laja, both in physical and digital form under confidentiality. When it comes to digital information, La Laja counts with a special IT systems to store the information and only relevant employees who use the information regularly have access to it.

6. List relevant local, national and international policies, laws and regulations and demonstrate how the project is aligning project activities to comply.

   The General Law on Ecological Equilibrium and Environmental Protection is the highest law at national level in terms of environmental regulation. It is conceived as a policy instrument to regulate and manage the land use in Mexico's territory. Ultimately, aiming to to achieve the protection of the environment through sustainable use of natural resources. Consequently, this Acorn project is aligned with this law, as it aims to improve nature's condition within the project area while supporting the economic activities on which participant's livelihoods are based.

7. Describe project's mechanisms to identify and address barriers to participation for groups that could be excluded based on the basis of gender, age, income or social status, ethnicity or religion, or any other discriminatory basis.

   The project does not discriminate participants based on gender ,age or cultural background. At the same time, La Laja aims to involve men, women and youth equally for different tasks on the field, whether it is technical assistance or data gathering.

8. Describe process for onboarding participants (e.g. selection criteria).

   The first contact point is through meetings with potential project participants. During these, La Laja introduces the Acorn Project to the attendees. Highlighting the benefits but also the eligibility criteria. Those who would like to join can communicate their interest to the La Laja. After this, visit to the farmer plot is arranged to collect all the necessary information , such as polygons and land tenure documentation.

9. Describe project employment policies regarding employment of youths, women, and disadvantaged groups.

   La Laja has a non-discriminatory employment policy. Allowing for men and women to join the organization without any discrimination based on gender and with equal pay as well as growth opportunities.

10. Describe how women are involved in the project but NOT as farmers (i.e. partnering nurseries, training).

    Women are involved in the project in several roles besides farming activities or as participants themselves. For example, they are part of the team communicating the project and engaging with potential participants, they are also in charge of collecting the required data for the onboarding of farmers.

11. Describe how the project will promote knowledge sharing among participants and the community.

    Project participants are able to provide input and exchange ideas during project meetings such as field visits and trainings. As an example, during these meetings participants are able to exchange experiences on the use of different tree species in combination with their coffee plants. At the same time, these discussions are backed by the professional assessment and input of La Laja's technicians.

Part J: Financial Feasibility

1. Provide a summary of the business case for the local partner and farmer, including:
    - the expected annual income from agricultural production and carbon sequestration
    - the expected costs associated with the transition to agroforestry and the generation and trading of CRUs (e.g. planting materials, fertilizer costs, temporary labor cost)
    - The expected productivity changes that will result from project interventions

    The implementation of the agroforestry system brings along one off costs but also future decrease of inputs. In the case of this Acorn project, input costs are estimated around 6000 Mexican pesos per year per hectare for a coffee plot. After the implementation of the different plant species, this cost is expected to decrease up to 40% given the benefits of some species (such as nitrogen fixation). At the same time, the increase of productivity is estimated to reach a positive 15% in the first year and up to 20% in the second year compared to yields prior to the project intervention. The cost of the agroforestry maintenance are estimated at 1200 Mexican pesos per hectare per year. Finally, in terms of planting costs the total expenditure will be around 1100 Mexican pesos. The costs associated to this are logistics and fertilizers / manure costs.

2. What measures are in place to ensure that you do not draw more than 10% of sales income for ongoing coordination, administration and monitoring costs? (e.g. earmarked funds or separate account for farmer payments).

    La Laja has an accounting system in place with specific procedures that allow to track payment to coffee producers. As part of this system, every farmer is required to provide its national tax number and bank account to receive a digital payment. Along this process, farmers produce is registered and an invoice is generated to fulfill the payment later on. This same system, including the generation of invoice , will be used to track the payment of the participant's crus.

Part K: Payments and Benefit Sharing

1. Provide evidence on how CRU payments will be disbursed to participants and equate to at least 80% of proceeds.

   Payments will be done electronically through bank transfer to participant's bank account. For that, La Laja will request participant's bank and tax related details, in order to make the payments and comply with national regulations. As part of the payments, 10% of participants share will be paid in kind.

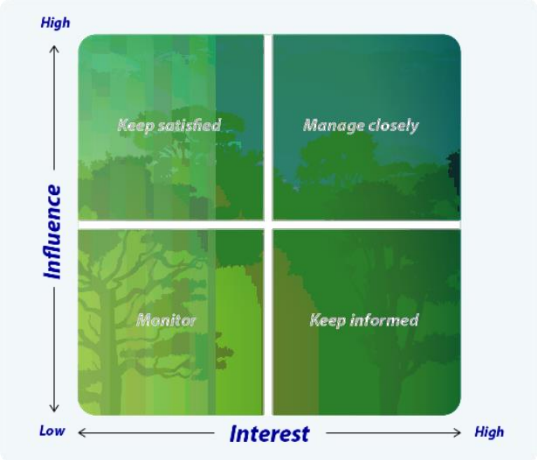
2. Describe what proportion of cash payments will be disbursed to farmers.

   Only in exceptional cases will cash payments take place. Bank transfer and electronic payments will be prioritized.

3. Describe what proportion and type of in-kind benefits will be provided to farmers.

Benefit	Examples	Description
Inputs	• Seedling costs • Sapling costs • Fertilizer	*Provides at a lower cost, they will be paid with 5% of the participant's share.*
Education	• Training costs • Agronomist consultation costs	*Participants will receive training and this will be provided in kind with 5% of their CRU share.*
Operation	• Mobile communication costs • Mobile payment costs • Fencing	*Not applicable*
Livelihood	• Land tenure consultation costs	*Not applicable*

Part L: Stakeholder Analysis



1. For this activity, the local partner, together with influential community member/farmer(s), should brainstorm and identify different secondary stakeholders that may impacted by project intervention. The interest and the influence of each secondary stakeholder in the project should then be determined and justified in Table 8 based on Figure 2 below.

   All stakeholders that receive outcomes other than "Monitoring" **must** be informed of the project (e.g. newsletters) and their views/approval sought where necessary. *Please add rows for additional stakeholders as necessary.*

   A letter must be sent to the national government to inform them of the project and its intention to generate and trade CRUs on the voluntary carbon market. Acorn must be supplied with this letter and a confirmation of receipt from the government (Annex 2).

Stakeholder	Interest	Influence	Justification	Outcome	Informed
National Government	*High*	*High*	*The national authorities in charge of environmental topics (Sader and Semarnat) have a concrete interest on this Acorn project, as it aligns with their mission of protecting ecosystems.*	*Manage closely*	*Yes*
Local government	*High*	*High*	*They have influence and an important role in the recognition and legalisation of different documents, such as land titles*	*Keep informed*	*Yes , they have been personally informed and also in a written form via letter mail.*

Donors	Low	Low	*To attract funding, La Laja is many times provided with resources based on performance. However, for this Acorn project there has been no donor involved.*	*Keep informed*	*No*
NGOs	*Low*	*Low*	*La Laja does not collaborate with any NGO for the project implementation*	*Keep informed*	*Does not apply*
Technical/ agronomical partners	*High*	*High*	*Technical support officers like agronomists play a crucial role to provide support to smallholder farmers and ensure effective management practices are applied.*	*Manage closely*	*Yes*
Financial partners/ institutions	*High*	*High*	*Partners of La Laja are interested in the environmental performance and safeguarding the environment in the region*	*Keep informed*	*Yes*
Procurement services	*High*	*High*	*La Laja is in contact with procurement services specialized in seedlings and other material required in nurseries.*	*Keep informed*	*Yes, through visits to different offices*
Local authorities	*High*	*High*	*Informed due to their relevance, among other things, in terms of land titling.*	*Keep informed*	*Yes*
Corporate buyers	*High*	*Low*	*These are several partners of La Laja that buy coffee produced by participants.*	*Keep informed*	*Yes, through in person visits and talks*

2. Please identify, together with representative farmers/community members, the different types of farmers, community members and indigenous groups in the project region (local stakeholders) that may be impacted by the project (either participants or non-participants) and determine their interest and influence below:

   The following table indicates the result of the stakeholder analysis done through surveys to participants

High influence / low interest (KEEP SATISFIED)	High influence / high interest (MANAGE CLOSELY)
	• Women • Small land owners • Youth • Low income groups
Low influence/ low interest (MONITOR)	Low influence / high interest (KEEP INFORMED)
• illiterate • Elderly • Non native speakers	

Part M: Risk Assessment

Project phase	Drivers behind reversal risk	Risk level	Justification
Project adoption/start	Limited education or inadequate understanding of agroforestry	Low	*While project participants are in need of technical assistance, through the support of field officer and technical staff this need will be addressed. At the same time, farmers are also able to access information and resources on the topic of agroforestry through current communication technologies.*
	Marginal community support or low community involvement	Low	*Smallholder farmers have shown a high interest on the project from the start. Adding to this, the support received through it and the potential additional income are both sources of interest for the farmers. Commitment is expected to be high and supported through the engagement with La Laja.*
	Inadequate operational capacity (limited experience, no local presence)	Low	*La Laja has vast experience in the project area and engaging with farmers. This and the knowledge resources (such as technical officers) and geographical presence ensure sufficient capacity to monitor the project and engage with participants to provide them with support in different areas.*
	Insufficient (local) nurseries	High	*The availability of seedlings and nurseries in the project area is one of the bottlenecks for the adoption of agroforestry that this project will address. Therefore, the risk is considered high and a close monitoring is required.*
	Animal or human interference	Low	*There is a low risk of animal interference since the project area has been under agricultural activities for many years already. In terms of human interference, there are no common land tenure issues or illegal tree felling*.

Project progress	Negative project cash flow	Low	*La Laja counts with an accounting team, which provides recommendation on the use of the economic resources and monitors the performance of the organization.*
	Poor agroforestry schemes	Low	*Agroforestry is a common practice in the project area. At the same time, La Laja has designed a specific agroforestry system to be promoted among participants, who also receive technical support from field officers.*
	Change of land ownership and coverage	Low	*Most farmers are highly reluctant and not likely to sell their lands, as this is the basis for their livelihoods and a concrete asset that can be inherited by their relatives.*
	Political instability (e.g. war, economic crisis)	Low	*There are no political and social events at a national level that could make the context risky for the implementation of the project.*
	Natural risks: - Fires - Pests & disease - Extreme weathers - Other events	High	*Mexico witnesses extreme weather conditions yearly, such as hurricanes and prolonged droughts.*
Project maturity	Logging risk	Low	*Tree harvesting in the project area is not a common practices. In terms of Project participants, these are able to use pruning left overs as source of wood in case of need, reducing the need of harvesting any tree.*
	Waning or short-lived local partner commitment	Low	*La Laja is highly committed to the implementation of the Acorn project and to provide the required support to smallholder farmers.*

Part N: Monitoring plan

1. Indicators

1.1 Describe the monitoring objectives for any expected impacts on farmer livelihood and the environment from project intervention. If there are any negative impacts expected, describe the relevant mitigation actions.

Livelihood / environmental indicator	Impact description	Mitigation action (if negative impact expected)	Monitoring frequency and method	Responsible party
Nutritional Variety	The project is expected to yield a diverse agricultural output which would provide the farmer a more varied diet	No negative impact expected	Survey on farmer nutrition every 3 years	La Laja
Agricultural biodiversity	The project's impact on biodiversity is expected to be positive due to an increase in plants species planted within the agroforestry systems. As a result, diverse animal and insect species would benefit.	No negative impact expected	Yearly monitoring based on amount of trees planted and registry of new species of flora and fauna present in the project area. All of these registered on field notes.	La Laja
Farmer financial state	The impact is expected to be positive due to the additional income that CRU sales would represent for farmer's finances. More importantly, the improvement of agroforestry systems will likely lead to higher yields of participant's coffee harvest.	No negative impact expected	Monitoring of projects viability considering the CRU generation and sale per farmer. Assessment to take place twice a year through field visits	La Laja
Agricultural land use productivity	A positive impact is expected on crops yields due to the several environmental benefits of agroforestry systems, such as protection and shading	In some cases, shading can be excessive and bring a negative impact to coffee yields. In such a case, professional advice and support will be provided to	Monitoring of average yield per hectare.	La Laja

		the participants to manage shade appropriately		
Youth inclusion	Higher involvement of youth in the project as enumerators and in other roles.	No negative impact expected	Youth inclusion indicator every 3 years	La Laja

2. Grievances

2.1 List all grievances that have been raised (both inside and outside of project council meetings) and the actions taken to resolve them.

So far no grievances have been reported in this project. The first project council is expected to take place in the first 6 months of the project.

Grievance reported	Mitigation action	Responsible party

3. Risks

3.1 List all risks identified in the risk assessment table in Part M and for each risk provide appropriate mitigation actions monitoring objectives.

Risk	Mitigation action	Monitoring (frequency and method)	Responsible party
Natural risks (Prolonged droughts)	The mitigation action will be focused on ensuring high tree survival rate. In this way, the development of these trees will help to retain humidity in the soil. Next to this, the likelihood of droughts will be monitored through the national meteorology services and weather forecasts of monthly time frames.	Monitoring of precipitation values in the project area, especially in those places more susceptible to droughts. Through this, La Laja will	La Laja

4. Leakage

4.1 If leakage is like to be significant, outline the leakage mitigation and monitoring plan below.

Source of leakage	Mitigation action	Monitoring (frequency and method)	Responsible party
Wood extraction for cooking purposes	Re planting of trees if necessary and promote the use of pruning	Frequent monitoring through field visits	La Laja

	residues as source of wood		

Part O: Technical Specifications

1. Applicability Conditions

In the table below, explain how this project meets the applicability conditions of the Acorn Methodology:

	Applicability Condition	Met	Reasoning
A	The Project Interventions meet the Agroforestry definition (see Section 3 of Acorn methodology v1.0) and any trees planted are Native or Naturalized species.	Yes	Confirmed by local partner and explained in Part F – project activities
B	The Project Area must not have been cleared of native vegetation within 5 years of the start of the Project Intervention.	Yes	Initially, a verbal check was performed with the local partner who confirmed this and t-5 checks from remote sensing analysis confirmed it
C	Individual plots within the Project Area are between 0.1 and 10 ha and are not on wetlands.	Yes	Confirmed through polygon check prior to onboarding on Acorn's platform
D	All land within the Project Area is either cropland or degraded land under the Baseline Scenario	Yes	Verbal confirmation by local partner and land cover check performed and confirmed by Acorn
E	The project interventions must not include activities that increase the total number, weight or number of grazing days for any livestock type, relative to the baseline scenario.	Yes	Explained to participants and confirmed by La Laja. Furthermore, cattle raising is not a common practice among coffee producers of this project
F	The project intervention must not include the planned harvesting of planted trees during or after the crediting period.	Yes	Confirmed by La Laja and also in the agroforestry design
G	Heavy machinery must not be used for site preparation or management.	Yes	Confirmed by La Laja and explained to participants
H	The project intervention must not increase the use of synthetic (nitrogen-containing) fertilizers relative to the baseline scenario.	Yes	Covered in local partner contract
I	Soil disturbance attributable to the project intervention must not occur on more than10% of a plot that is under any of the following types of land: - Land containing organic soils; - Land which, in the baseline, is subjected to land-use and management practices and receives inputs listed in Annex 4 of Acorn Methodology	Yes	The SoilGrid confirmed that project is not on high organic soils, with the following results thickness detail >200cm, SOC content less than 20%, but 3,3%, limited clay 37%.

2. Adjustment Factors

This table below gives an overview of the adjustment factors applied for this specific project.

AdjF	Factor (%)	Reasoning
Leakage	0%	*No decrease in productivity nor displacement of activities are expected*
Uncertainty	18%	*Plot sum*
Pre-project	50%	*Pre project tree calculated based on Ground Truth data*

Leakage Assessment

Estimated reduction in project productivity (%)	Cash crop(s) contributing most to project productivity	Proportion of project land used to grow cash crop (%)	Type of land production will be shifted to
0	Coffee	90%	No shift to new lands is expected as part of this project

5. Describe the potential leakage situation of the project over its lifetime.

The risk of leakage is low in this Acorn project, the reason being a lack of productivity decrease due to the project implementation. In any case, the productivity is expected to increase due to the agroforestry systems implemented. However, it is still important to consider the surrounding land type where activities could be shifted to, in case expectation in this regard are not met. The land 5 km around the plots and project area is mostly arid and not appropriate for coffee. In these area, cattle grazing is an alternative economic activity.

6. Describe the land between farms and a maximum of 5km outside of the project area (i.e. crop land, degraded land, forest).

Shrubland	Grassland	Cropland	Built-up	Bare/Sparse vegetation	Permanent water bodies	Tree cover <60%	Tree cover >60%
1,05	8,60	4,66	4,05	0,07	0	48,96	32,55

7. List farmer activities (performed before project implementation) that will be displaced from project interventions and lead to an increase in emissions outside of the project area, if any.

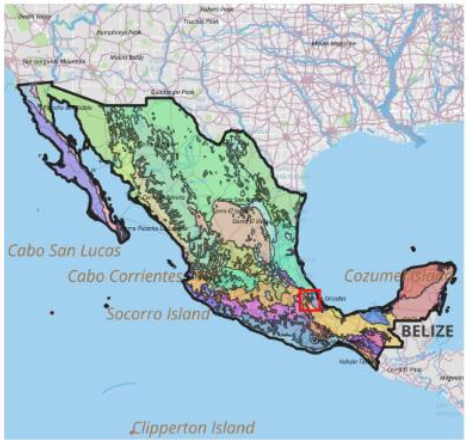
No farmer activity is expected to be displaced as a result of this acorn intervention. The reason is that, no activity at participant's plot will be interrupted to implement an agroforestry system.

Displaced farmer activity	Area activity displaced to
Not Applicable	*Not applicable*

3. Root-Shoot

Ratio	Reasoning
0,032	*Applied the default value for the calculations as alternative literature is very limited to no existing and IPCC values could not yet be sufficiently matched*

Annex 1: Map of project location & ecoregion(s)

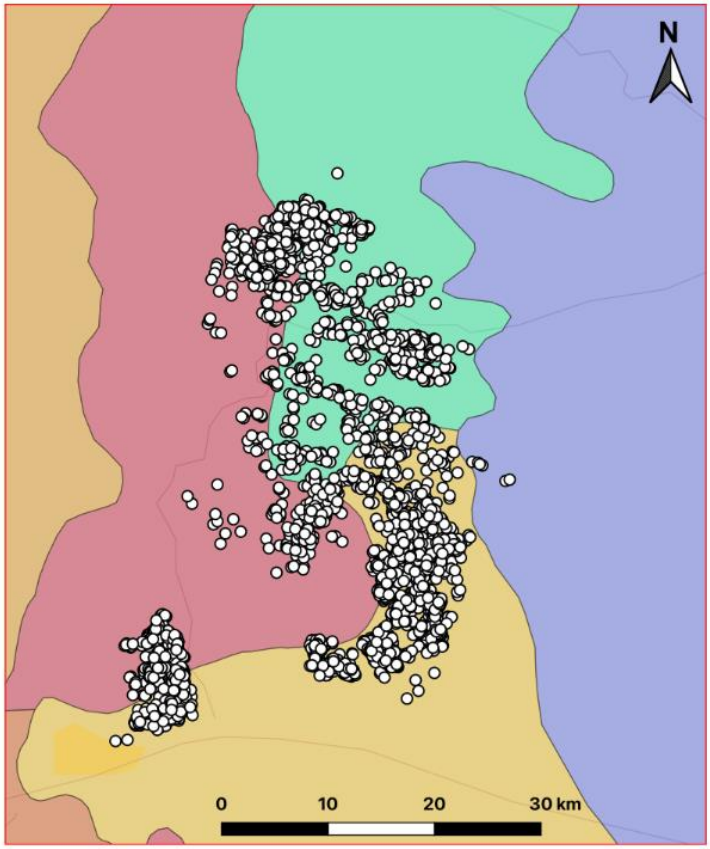


Legend

Farm plots [2542]

Ecoregions

Oaxacan montane forests ✓
Petén-Veracruz moist forests ✓
Veracruz dry forests
Veracruz moist forests ✓



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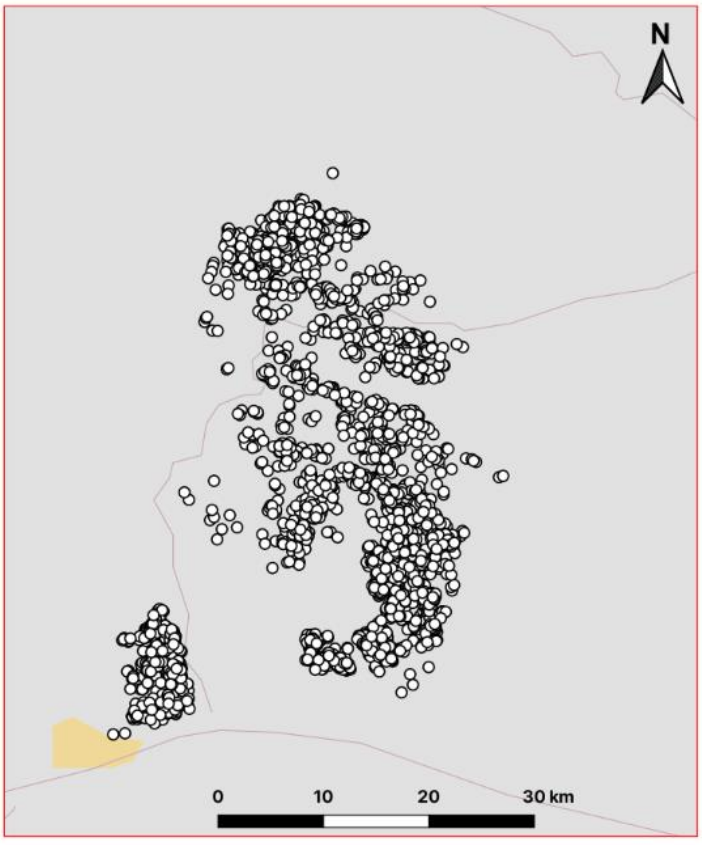
Farm plots [2542]



Annex 2: Land Tenure Documentation (sample-based)

Provided. Concealed for data protection purposes.

Annex 3: Agroforestry system design

Provided. Concealed for data protection purposes.

Annex 4: Organisation structure

Provided. Concealed for data protection purposes.

Annex 5: Local partner and farmer business case

Provided. Concealed for data protection purposes.

Annex 6: Letter to national government

Provided. Concealed for data protection purposes.

Annex 7: Evidence of participation

Provided. Concealed for data protection purposes.

Annex 8: Farmer contract

Provided. Concealed for data protection purposes.

Annex 9: Local partner contract

Provided. Concealed for data protection purposes.