

Project Re-Validation Report

Name of Reviewers:

Pablo Rodriguez Noriega. Senior Internal Reviewer (RRA Reviewer).
Riya Sharma (New Lead auditor – Re-Validation)
Ondrej Tarabus. (Old Lead auditor - Validation)
Joris Bens (Trainee auditor - Validation)
Sophia Joseph Vellilamthodukayil (Local expert and trainee auditor – Validation and Re-validation)

Date of Review: 25 April 2025**Project Name:** AF Ecology Centre Acorn Design Document - India | Andhra Pradesh
(Enhancing livelihoods of smallholders and mitigating climate change through agroforestry).**Project Description:**

This agroforestry project, led by AF Ecology Centre (AFEC), was established in 2023 to reward farmers for maintaining the trees they have planted and scaling their agroforestry systems to make them more resilient against environmental stressors by offering carbon finance.

The first trees were planted just after the onset of the monsoon (July-September) in 2018, and seedlings were available to farmers through three streams. The project farmers received seedlings from RDT (Rural Development Trust). Seedlings were also provided for free by governmental or NGO schemes, such as the MGNREGA program. Farmers have also bought seeds and seedlings after receiving advisory services from field supervisors of Local partners. Field interviews with farmers confirmed receiving guidance on planting of species from Local Partners and supply of seeds and seedling through one or combinations of aforementioned streams. The carbon credits farmers receive for the trees planted in the project are ex-post based and will only be derived from one year before CRU issuance. To ensure additionality in response to the first trees planted by these farmers, the adjustment factor for pre-project trees will be applied as per the Acorn methodology.

The barriers to implementing the project are found to be financial, technical, ecological and cultural. However, the main barriers farmers face are financial and cultural, as their economic situation is unsustainable, and they lack the knowledge of environmental concerns and sustainable agricultural practices to mitigate these. Agriculture is the primary source of income for local communities in the project area. However, due to the lack of a resilient and sustainable system, productivity is affected by soil erosion, severe droughts, pests and disease infestations. Consequently, food productivity is very low, thus decreasing their income and leading to poverty. Farmers are forced to migrate to the city to earn money to feed their families for at least half the year, leaving their families and farms vulnerable to increasing extreme weather events (i.e. droughts and flooding).

Unfortunately, farmers depend on crops mainly produced for a single season (annual crops) and can only harvest a few times a year. In addition to this, farmers lack skills and knowledge in terms of spacing, pruning, species suitability and mixing, etc., as well as the understanding of the importance of keeping trees to mitigate climate change, and much less on carbon sequestration and carbon finance, which means that they are not able to optimize their lands to become resilient, productive, and be additionally rewarded for such. Therefore, through project intervention, AFEC will overcome the cultural barrier by providing participants with the necessary information on 1) agroforestry concepts, 2) the carbon sequestration process and the importance of maintaining the trees on their lands, 3) natural farming practices, such as manual preparations of biopesticides and biofertilizers, and 4) planting of border trees. To overcome the financial barrier, AFEC will fully subsidize seed costs, and the increase in productivity expected to take place with the implementation of sustainable practices, along with the additional revenue from carbon credits, is expected to alleviate farmers' economic status, preventing them from having to migrate to the city. Furthermore, the CRUs Acorn offers farmers act as an incentive to plant trees and keep the existing ones in the ground, which is not customary in traditional practices. The trees planted will increase soil health, regenerate the land from degraded cultivation and protect the land from climate change.

The expected income from carbon credits is encouraging farmers who transitioned with AFEC. Without this expected benefit, they may be discouraged from maintaining and scaling up their agroforestry interventions. Likewise, carbon benefits will encourage other farmers in the community and region that have the potential to transition to agroforestry practices, breaking a barrier to scaling up. Therefore, the financial benefits (carbon finance and increased productivity) and environmental benefits (protection from extreme weather events) from transitioning to such a long-term agroforestry system will significantly increase farmer and family livelihood in the project area.

At the time of project validation, the total number of farmers onboarded was 8749 with a total area of 9777.89 hectares. The values have been confirmed from the submitted project KML file which identified as the primary evidence to confirm the total area and farmer details.

List of individuals interviewed:

Project ADD v1.1

Annual Report (Reporting Period: 11/2023 – 11/2024)

Laws/regulations:

- The Forest Department of Andhra Pradesh, and India National Agroforestry Policy (2014).
- India's UNFCCC NDC (2016)

Legal/contractual documents

- Participant agreement
- AFEC-Rabobank Partnership agreement

Council member list Field supervisor list

Pamphlet shared with project participants Training documents

Council meeting minutes Farmers database

Land tenure documents

Project Business Case

Farmers agreement (24 sampled farmers)

Monthly meeting presentations compiled by Supervisors

Visited sites:		
Plot	Local Partner Reference Plot	Field day visited
IN298589 - 507929	b2c101e9-cb05-4078-87b3-e4e7d260d5ac	Day 1
IN445008 - 1049407	32c57c1d-ba59-4fd9-9d8d-3ca835b3a1cd	Day 1
IN177980 - 269000	Raprom_1	Day 1
IN155846 - 205017	CG_19859440886264_1C	Day 1
IN162272 - 224473	SSSMXRKTG21_1	Day 2
IN156120 - 205854	GL_19487803609569_1	Day 2
IN162268 - 224461	SSSMXRKDR02_1	Day 2
IN160649 - 219524	SSSMXRKG75_2	Day 2
IN156920 - 208271	NH_19668331840743_4	Day 2
IN162259 - 224434	SSSMXRJLP3_1	Day 2
IN178511 - 270701	SSSMXR HSD 13_1	Day 2
IN157131 - 208872	PV_1958000_1	Day 3
IN157391 - 209709	UA_19757993626159_1	Day 3
IN140359 - 157887	ATPKLDGNP14_1	Day 3
IN156669 - 207486	KV_19629959754251_1	Day 3
IN156255 - 206244	GS_19839885090414_1	Day 3
IN157032 - 208575	PH_19699448678499_1	Day 3
IN140389 - 157921	ATPKLDVTP3_1	Day 3
IN155823 - 204963	CC_19419885514486_1	Day 4
IN139699 - 157231	ATPKUNKUN1_39	Day 4
IN155516 - 204027	AA_19679490539369_1	Day 4
IN156651 - 207432	KS_19819052176512_1	Day 4
IN157494 - 209934	VV_19699866285156_1	Day 4
IN157462 - 209865	VN_19559492036623_1	Day 4

Description of field visit:

The field visit was a 5-day onsite work, interviewing local partner, project participants and other stakeholders, and visiting project farms, as described in the following table.

Activity	Location	Date/time
Travel Anantapur	Anantapur	26 Feb 2025
Meeting with AFEC local staff and other stakeholders (see list in section 'Stakeholder Contact Requested')	AFEC local office	27 Feb 2025 Morning (1-3 h)
Field work <ul style="list-style-type: none"> Site visit and data collection; Interviews with farmers (4 project participants) Potential visit to nurseries 	Ananthapuram Mandals (plots to be confirmed by Preferred by Nature)	27 Feb 2025 Afternoon
Field work <ul style="list-style-type: none"> Site visit and data collection; Interviews with farmers (7 project participants) Visited to nurseries Interview with relevant stakeholders 	Sri Satya Sai district Mandal (plots to be confirmed by Preferred by Nature)	28 Feb 2025 Morning and Afternoon
Field work <ul style="list-style-type: none"> Site visit and data collection; Interviews with farmers (7 project participants) Interview with relevant stakeholders 	Ananthapuram Mandals (plots to be confirmed by Preferred by Nature)	01 Mar 2025 Morning and Afternoon
Field work <ul style="list-style-type: none"> Site visit and data collection; Interviews with farmers (6 project participants) Interview with relevant stakeholder 	Ananthapuram Mandals (plots to be confirmed by Preferred by Nature)	02 Mar 2025 Morning and Afternoon
Interviews with other local stakeholders (Local communities, Local government bodies, Nurseries representatives)	Anantapur	02 Mar 2025 Afternoon (2-3 h)

Documentation review (project documents, maps, carbon calculations, contracts, etc.) and interviews with project staff.	AFEC office	03 Mar 2025 Morning (1-2 h)
Audit team internal meeting	AFEC office	03 Mar 2025 Morning (1-2 h)
Closing meeting*	AFEC office	03 Mar 2025 (Afternoon)

Re-Validation Opinion:

During the validation, 5 CARs and 3 NIRs had been raised. The previously raised CARs and NIRs have been assessed in this Re-Validation. The 3 NIRs and 3 CARs have been resolved while 2 CARs (02 and 03) have been carried forward as FARs, to be addressed in the future during verification of the project. After this second assessment, the validator emits a **Positive Validation Opinion**.

Table 1. Summary of Validation report on corrective actions

Theme	CARs	NIRs	PCARS
Eligibility	2		
Responsibilities	2	1	
Additionality	1		
Project Baselines			
Carbon benefits		1	
Data handling			
Local partner eligibility checklist		1	
TOTAL	5	3	

Table 2. Summary of Re-Validation report on corrective actions

Theme	CARs	NIRs	PCARS
Eligibility			
Responsibilities			
Additionality			
Project Baselines			
Carbon benefits			
Data handling			
Local partner eligibility checklist			
TOTAL	0	0	0

Table 3 – Summary of open Forward Actions (if any)

Forward Action Requirement (FAR)	Description	Process to Resolve	Time Frame to be Closed By
FAR 01 (CAR 02)	<p>The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity, Agricultural biodiversity, Nutritional Variety.</p> <p>During the re-validation stage, under the scope of validation assessment only, it was assessed that the farmers financial state is expected to be positively impacted resultant of farmer income through CRU revenues. In the case of Agricultural land use and productivity, the project demonstrates the potential of increased productivity as the conversion from monoculture crop plantation to agroforestry will enhance the productivity. The nutrient variety is also expected to be impacted positively. The interviews with the farmers confirmed that the local partner has been advising them about the benefits of biofertilizers and maintains its reachability for the farmers to contact them for advisory services. The agricultural biodiversity is projected to be improved as the farmers are witnessed to be planting different species of trees in their project farms. Among the sampled farmers, it was found that many farmers are growing mango, neem, tamarind, red sandalwood, and citrus trees. The discussion with farmers confirmed that the project promotes diversity</p>	<p>As per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. The requirement of Acorn framework, section 3.3 of checking the progress of monitoring shall be completed by reviewing the documentation pertaining to monitoring and implementation milestones of the project as well as confirmation of monitoring activities on field at the time of verification.</p>	<p>This FAR shall be checked at the time of first verification by verifying VVB.</p>

through the project interventions. The farmers also confirmed receiving advisory services from local partners and NGOs to enhance their knowledge of species selection and maintenance of planted trees. However, as per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. The requirement of Acorn framework, section 3.3 of checking the progress of monitoring could not be fully assessed under the present scope of validation.

FAR 02 (CAR 03)

The finding has been unresolved at this re-validation stage and converted to FAR. The Acorn framework, v1.0, requirement 4.2.12 states

"The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation and Carbon Removal Unit Purchase". At least 80% or more of the proceeds from CRU sales should accrue to participants as either cash payments or individual in-kind contributions. See Annex 7.4 for a list of in-kind contributions that may be used in Acorn projects and detail or cash payment criteria.

The project coordinator ensures that payments are made in a transparent and traceable manner."

In this project, the legalities around the payment system advisable in Indian context with farmers are duly noted. In terms of document review, VVB reviewed the process of structuring the AFEC payment incorporating the knowledge of taxation system and availability of project revenue to farmers account. VVB has discussed the process of payment and its progress with local partner as well. The payments to the farmers have not been made

Since the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities get complete and 80% of sales of CRU revenue is distributed to farmers. However, in the absence of confirmation of payment system implemented, the requirement of 4.2.12 of Acorn framework could not be fulfilled. Therefore, the resolution lies in the confirmation of the requirement 4.2.12 of the Acorn framework at the time of verification, which is project coordinator ensuring that payments are made in a transparent and traceable manner.

This FAR shall be checked at the time of first verification by verifying VVB.

yet. The open issue pertaining to the clear structure of transfer of funds from Rabobank to AFEC, and from AFEC to the farmers are yet to be clearly implemented. The requirement 4.2.12 of Acorn framework that requires local partners to demonstrate annual and traceable carbon benefits payments to the participants (i.e., farmers) could not be met.

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

Relevant requirements within Framework or Methodology	Description of concern	Validator comments	Corrective actions (if any)	ACORN response	Resolved?
Requirements 4.1.4	4.1.4 Acorn projects should contribute to the enhancement and/or restoration of degraded, damaged or destroyed land, and improve land use activities.	<p>During the field visit, the document review, and the interviews with different stakeholders, enough evidence was gathered to confirm that project lands were agroforestry or agricultural lands when the project started. The project activity consists basically of planting border trees along the plantation and fruit trees (mostly lime and mango) on land previously used for groundnuts production. Due to the lack of water in the region, the farmers are looking for alternative land management and to replace the groundnuts with other crops.</p> <p>All the plantations visited during the field visit were monoculture and the border trees were not established due to a number of reasons (no precipitation, seeds instead of seedlings used, etc.). Therefore, while the activities as described in the ADD would most likely lead to land</p>	<p>CAR 01/23</p> <p>The activities as described in the ADD did not take place yet and during the audit it could not be confirmed that as designed, it would be feasible for implementation and would lead to the enhancement or improvement of the land. So far, only fruit monoculture plantations have been established (independently on the project) and other activities as described in the ADD did not materialize so far.</p>	<p>The validation finding has been brought to attention and discussed heavily with the Local Partner, in order to ensure that the finding is closed. Since then, the following actions have been taken:</p> <ol style="list-style-type: none"> The Local Partner held 3 Project Council meetings between May and June (2024), where each meeting had ~100 participants in attendance. In these meetings, it was explained to participants that they are required to convert their farms to agroforestry to be eligible for Acorn, and options to enable this transition were discussed. Acorn was present during one of these Project Council meetings, and the reports highlighting what was discussed have been 	<p>YES (3 April 2025) The field visit conducted under the scope of re-validation assessed the project activity implemented on site. The ADD submitted post-validation assessment has also been reviewed. It was found that the project design qualifies as per the requirement 4.1.4. The project "Enhancing livelihoods of smallholders and mitigating climate change through agroforestry" is being implemented in Anantapur and Sri Satya Sai districts in the state of Andhra</p>

		<p>enhancement due to the fact that border trees are not yet established, it is not clear whether the simple change from the groundnut to fruit trees monoculture plantation actually leads to land enhancement or not.</p>		<p>provided (please refer to Evidence 1, in the document "Additional Evidence for Validation Report").</p> <p>ii. AFEC has also informed the farmers of the need to convert to Agroforestry in their regular line of work through the field officers, who have handed out pamphlets on agroforestry conversion (refer to Evidence 2a and 2b), as well as leaflets on how to take care of the trees.</p> <p>iii. Three options for the transition to agroforestry have been identified, where seeds/seedlings are either sourced from AFEC's nursery, the State's Forest Department, or from commercial nurseries and financed by farmers. Based on the farmers' preferences, a plan has been developed by AFEC to ensure that all farmers will have converted their</p>	<p>Pradesh. The farmers onboarded in this project practice agroforestry models wherein farmers plants combinations of crops inside the farm and at the farm boundaries along with growing of existing crops. During the re-validation assessment, the review of the revised ADD, evidence, site inspection and interviews conducted with sampled farmers provided the assurance that the project is contributing to the enhancement and restoration of degraded lands through agroforestry. Thus, the requirement of 4.1.4 of Acorn framework, v1.0 has</p>
--	--	---	--	---	---

				<p>farms to agroforestry by 2026. In the 2025's planting season (June – September, and possible December, if farmers have irrigation), the plan is that 4,210 farmers convert their farms to agroforestry, please refer to Evidence 3 for further detail.</p> <p>v. So far, 2,123 farmers have converted their farms to agroforestry in 2024, and 1,710 farmers had existing agroforestry (refer to Evidence 4 for the status of conversion in November). During an Acorn visit in June 2024, this was confirmed through field visits, and AFEC has also documented through photographs farmers that have planted additional trees (please refer to Evidence 5 folder containing photos – more photos are available on request).</p> <p>For points ii to iv, please refer to the folder "Additional Evidence</p>	been met by the project and finding stands closed.
--	--	--	--	--	--

				<p>for Validation Report"). As a result of the actions in place, Acorn proposes this CAR be downgraded to a FAR.</p>	
--	--	--	--	--	--

Requirement 4.1.6	<p><i>Acorn projects should demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs which measure project performance on social, economic and environmental benefits, and that the KPIs are measured over a period that is of sufficient length to provide an adequate representation of the long-term impact of the project intervention.</i></p>	<p>The ADD describes in its Part M, 4 indicators considered to be monitored (Farmer financial state, Agricultural land use and productivity, Agricultural biodiversity, Nutritional Variety). This section of the ADD provides the description of each indicator, but no potential mitigation actions are proposed (stating that all indicators are supposed to be improved) and not KPIs were established either. Based on the information included in the ADD, on the observations during the farm visits and on the different interviews undertaken, it can be concluded that thanks to the project intervention an improvement in the defined indicators is expected. Also, there were identified some issues with these indicators:</p> <ol style="list-style-type: none"> 1) Nutritional Variety, this includes also application of biofertilizer and biopesticides to increase the productivity. However, during the interviews and the site visits this activity 	<p>CAR 02/23</p> <p>The project documentation does not define KPIs to be used for the monitoring. There are some indicators identified and these could be used to measure performance. However, there are a number of gaps in these indicators, and therefore, these might not always fully fit the purpose.</p>	<p><i>additional choice (in this case, Agricultural Land Use and Productivity). Due to the proposed project intervention (i.e., conversion from monoculture to agroforestry; see evidence for CAR 01/23), these indicators are expected to improve; hence, no adverse impacts are expected. As a result, the project does not need to define mitigation measures. Concrete mitigation measures are instead determined in the risk assessment (Part L of the ADD). Therefore, if aspects of the KPIs need proper mitigation measures, these should be included in the risk assessment.</i></p> <p><i>On the specific-indicator identified issues:</i></p> <ol style="list-style-type: none"> <i>1) Nutritional variety: where AFEC works, they make farmers aware of natural farming through meetings, ecology days, and pamphlets. Village campaigns also occur once to twice a year, with the aim of sensitization. AFEC also has a newsletter that shares topic-specific</i> 	<p>NO, converted to FAR (3 April 2025)</p> <p>The finding has been assessed and concluded as follows.</p> <p>The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity, Agricultural biodiversity, Nutritional Variety. During the re-validation stage, under the scope of validation assessment only, it was assessed that the farmers financial state is expected to</p>
--------------------------	---	---	---	---	--

		<p>was not identified and implemented.</p> <p>2) Agricultural biodiversity, the project so far is only planting monocultures with limited biodiversity impact. Therefore, it cannot be expected to improve biodiversity.</p> <p>3) Some important aspects were omitted from the impact perspective such as e.g. over-use of water (often part of the project is to dig bore-wells).</p> <p>4) No survey is available yet in the current stage of the project, therefore no quantitative information is available in this validation phase. In future verifications and in the corresponding project annual reports it will be necessary to confirm the potential positive impacts of the project intervention.</p>	<p><i>information, such as on substitutes for chemical pesticides (refer to Evidence 6a and 6b for an example of a newsletter distributed in local language, and the programs that AFEC is running). Lastly, AFEC has a strong focus on ecology, and performs many publications on agroecology on their website, as well as organizes large meetings on topics such as desertification. Find more information on their publications on their website (Publications – Accion Fraterna Ecology Centre (af-ecologycentre.org)), and find press releases about the ‘World Day to combat Drought and Desertification’ organized by AFEC in June 2024 (Press Clippings – Accion Fraterna Ecology Centre (af-ecologycentre.org))</i></p> <p>2) <i>Agricultural biodiversity:</i></p>	<p>be positively impacted resultant of farmer income through CRU revenues. In the case of Agricultural land use and productivity, the project demonstrates the potential of increased productivity as the conversion from monoculture crop plantation to agroforestry will enhance the productivity. The nutrient variety is also expected to be impacted positively. The interviews with the farmers confirmed that the local partner has been advising them about the benefits of biofertilizers and maintains its reachability for the farmers to contact them for advisory</p>
--	--	--	---	--

				<p><i>please refer to the evidence provided for CAR 01/23, which demonstrates the plan to transition from monocultures to agroforestry and promote the expected positive impacts.</i></p> <p><i>3) Use of water: the project area is characterized by aridness and drought-proneness, and farmers' lands and productivity are greatly affected. The agroforestry design promotes mature fruit trees and border trees, which require less water intake than annual crops, and therefore, in the long term, it is expected to have a lesser impact on water resources. This topic is better reflected in the risk assessment section (Part L, topic Natural Risks); please see NIR 02/23, and the updated ADD.</i></p> <p><i>4) 105 surveys were collected at the project's</i></p>	<p>services. The agricultural biodiversity is projected to be improved as the farmers are witnessed to be planting different species of trees in their project farms. Among the sampled farmers, it was found that many farmers are growing mango, neem, tamarind, red sandalwood, and citrus trees. The discussion with farmers confirmed that the project promotes diversity through the project interventions. The farmers also confirmed receiving advisory services from local partners and NGOs to enhance their knowledge of species selection and maintenance of</p>
--	--	--	--	---	--

				<p><i>start and included in the ADD (Part D). These were the first collected data; therefore, the results are the baseline. According to the Acorn Framework, the following surveys shall be collected in 2026, and only then will it be possible to determine the impacts (refer to Evidence 6c for the farmer survey results and treated data).</i></p> <p><i>With the provided explanation and evidence, Acorn refutes this CAR.</i></p>	<p>planted trees. However, as per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. The requirement of Acorn framework, section 3.3 of checking the progress of monitoring could not be fully assessed under the present scope of validation. Therefore, the finding is converted to forward action request (FAR). This FAR shall be checked at the time of first verification by verifying VVB.</p>
--	--	--	--	---	--

Requirement 4.2.12	<p><i>The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation and Carbon Removal Unit Purchase". At least 80% or more of the proceeds from CRU sales should accrue to participants as either cash payments or individual in-kind contributions. See Annex 7.4 for a list of in-kind contributions that may be used in Acorn projects and detail or cash payment criteria.</i></p> <p><i>The project coordinator ensures that payments are made in a transparent and traceable manner.</i></p>	<p>During the validation process, this requirement was not confirmed as the payments to the farmers had not started, the first transaction from Rabobank to AFEC had not taken place yet, and so far, there is no clear option as to how the financial resources will be provided to the local partner. The process is ongoing but the audit team is still unsure about the results.</p> <p>In the interviews with the local partner and in the review of the signed agreements (AFEC-Rabobank and Participants-AFEC) it was evidenced that the redistribution of income from the sale of CRUs and the way of payment is clear for the local partner and included in the main project documents.</p> <p>Regarding the distribution of the 80% of the sales of CRUs incomes to the farmers, AFEC plans to do it by bank transfer and it was confirmed that farmers do have bank account and this is a feasible option. Also, it was evidenced during the visit that participants do not understand</p>	<p>CAR 03/23</p> <p>At the time of the validation, the issue of how to transfer the funds from Rabobank to AFEC, and from AFEC to the farmers, was not yet sorted out.</p>	<p><i>Due to a complex legal context; the fact that this is Acorn's first Indian project, and that carbon markets are still relatively new in the Indian context, finding a suitable way to execute carbon revenue payments towards LP and farmers has taken longer than expected. However, after months of thorough investigation from legal and tax experts, we have reached a consensus on how to adequately pay out the respective CRU revenue share to the farmers and AFEC alike.</i></p> <p><i>The following actions have been taken:</i></p> <ol style="list-style-type: none"> <i>i. Acorn has answered India's legal questionnaire (India Trilegal, a partner company of DLA Piper), which provides legal context and recommendations on selling CRUs in India;</i> <i>ii. Acorn and AFEC have together explored potential ways to</i> 	<p>NO, converted to FAR (3 April 2025)</p> <p>The response has been reviewed and legalities around the payment system advisable in Indian context with farmers are duly noted. In terms of document review, VVB reviewed the process of structuring the AFEC payment incorporating the knowledge of taxation system and availability of project revenue to farmers account. The submitted email conversation records and description of payment system have been reviewed. VVB has discussed the process of payment and its progress with local partner and farmers. The</p>
---------------------------	---	---	---	--	---

	<p>the details of the CRUs calculation and payment process. Although the carbon component or the project (specifically the CRUs topic) is complex to explain and understand, this issue has been identified as an opportunity for improvement. Farmers understand they will get paid for their participation in the project, but they do not understand the details of the carbon project.</p>		<p><i>iii. perform the payment, considering the national legal context; AFEC has hired a professional external firm for legal advice on the “short-term/urgent” solution to perform payments, as well as a “long-term” solution to receive and deliver payments in an ideal scenario going forward;</i></p> <p><i>iv. Acorn has hired Trilegal India (a law firm) to explore if the proposed short-term solution works from a legal and tax perspective; as well as to provide advice on the preferred long-term set-up to perform payments.</i></p> <p><i>v. Advice from both legal firms has been consolidated, and following solutions have been suggested:</i></p> <p><i>1) For farmers short-term: Farmer's will be</i></p>	<p>payments to the farmers have not been made yet. The open issue pertaining to the clear structure of transfer of funds from Rabobank to AFEC, and from AFEC to the farmers are yet to be clearly implemented. The requirement 4.2.12 of Acorn framework that requires local partners to demonstrate annual and traceable carbon benefits payments to the participants (i.e., farmers) could not be met. However, it is also noted that the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities gets complete and 80%</p>
--	--	--	--	---

				<p><i>paid out through Rabobank's corresponding bank in India (HSBC).</i></p> <p><i>2) For farmers long-term: A Collective (new legal entity) will be set up, which will manage the administration and perform payments to the farmers. This option will also be set-up for another Acorn partner which has been approved after thorough legal analysis.</i></p> <p><i>3) For AFEC short-term: AFEC is allowed to receive 10% of CRU revenues to cover the costs required to implement the program. As current costs will be higher than 10% of CRU revenues, we expect AFEC to be in line with the requirement. If costs of project implementation are less than 10% of CRU</i></p>	<p>of sales of CRU revenue is distributed to farmers. In this case, the finding remains open and shall be checked by verifying VVB at the time of first verification. The finding is converted to FAR.</p>
--	--	--	--	--	--

				<p><i>revenues, we will implement the long-term solution to manage payments.</i></p> <p><i>4) AFEC long-term: In the long term, AFEC is investigating the opportunity to set-up another legal entity which would be allowed to receive 10% CRU revenues directly.</i></p> <p><i>vi. Lastly, we are following up on all subsequent actions arising from the solutions mentioned above, such as adjusting contracts, asking for formal tax advice, etc. Because we cannot pay out farmers before we have a positive validation result, we cannot yet fully implement the solution before validation is closed. Please refer to folder named Evidence 7, where all underlying</i></p>	
--	--	--	--	--	--

				<p><i>legal discussions on the above solutions have been mentioned.</i></p> <p><i>As a result of the actions in place and the fact that we have found a legally solid solution to perform farmer and AFEC pay-outs, Acorn proposes this CAR be downgraded to a FAR.</i></p>	
--	--	--	--	---	--

Requirement 4.2.15	<p>The Local Partner should provide information in an applicable language and/or format that suits all participants and avoid discrimination of illiterate groups.</p>	<p>As confirmed during the on-site visit, in the interviews with the local partner and the farmers, all documented information is provided in Telugu. While it was verified that trainings, meetings in local communities, technical support and all verbal communication, conducted by both AFEC staff and the local lead farmers, took place in the appropriate local language, the main contractual/legal documents (Participant Agreement and consent) between AFEC and the local farmers remain in Telugu. In the discussions with the local farmers, it was evidenced that most of them do speak Telugu and understand the Agreement and the consent. However, it was identified at least one farmer who did not speak Telugu but Kannada only. Farmers informed the validation team that the contents of the signed documents are explained by the local lead farmers in their local languages, and that the expressed agreement with the main rights and obligations. Additionally, there are some</p>	<p>CAR 04/23</p> <p>Project documents provided to the local farmers shall be in an applicable language that suits all participants.</p>	<ul style="list-style-type: none"> - <i>All of the onboarded Acorn farmers and villages speak Telugu as their primary language (although ~4% do not read it), and some farmers (mainly in the bordering regions of the state) may speak Kannada, but in general would also speak Telugu or have family members which speak Telugu.</i> - <i>For those farmers that do not speak Telugu, Acorn has translated the agreements and infographics to Kannada (see Evidence 8a and 8b)</i> - <i>During the Project Council meetings, AFEC has gone through the infographic again (see evidence 9), and participants were also asked to specify if they or anyone in their village did not receive the information on the program in their language which was not the case;</i> - <i>In addition, the Kannada</i> 	<p>YES (3 April 2025)</p> <p>The review of the following sources of evidence has provided confirmation that the project does provide information in applicable language:</p> <ul style="list-style-type: none"> (8a) participant agreement in Kannada language, (8b) project infographic in Kannada language, (9) photograph showing local partner explaining project in local language and (10) screenshot of communication channel, whatsapp, maintained to distribute project information in local language. <p>In the same context, it was checked that translations of project information are provided in</p>
---------------------------	--	--	--	--	--

	<p>project documents provided to the local lead farmers that include infographics, for a better description/explanation of the project to the farmers, mainly to the illiterate ones. No evidence of discrimination of illiterate was gathered and it was confirmed that both illiterate and non-illiterate were onboarded in the project interchangeably. However, considering all the above mentioned, there is evidence that Participant Agreement and consent are not provided to all the participants in local language. The farmers who do not speak Telugu, do not receive the contract in language they would understand.</p>		<p><i>version of the documentation was shared on WhatsApp with the participants, ensuring everyone had access to the document in their language. (see Evidence 10)</i> <i>As a result of the actions in place, Acorn refutes this CAR.</i></p>	<p>Telugu and Kannada languages which are the spoken and written languages in the region of project farmers. It was further checked during on-site visit while interviewing the farmers that farmers have been made aware of project and agreement terms and clauses. The local partners and enumerators who have been in direct contact with farmers since the onboarding procedure ensured to communicate the project details. Furthermore, the discussion with local partners, field officers and staff local partner AFEC also highlighted that procedure being followed to disseminate the</p>
--	---	--	---	---

					<p>project details among farmers. The requirement 4.2.15 of Acorn framework, v1.0 has been met and thus, finding stands closed.</p>
--	--	--	--	--	---

Requirement 4.2.16	<p>The Local Partner should provide a stakeholder map to identify key communities, organizations, and local and national authorities that are likely to be affected by or have a stake in the project. The Local Partner is responsible for taking appropriate steps to inform these stakeholders about the project and seek their views, and secure approval where necessary.</p>	<p>The local partner and Acorn have provided a stakeholder map in the ADD, Part K, including information about their interest and influence in the project. During the conversations with AFEC the main entities affected by the project were described and the validation team had the chance to meet and interview some of them (e.g. forest department, horticulture department, local government representative). Consulted stakeholders have been at some extend informed about the project and their views have been considered. However, the information included in the ADD does not specify the name and contact of the stakeholders, the document includes general information about each stakeholder type but does not include detailed info. There are no specific stakeholders mentioned in the ADD just general groups (e.g. local authorities, donors or local communities).</p>	<p>NIR 01/23 Stakeholders' analysis in the ADD (Part K) shall be updated, identifying key stakeholders (public and private entities, communities, etc.) and including the required specific information who are the representatives of these stakeholders.</p>	<p><i>Please refer to the ADD, Part K, for updated information on the stakeholder assessment.</i> <i>Part K: Stakeholder Analysis of the ADD has been updated to include information on the key stakeholders and their required outcomes. These include higher and local-level governmental bodies: the State Department of Andhra Pradesh, the District Administration, the Department of Agriculture, the Department of Horticulture, and the Forest Department of Anantapur. AFEC interacts with the governmental stakeholders on a need basis. At the local level, interaction happens more regularly, especially when sourcing from government nurseries. At times, local government is also invited to provide trainings to farmers and to inform farmers of available government schemes. At a higher level, it's more of a need basis; for example, AFEC has interacted with the</i></p>	<p>YES (3 April 2025) The revised ADD post validation assessment has been reviewed. ADD section K, table 14 was found revised with consistent and adequate details of name and contact of the stakeholders, the document includes general information about each stakeholder type. The finding stands closed.</p>
---------------------------	--	---	---	---	--

				<p><i>state level of Andhra Pradesh for a letter of no objection. Chief Conservator of Forest (relatively high up) also visited Acorn farms in August 2024.</i></p> <p><i>Private stakeholders include Rabobank and commercial nurseries.</i></p> <p><i>As for contact information, it is not a requirement to do so under the Acorn Framework v1.0, and Acorn will not include such in Part K, for data protection purposes.</i></p>	
--	--	--	--	---	--

Requirements 4.3.1, 4.3.2 & 5.1.1	<p>4.3.1 <i>Acorn projects shall demonstrate additionality at the start of the project intervention. Projects that wish to expand into a new country should reassess additionality prior to such expansion.</i></p> <p>4.3.2 <i>Acorn projects shall be additional, i.e. would not have been implemented without the additional revenues generated through the sale of CRUs. At minimum, the Local Partner shall demonstrate:</i></p> <p><i>a. Proof of regulatory surplus, meaning it is not required by any form of existing laws or regulations. Exceptions can be made for projects that support laws that are not enforced or commonly met in practice.</i></p> <p><i>b. Compliance with the Agroforestry Positive List requirements OR robust proof of at least one barrier as defined in</i></p>	<p>Additionality has been described in Part C of the ADD. The main arguments are:</p> <ol style="list-style-type: none"> 1) That the project-target group are functionally illiterate farmers with low per- capita income and, therefore, cannot afford high investment costs. 2) Farmers do not have access to quality seeds/seedlings due to above 3) Due to the practices of subsistence agriculture, farmers face problems of degraded soil, which, in addition to poor biodiversity, leads to frequent episodes of pests and diseases. 5) Farmers lack skills and knowledge in terms of spacing, pruning, species suitability and mixing etc. <p>Also, the compliance is shown using the positive list (meeting requirements a, b and c of section 5.2 of Acorn Framework) and with the proof of one barrier (financial and technical barrier). In the additionality assessment, the participation of AFEC as an NGO with experience in the project area working on agroforestry is</p>	<p>CAR 05/23</p> <p>The audit team could not confirm at the site that additionality is fully demonstrated. The arguments are mostly build around the lack of income and lack of knowledge. While the first one does not necessarily provide evidence of additionality, the auditor agrees that without additional funding the plantation might be abandoned and disappear on medium term. On the technological (knowledge based) barrier, the audit team was not able to collect enough evidence to confirm that the project at this stage would overcome the barrier (i.e. border trees did not germinate in any of the case, the farmers are asking for seedlings instead but not being given, the pamphlet document with information about how the trees should be planted is not clear enough).</p>	<p><i>Closing this finding takes considerate planning, as it requires on-the-ground coordination and funding. With this in mind, the Local Partner is adopting a phased approach to planting additional trees (varied species) and ensuring training is provided. The following has been performed:</i></p> <p><i>i. A plan has been developed to ensure multiple tree species are planted on the farms (see CAR 01/23). Currently, approx. 42% of farmers are intercropping, and farmers are expected to continue intercropping with fruit trees for five years before the canopy becomes too dense to support the annual crops.</i></p> <p><i>ii. Due to budget constraints, seeds would initially be distributed (along with saplings/seedlings).</i></p>	<p>YES (3 April 2025)</p> <p>The assessment of the project to check the additionality argument has been conducted as follows. The positive list requirement has been met by the project. In terms of barriers, the project faces financial or economic, technical, ecological and cultural barriers. The technical support provided by local partners has been demonstrated which provided the basis to review the knowledge or technical barrier. During the site visit of re-validation assessment, the discussions carried out with farmers, local partner, field supervisors and field coordinators confirmed that local partners' staff</p>
--	---	--	--	--	---

<p><i>the Acorn Additionality Assessment (Section 5.2). Please note that the Agroforestry Positive List can only be used as a standalone approach after separate approval of the Plan Vivo Foundation. Until then, projects are expected to demonstrate adherence to both criteria to prove applicability.</i></p> <p><i>The participant ensures project additionality and is aware that the project has a durability period of 20 years.</i></p> <p><u>5.1.1</u></p> <p><i>For any pre-existing agroforestry on a smallholder's land:</i></p> <ul style="list-style-type: none"> • <i>Agroforestry at the farm level has been implemented less than 5 years ago.</i> • <i>The participant confirms that previously sequestered CO2 on the land has not yet been monetized.</i> 	<p>considered a key aspect to justify how the main barriers will be faced.</p> <p>During the site visit and interview with the farmers it was revealed that the process of transferring agriculture to horticulture is being applied already for some 10 years with more activity being seen in last 5-6 years. This was happening without AFEC being part of this process and the driver for this was the change of climate (reduced precipitation), less available labor force (lime or mango is easier for harvest) and the fact that for people living under poverty rate the seedlings are provided for free by the governmental office. With the carbon project, the initiative will be able to scale up and additional funds will be provided to farmers, and these will be motivated to plant border trees (forest species) and overcome periods without crops.</p>		<p><i>Once future CRU revenues come in, these can be used (after participant approval) to source and fund higher-quality seedlings. Refer to CAR 01/23 for a more detailed overview of what is provided.</i></p> <p><i>iii. A plan has also been developed to increase agroforestry knowledge for the Local Partner and farmers alike. According to this plan, the following actions will be taken among others:</i></p> <p><i>a. AFEC's six field coordinators/supervisors will be trained on agroforestry 4 times a year and will be responsible for sharing this knowledge with the farmers within their network/mandals. These supervisors</i></p>	<p>maintains their presence among the project farmers to ensure timely meetings with farmers. The farmers interviewed confirmed that they are directly connected with field supervisors and accessible whenever they require support or need to outreach to report feedback or concerns. In order to ensure that farmers are equipped with adequate knowledge pertaining to planting and maintaining the project trees, the training framework (evidence 12) have been checked. It has been concluded that the Acorn framework v1.0 requirement 4.3.1 has been met. The</p>
--	---	--	--	---

<p><i>The participant has received donor/grant funding for a significant part of their existing agroforestry practices.</i></p>	<p>The technical support that AFEC is providing to the farmers will contribute to face the identified barriers, and the revenues generated by the project will contribute to maintain this technical assistance during the project duration. The audit team is, however, not convinced that the technical support is adequate, as the level of knowledge sharing on how the planting should be carried out is not very high (in some of the cases). The farmers claimed they were not given information apart from soaking it in hot water, and this method does not work for all the species in the same way. Also, the information that some of species (e.g. red sandal, which is promoted as most important species in the ADD) can be harvested only with special permission from the forest department. The farmers are not able to choose the species they would like to plant, but given bags with mixed species instead. The local partner explained that this is done to ensure there is a wider diversity</p>		<p><i>have been crucial in the work to transform the farms into agroforestry;</i></p> <p><i>b. The Project Council members will receive training 6 times a year and are responsible for passing it on in their village. Trainings will be facilitated by local government or relevant AFEC staff who have agroforestry expertise.</i></p> <p><i>c. Leaflets on taking care of newly planted species will be shared by AFEC. Soft copies are shared on WhatsApp, and hard copies are shared during meetings or when farmers pick up the seedlings. (See Evidence 11).</i></p> <p><i>d. This information</i></p>	<p>project has demonstrated the additionality as per section 4.3.1 of the Acorn framework, v1.0. Further, the project does not intend to expand into a new country. The requirements 4.3.2 and 5.1.1 have also been met as the revised ADD has sufficiently explained the project additionality following adherence to regulatory surplus, positive list and barrier analysis. The finding is closed.</p>
---	--	--	--	---

		<p>as otherwise the farmers would go with few species only. Also, planting from seeds seems not to be viable option for any of the farmers due to water scarcity. All interviewed farmers who already planted seeds, claimed no seeds have germinated. Other farmers have not planted any trees and are waiting for heavy rain to start. Strong message from interviews with both the farmers and other stakeholders was received about the feasibility of planting trees from seeds in current conditions. It was clearly requested to use seedlings instead.</p>		<p><i>will be shared through the farmer WhatsApp groups. (It's estimated that 70% of the farmers can be reached through these WhatsApp groups).</i></p> <p><i>See also Evidence 12, for a better overview of actions taken to ensure farmers are engaged, well informed of the program and trained on agroforestry.</i></p> <p><i>As a result of the actions in place, Acorn proposes this CAR be downgraded to a FAR.</i></p>	
--	--	--	--	--	--

Requirement 4.9.2	<p>Acorn projects should review their reversal risks by making use of the reversal risk assessment (see Annex 7.8), and high-risk areas should be mitigated with appropriate actions and be monitored closely. At least every five years, Local Partners should reevaluate their reversal risks and report this to Acorn, who again submits this to the certifier for oversight.</p>	<p>During the site visit to the different randomly selected plots and in the conversations with the farmers and local AFEC staff, it was confirmed that some existing risks identified in the ADD have infra-estimated risk levels. Therefore, some of them will require mitigation actions.</p> <p>The following two risks were considered with infra-estimated risk level:</p> <ul style="list-style-type: none"> • Change of land ownership and coverage (land tenure): in several of the visited plots the land tenure was in the process of changing (usually due to inheritance reasons). Although it was always within the same family, this was identified as a potential risk by AFEC (e.g. plot segregation affecting the project boundary, change of project participant and agreement status). • Planting material: the trees in the current 	<p>NIR 02/23</p> <p>Acorn and AFEC shall update the Risk assessment in the ADD (reviewing the whole risk assessment, updating risk levels of the already included risks and including mitigation actions).</p>	<p><i>Part L: Reversal Risk Assessment of the ADD has been updated to include information on the following risks:</i></p> <ul style="list-style-type: none"> • <u>Change of land ownership and coverage (land tenure): information on land ownership will be shared with AFEC through their field supervisors, who maintain close contact with the farmers (i.e., training and field visits), and through the Project Councils. The legal process to change land ownership is time-consuming. Therefore, if a plot needs to be split, a discussion with the new owners will occur to check if they want to split the revenue; otherwise, the Local Partner will collect a new polygon through an exercise of land</u> 	<p>YES (3 April 2025)</p> <p>The review of the revised ADD and evidence submitted has been carried out. The Acorn framework, v1.0 requirement 4.9.2 stated that Acorn projects should review their reversal risks by making use of the reversal risk assessment (see Annex 7.8), and high-risk areas should be mitigated with appropriate actions and monitored closely. At least every five years, Local Partners should reevaluate their reversal risks and report this to Acorn, who again submits this to the certifier for oversight. The assessment of the risk of change of land ownership and coverage has been</p>
--------------------------	--	--	---	--	--

		<p>conditions might not grow from seeds directly and AFEC does not have sufficient size of nurseries to produce enough seedlings for this size of project. Even though there are private nurseries in the region, AFEC has not established its own nurseries at the scale. Considering the size of the project, seedling production and distribution can be a bottleneck for the project implementation.</p>		<p><i>mapping and signed consent from the participants.</i></p> <ul style="list-style-type: none"> • <u><i>Planting material:</i></u> <i>please refer to the explanations under CAR 01/23 and CAR 05/23, and the updated ADD.</i> • <u><i>Natural risks:</i></u> <i>The water management issue is a major one in the project region; it is very costly and has many infrastructure challenges (water must be transported long distances, as it is simply unavailable in the area). Even the government does not have sufficient resources to address the irrigation issue. Prominent government water schemes exist in Andhra Pradesh, but the implementation will span many years into the future. Some smaller</i> 	<p>done as follows. VVB has gone through the procedure of data entry and analysis maintained in the project. The Acorn registry interphase and data analysis system reviewed through virtual call. In the call, the steps of data collection from farmers on field, data entry, data analysis on registry interphase were checked. PP uses DCT application to record the initial details of farmers. The initial information includes name of the farmer, address, farmer's land demarcation using track plot feature. The process automatically generates reference ID and plot ID enabling PP to avoid</p>
--	--	--	--	--	--

				<p><i>governmental schemes exist to help farmers with adequate irrigation or 'protection irrigation' where water is brought from the vicinity. Still, for farmers where water is unavailable in the area, this issue becomes more complex to resolve. Approx. 75,4% of farmers have irrigation in the form of borewells. However, even they are vulnerable due to the increasingly low groundwater levels, contributing to decreasing annual crop yields. Due to the high prevalence of borewells and the low groundwater levels, the water crisis has been more damaging. Therefore, the intervention needed</i></p>	<p>double counting at data entry stage. The application also record information of data collector that is enumerator temporary hired by local partners. The enumerators are trained and work under the supervision of field supervisors. Field supervisors act as direct contact between project farmers and local partner. The data of each farmers onboarded are curated under their unique farmers ID/ plot ID. The steps in the registry interface are clearly described and followed as per the Acorn framework. The process of entering the information on land ownership, exercise of land mapping and</p>
--	--	--	--	---	---

				<p><i>to reduce long-term water scarcity risks is developing an agroforestry system that applies to regulating the local water cycle. The agroforestry species promoted under this project are drought-prone and tolerant of poor soil quality. In addition, the Local Partner provides information (through meetings and leaflets) on how to best plant and when to increase the survival risk amid the region's water scarcity. It is, therefore, expected that the intervention will not significantly affect the water resources but will adapt to them with the aim that in the long term, as the trees grow and establish their roots, the benefits can</i></p>	<p>signed consent from the participants have been fully discussed. This provides the assurance that there are no potential risk pertaining to land ownership. Regarding the planting material, The observation of site as well as interviews conducted that farmers have accessibility to seeds and sampling of tree species. These seeds and saplings are self-bought as well as provided to farmers by RDT and through government schemes. The revised ADD section 3, table 19 reports the project has natural risk, specifically water scarcity. The mitigation action in</p>
--	--	--	--	---	--

				<p><i>increase. For some farmers, AFEC also spends resources on 'protection irrigation' where water is within reach (1-2km). Farmers usually can take care of the crops where water is available (2 km is for 5% of the population). In case there are any government schemes available for water, farmers will make use of them. This risk was raised to high and includes mitigation and monitoring actions in the updated ADD.</i></p>	<p>place is providing farmers with the necessary technical knowledge and promoting drought-tolerant species under the agroforestry scheme of project. The monitoring to ensure risk reversal is proposed by ensuring regular field visit. The on-site observations and interviews with farmers also confirmed that the project area faces water scarcity. It was confirmed that the field supervisors are directly in contact with farmers and pay regular visits. Further, the submitted evidence Council meeting records confirmed the regular farmers meetings and</p>
--	--	--	--	---	---

					<p>follow-up discussions with local partners. All these steps ensure that risk is identified, mitigate through appropriate actions and monitored with regular field visits. The requirement has been met by the project and therefore, the finding is closed.</p>
--	--	--	--	--	---

Requirement 5.1.1	<p><i>The Local Partner has a strong in-country presence and the respect and experience required to work effectively with local participants and their communities.</i></p> <p><i>The Local Partner is capable of negotiating and dealing with government, local organizations and institutions.</i></p>	<p>AFEC has been working in the project area in agroforestry for several years before the project started. It was corroborated in the on- site visit that the local partner has a strong in- country presence with offices in the region. It was also confirmed in the different interviews with stakeholders that AFEC has a strong network of partners (public and private entities) supporting its activities, both local, national and international. At the implementation level, some of the identified strengths of the NGOs is the important network of farmers and the figure of the Local lead farmer. AFEC has been training community lead farmers (Local lead farmer) that are a key for the implementation of these ambitious initiatives. The project is now working with more than 7,000 farmers and Local lead farmer are being crucial for the onboarding and the sensitization of this number of local farmers.</p> <p>As for the documentation from the government showing support</p>	NIR 03/23	<p>Local partner should seek agreement or other type of documentation with the government, that they allow to sell CRUs.</p>	<p><i>This process has been finalized and AFEC has received a letter of acknowledgement by the government to engage in the Acorn program.</i></p> <p><i>What has been done to get to the approval/ acknowledgement (please refer to folder Evidence 13 for reference):</i></p> <ol style="list-style-type: none"> <i>i. Local state stakeholders (e.g. at Panchayat level) have been informed about the project during the normal course of their activities (e.g. when sourcing the seedlings from the local government);</i> <i>ii. AFEC has responded to an information request on voluntary carbon markets by the Government of India's Ministry of Agriculture and Farmers Welfare, including information about the project, stakeholders, etc.</i> <i>iii. A state representative, Florence Deepa, Deputy Forest Ranger of the Kalyanadurgam region,</i> 	YES (3 April 2025) <p>Acorn received a written letter of acknowledgement from the Agricultural department of the state of Andhra Pradesh</p> <p>The requirement 5.1.1 requires demonstrating the presence of local partners and negotiating and dealing with government, local organizations and institutions. VVB reviewed the submitted evidence, the acknowledgement letter from Department of Agriculture, Government of Andhra Pradesh in response to the notification letter submitted by Rabobank. In the letter of</p>
--------------------------	--	--	------------------	--	---	--

	<p>to sell CRUs, there is a letter to District horticulture officials, but this letter does not contain the information about sales of CRUs to private entities and also the horticulture office is not representing the sufficient governmental level (e.g. forestry is not covered). Additionally, there is no agreement with the government or any type of confirmation from the authorities that these activities will not be incorporated in any other accounting program.</p>		<p>iv. <i>visited the AFEC Acorn project in person during one of the Project Council meetings in June 2024;</i></p> <p>v. <i>AFEC has sent out letters to the state-level commissioner for Horticulture requesting and requested a meeting.</i></p> <p>vi. <i>On November 20th, Acorn and AFEC representatives have met with Additional chief secretary, Govt of Andhra Pradesh, with Dr. B.Rajsekhar IAS to discuss the program.</i></p> <p>vii. <i>On November 22nd, Acorn and AFEC have also met with the local agriculture officer.</i></p> <p>viii. <i>On December 20th, Acorn received a written letter of acknowledgement from the Agricultural department of the state of Andhra Pradesh.</i></p>	<p>acknowledgement from the Agricultural Dept, Andhra Pradesh, it was confirmed that government acknowledged the initiative to measure, report, and sell certified CRUs from the agroforestry systems in Andhra Pradesh. Further, VVB interviewed the stakeholders to confirm the presence, roles and responsibilities and engagement of local partner AFEC within the project area and among the farmers. The submitted evidence, and discussions with stakeholders confirmed the fulfillment of requirement 5.1.1 of Acorn framework, v1.0. The finding is closed.</p>
--	---	--	---	--



Framework requirements to assess

Theme: Eligibility

Sub-theme: Eligible land

Requirements 4.1.2 & 5.1.1	
A. Requirement:	<p>4.1.2 <i>Acorn projects can provide evidence of land cover over the past five years from the project start date to prevent potential perverse incentives for tree planting. Evidence can be provided using satellite monitoring plot imagery or other forms of proof (e.g. oral or documented) that demonstrate that the land was not cleared prior to the project intervention with the intention to claim CRUs.</i></p> <p>5.1.1 <i>The Local Partner and participants confirms that no deforestation has taken place five years before the start of the project intervention (project baseline). If this cannot be confirmed, a description of the cause of the deforestation is provided, including the measures that have been taken to prevent deforestation from happening again.</i></p>
B. Guidance Notes for Validators	<ul style="list-style-type: none"> Assess against 4.1.2 by sampling smallholder plots. Assess the evidence that was provided to ACORN to demonstrate that the land was not cleared prior to the project intervention. If: <ul style="list-style-type: none"> The evidence was provided by satellite imagery that shows absence of trees in the smallholder land at T-5 (5 years prior to the smallholder joining the project), confirm that the satellite image used appears to match the smallholder land that it is ascribed to. The evidence was provided through other forms of proof, assess the accuracy of this proof by e.g. speaking to the smallholder and their neighbours. Assess an appropriate number of smallholder plots whose evidence was provided through non-satellite-imagery means, i.e. other forms of proof. If the Local Partner confirms that deforestation has occurred 5 years prior to the start of project activities: <ul style="list-style-type: none"> Confirm whether the deforestation was caused by the perverse incentive to later claim CRUs Give opinion as to whether, based on the Local Partner's mitigation measures, it is likely to occur again.
C. Findings (describe)	In the field visit, it has been confirmed by direct observation, in the 16 plots visited, and in the interviews with the farmers and with Local Partner staff that the farms have been agricultural or agroforestry lands for more than 5 years. In the interviews with the Local Partner, it was confirmed that in the onboarding process, it is necessary to confirm that the farmer's land is an agroforestry land that was not converted from forest land to agricultural land

	<p>in the past five years.</p> <p>During the review of the GIS information, it was corroborated that project lands are in an agricultural region with no evidence of recent deforestation in the area. Although some few project plots are close to the forest, to the agricultural frontier, no evidence of recent deforestation was found in these areas either.</p> <p>The ADD includes information to confirm the fulfillment of this requirement (see Part D point 3), and Acorn has confirmed that a T-5 check was performed for all project parcels.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	N/A			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Sub-theme: Eligible project interventions

Requirement 4.1.4	
A. Requirement:	<i>Acorn projects should contribute to the enhancement and/or restoration of degraded, damaged or destroyed land, and improve land use activities.</i>
B. Guidance Notes for Validators	<ul style="list-style-type: none"> Give your opinion on whether activities are taking place, and/or have taken place, on land that is degraded, damaged or destroyed or existing cropland. Give your opinion on whether you believe that the activities being employed by the project participants will enhance/improve the land. This may be assessed during visits to project sites and discussions with project participants and staff of the local coordinating organisation.
C. Findings (describe)	<p>As mentioned in the findings of the previous requirement, during the field visit, the document review, and the interviews with different stakeholders, enough evidence was gathered to confirm that project lands were agroforestry or agricultural lands when the project started. The project activity consists basically of planting border trees along the plantation and fruit trees (mostly lime and mango) on land previously used for groundnuts production. Due to the lack of water in the region, the farmers are looking for alternative land management and to replace the groundnuts with other crops.</p> <p>All the plantations visited during the field visit were monoculture and the border trees were not established due to a number of reasons (no precipitation, seeds instead of seedlings used, etc.). Therefore, while the activities as described in the ADD would most likely lead to land enhancement due to the fact that border trees are not yet established, it is not clear whether the simple change from the groundnut to fruit trees monoculture</p>

	plantation actually leads to land enhancement or not.			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>CAR 01/23</p> <p>The activities as described in the ADD did not take place yet and during the audit it could not be confirmed that as designed, it would be feasible for implementation and would lead to the enhancement or improvement of the land. So far, only fruit monoculture plantations have been established (independently on the project) and other activities as described in the ADD did not materialize so far.</p>			
F. Acorn's Response (if applicable)	<p>The validation finding has been brought to attention and discussed heavily with the Local Partner, in order to ensure that the finding is closed. Since then, the following actions have been taken:</p> <ol style="list-style-type: none"> i. The Local Partner held 3 Project Council meetings between May and June (2024), where each meeting had ~100 participants in attendance. In these meetings, it was explained to participants that they are required to convert their farms to agroforestry to be eligible for Acorn, and options to enable this transition were discussed. Acorn was present during one of these Project Council meetings, and the reports highlighting what was discussed have been provided (please refer to Evidence 1, in the document "Additional Evidence for Validation Report"). ii. AFEC has also informed the farmers of the need to convert to Agroforestry in their regular line of work through the field officers, who have handed out pamphlets on agroforestry conversion (refer to Evidence 2a and 2b), as well as leaflets on how to take care of the trees. iii. Three options for the transition to agroforestry have been identified, where seeds/seedlings are either sourced from AFEC's nursery, the State's Forest Department, or from commercial nurseries and financed by farmers. iv. Based on the farmers' preferences, a plan has been developed by AFEC to ensure that all farmers will have converted their farms to agroforestry by 2026. In the 2025's planting season (June – September, and possible December, if farmers have irrigation), the plan is that 4,210 farmers convert their farms to agroforestry, please refer to Evidence 3 for further detail. v. So far, 2,123 farmers have converted their farms to agroforestry in 2024, and 1,710 farmers had existing agroforestry (refer to Evidence 4 for the status of conversion in November). During an Acorn visit in June 2024, this was confirmed through field visits, and AFEC has also documented through photographs farmers that have planted additional trees (please refer to Evidence 5 folder containing photos – more photos are available on request). For points ii to iv, please refer to the folder "Additional Evidence for Validation Report"). <p>As a result of the actions in place, Acorn proposes this CAR be downgraded to a FAR.</p> <p>Validation team response after Re-validation (3 April 2025)</p> <p>The field visit conducted under the scope of re-validation assessed the project activity implemented on site. The ADD submitted post-validation assessment has also been reviewed. It was found that the project design qualifies as per the requirement 4.1.4. The project "Enhancing livelihoods of smallholders and mitigating climate change through agroforestry" is being implemented in</p>			

	Anantapur and Sri Satya Sai districts in the state of Andhra Pradesh. The farmers onboarded in this project practice agroforestry models wherein farmers plants combinations of crops inside the farm and at the farm boundaries along with growing of existing crops. During the re-validation assessment, the review of the revised ADD, evidence, site inspection and interviews conducted with sampled farmers provided the assurance that the project is contributing to the enhancement and restoration of degraded lands through agroforestry. Thus, the requirement of 4.1.4 of Acorn framework, v1.0 has been met by the project and finding stands closed.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.1.5	
A. Requirement:	<i>Acorn projects should strive to not contribute, or to do their utmost to avoid, environmental or (agricultural) biodiversity harm (e.g. reduction of long-term food security, water pollution, deforestation, soil erosion). All potential negative effects are identified, mitigated and monitored. These negative effects are detailed in annual reports to Acorn and the certifier.</i>
B. Guidance Notes for Validators	<ul style="list-style-type: none"> • Give opinion as to whether you believe the project activities will result in environmental or biodiversity harm. Information can be gathered from site visits where project activities are currently being undertaken. • Where potential negative effects have been identified, do you believe the mitigating actions will be sufficient to reasonably mitigate any harm? Are the appropriate people (e.g. farmers and/or coordinating organisation) appropriately aware of these mitigating actions, how to undertake them and monitor the outcomes? • Are project staff aware of the need to report any negative effects to Acorn on an annual basis?
C. Findings (describe)	Project activity consists of tree planting manually (digging the holes and planting in case of fruit trees or planting directly from seeds in case of other non-fruit species). Due to the type of intervention and considering the scale, the potential impact during the project implementation is expected to be negligible. Based on consultation with local stakeholders and on the direct observations in the field visit, the project is planting natural and naturalized species, commonly used in the forestry or horticulture sector and leading to an increase of biodiversity in the vegetation and potentially in the fauna. During the site visit no negative impacts were identified. The only potential negative impacts are the increased use of fertilizers (for the newly established fruit plantations) and the increased use of water (the new plantations are often accompanied by drilling new bore wells). However, it could not be confirmed through interviews with stakeholders or observation on the ground, that the new type of management (fruit orchards instead of groundnuts)

	would lead to negative impacts compared to the previous management.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 4.1.6

A. Requirement:	<i>Acorn projects should demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs which measure project performance on social, economic and environmental benefits, and that the KPIs are measured over a period that is of sufficient length to provide an adequate representation of the long-term impact of the project intervention.</i>
B. Guidance Notes for Validators	<p>With a better view of the local context, and reading KPIs specified in the ADD, is there any reason to believe that the project are having, or will have, a detrimental effect?</p> <p>Check whether a monitoring plan has been created to monitor the long-term effect of project activities and is likely to be effective and fully implemented:</p> <ul style="list-style-type: none"> • Assess the level of understanding of project staff and participating communities of the monitoring system and ensure that there are responsibilities for monitoring are matched by sufficient capacity • Are the selected indicators (covering all aspects of monitoring) SMART? I.e. Specific, Measurable, Achievable, Relevant and Time-bound? • Do the selected indicators properly measure impacts of the project or are they only able to measure inputs/activities? <p>Are communities effectively involved in monitoring and do they understand their role?</p>
C. Findings (describe)	<p>The ADD describes in its Part M, 4 indicators considered to be monitored (Farmer financial state, Agricultural land use and productivity, Agricultural biodiversity, Nutritional Variety). This section of the ADD provides the description of each indicator, but no potential mitigation actions are proposed (stating that all indicators are supposed to be improved) and not KPIs were established either. Based on the information included in the ADD, on the observations during the farm visits and on the different interviews undertaken, it can be concluded that thanks to the project intervention an improvement in the defined indicators is expected.</p> <p>Also, there were identified some issues with these indicators:</p> <ol style="list-style-type: none"> 1) Nutritional Variety, this includes also application of biofertilizer and biopesticides to increase the productivity. However, during the interviews and the site visits this activity was not identified and implemented.

	<p>2) Agricultural biodiversity, the project so far is only planting monocultures with limited biodiversity impact. Therefore, it can not be expected to improve biodiversity</p> <p>3) Some important aspects were omitted from the impact perspective such as e.g. over-use of water (often part of the project is to dig bore-wells)</p> <p>4) No survey is available yet in the current stage of the project, therefore no quantitative information is available in this validation phase. In future verifications and in the corresponding project annual reports it will be necessary to confirm the potential positive impacts of the project intervention.</p>
D. Conformance	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	<p>FAR 01/24 (CAR 02/23 converted to FAR)</p> <p>The project documentation does not define KPIs to be used for the monitoring. There are some indicators identified and these could be used to measure the performance. However, there are a number of gaps in these indicators, and therefore, these might not always fully fit the purpose.</p>
F. Acorn's Response (if applicable)	<p>additional choice (in this case, Agricultural Land Use and Productivity). Due to the proposed project intervention (i.e., conversion from monoculture to agroforestry; see evidence for CAR 01/23), these indicators are expected to improve; hence, no adverse impacts are expected. As a result, the project does not need to define mitigation measures. Concrete mitigation measures are instead determined in the risk assessment (Part L of the ADD). Therefore, if aspects of the KPIs need proper mitigation measures, these should be included in the risk assessment.</p> <p>On the specific-indicator identified issues:</p> <p>1) Nutritional variety: where AFEC works, they make farmers aware of natural farming through meetings, ecology days, and pamphlets. Village campaigns also occur once to twice a year, with the aim of sensitization. AFEC also has a newsletter that shares topic-specific information, such as on substitutes for chemical pesticides (refer to Evidence 6a and 6b for an example of a newsletter distributed in local language, and the programs that AFEC is running). Lastly, AFEC has a strong focus on ecology, and performs many publications on agroecology on their website, as well as organizes large meetings on topics such as desertification. Find more information on their publications on their website (Publications – Accion Fraterna Ecology Centre (af-ecologycentre.org)), and find press releases about the ‘World Day to combat Drought and Desertification’ organized by AFEC in June 2024 (Press Clippings – Accion Fraterna Ecology Centre (af-ecologycentre.org))</p> <p>2) Agricultural biodiversity: please refer to the evidence provided for CAR 01/23, which demonstrates the plan to transition from monocultures to agroforestry and promote the expected positive impacts.</p> <p>3) Use of water: the project area is characterized by aridness and drought-proneness, and farmers' lands and productivity are greatly affected. The agroforestry design promotes mature fruit trees and border trees, which require less water intake than annual crops, and therefore, in the long term, it is expected to have a lesser impact on water resources. This topic is better reflected in the risk assessment section (Part L, topic Natural Risks); please see NIR 02/23, and the updated ADD.</p> <p>4) 105 surveys were collected at the project's start and included in the ADD (Part D). These were the first collected data; therefore, the results are the baseline. According to the Acorn Framework, the following surveys shall be</p>

	<p>collected in 2026, and only then will it be possible to determine the impacts (refer to Evidence 6c for the farmer survey results and treated data). With the provided explanation and evidence, Acorn refutes this CAR.</p> <p>Validation team response after Re-validation (3 April 2025)</p> <p>The finding has been assessed and concluded as follows.</p> <p>The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity, Agricultural biodiversity, Nutritional Variety.</p> <p>During the re-validation stage, under the scope of validation assessment only, it was assessed that the farmers financial state is expected to be positively impacted resultant of farmer income through CRU revenues. In the case of Agricultural land use and productivity, the project demonstrates the potential of increased productivity as the conversion from monoculture crop plantation to agroforestry will enhance the productivity. The nutrient variety is also expected to be impacted positively. The interviews with the farmers confirmed that the local partner has been advising them about the benefits of biofertilizers and maintains its reachability for the farmers to contact them for advisory services. The agricultural biodiversity is projected to be improved as the farmers are witnessed to be planting different species of trees in their project farms. Among the sampled farmers, it was found that many farmers are growing mango, neem, tamarind, red sandalwood, and citrus trees. The discussion with farmers confirmed that the project promotes diversity through the project interventions. The farmers also confirmed receiving advisory services from local partners and NGOs to enhance their knowledge of species selection and maintenance of planted trees. However, as per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. The requirement of Acorn framework, section 3.3 of checking the progress of monitoring, could not be fully assessed under the present scope of validation. Therefore, the finding is converted to forward action request (FAR). This FAR shall be checked at the time of first verification by verifying VVB.</p>						
G. Status (if applicable)	Outstanding						
H. Forward Actions (describe, if applicable)	<p>See also Table 3</p> <table border="1" data-bbox="483 1439 1439 2102"> <thead> <tr> <th data-bbox="483 1439 727 1500">Forward Action</th><th data-bbox="727 1439 1077 1500">Why Unresolved</th><th data-bbox="1077 1439 1439 1500">How to resolve</th></tr> </thead> <tbody> <tr> <td data-bbox="483 1500 727 2102">The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity,</td><td data-bbox="727 1500 1077 2102">As per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. Since the scope of the assessment is validation, the requirements of KPIs monitoring and implementation could not be checked and therefore the finding remain unresolved.</td><td data-bbox="1077 1500 1439 2102">The requirement of Acorn framework, section 3.3 of checking the progress of monitoring shall be completed by reviewing the documentation pertaining to monitoring and implementation milestones of the project as well as confirmation of monitoring activities on field at the time of verification.</td></tr> </tbody> </table>	Forward Action	Why Unresolved	How to resolve	The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity,	As per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. Since the scope of the assessment is validation, the requirements of KPIs monitoring and implementation could not be checked and therefore the finding remain unresolved.	The requirement of Acorn framework, section 3.3 of checking the progress of monitoring shall be completed by reviewing the documentation pertaining to monitoring and implementation milestones of the project as well as confirmation of monitoring activities on field at the time of verification.
Forward Action	Why Unresolved	How to resolve					
The requirement 4.1.6 of the Acorn framework, v1.0 requires the project to demonstrate that the project intervention increases, or at least does not detriment, the impact KPIs. In this project, the KPIs identified are Farmer financial state, Agricultural land use and productivity,	As per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. Since the scope of the assessment is validation, the requirements of KPIs monitoring and implementation could not be checked and therefore the finding remain unresolved.	The requirement of Acorn framework, section 3.3 of checking the progress of monitoring shall be completed by reviewing the documentation pertaining to monitoring and implementation milestones of the project as well as confirmation of monitoring activities on field at the time of verification.					

<p>Agricultural biodiversity, Nutritional Variety. During the re-validation stage, under the scope of validation assessment only, it was assessed that the farmers financial state is expected to be positively impacted resultant of farmer income through CRU revenues. In the case of Agricultural land use and productivity, the project demonstrates the potential of increased productivity as the conversion from monoculture crop plantation to agroforestry will enhance the productivity. The nutrient variety is also expected to be impacted positively. The interviews with the farmers confirmed that the local partner has been advising them about the benefits of biofertilizers and maintains its reachability for the farmers to contact them for advisory services. The agricultural biodiversity is projected to be improved as the farmers are witnessed to be</p>		
--	--	--

	<p>planting different species of trees in their project farms. Among the sampled farmers, it was found that many farmers are growing mango, neem, tamarind, red sandalwood, and citrus trees. The discussion with farmers confirmed that the project promotes diversity through the project interventions. The farmers also confirmed receiving advisory services from local partners and NGOs to enhance their knowledge of species selection and maintenance of planted trees. However, as per the requirement of Acorn framework, 4.1.6, it is imperative to review the monitoring and implementation of defined KPIs which falls under the scope of verification assessment. The requirement of Acorn framework, section 3.3 of checking the progress of monitoring could not be fully assessed under the present scope of validation.</p>		
I. Other	N/A		

Requirement 4.1.7

A. Requirement:	<p><i>Acorn projects should plant tree species that are native or naturalized, and draw on local and expert knowledge for agroforestry designs. Naturalized species will only be integrated into the design if:</i></p> <ol style="list-style-type: none"> <i>a. There are livelihood benefits that make the use of the species preferable to any alternative native species.</i> <i>b. The use of the species will not have a negative impact on biodiversity or other provision of key ecosystem services in the project and surrounding areas.</i>
B. Guidance Notes for Validators	<p>Please give opinion as to whether tree species being planted meet these criteria. This can be checked using a number of sources:</p> <ul style="list-style-type: none"> • Visual observations of local tree-growing practices • Discussions with communities and project staff • Discussions with local experts (forestry and biodiversity experts) <p>Published information (refer to this in the validation report if used)</p> <p>Through interviews with Local Partner and participants, assess whether Local Partner promotes use of native species in agroforestry systems.</p>
C. Findings (describe)	<p>In the site visit and by analyzing the provided list of project species, it was confirmed that selected species are native, naturalized or commonly used species in the forestry/agricultural sector. No negative potential impacts of</p>

	<p>these species have been confirmed. The ADD, in its Part A point 22, includes the list of the main species used in the project, no naturalized species used in the project. All project fruit species have been observed in the project area, outside the project boundary, as common tree species used in agroforestry activities. Forestry species are not grown yet but the list of species was reviewed as well as discussed with project proponent and farmers and all are native in the region. No evidence was found that project species are invasive in the project area.</p> <p>During the visit it was confirmed that the local partner is aware of the importance of using native species and that the planting activities are done using a mix of species with different objectives (fruit, shade, soil improvement).</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other				

Sub-theme: Participant eligibility

Requirement 5.1.1	
A. Requirement:	<p><i>Participant eligibility checklist:</i></p> <ul style="list-style-type: none"> - <i>Participants are not structurally dependent on permanent hired labor, and manage their land mainly by themselves with the help of their families.</i> - <i>The cultivated land of participants does not exceed 10 ha and are not on wetlands</i> - <i>The participant, with the assistance of the Local Partner, has the ability to mobilize the necessary resources to implement the project.</i> - <i>The participant can allow reliable data to be collected for the project (i.e. GPS polygons, phone numbers, other KYC data).</i>
B. Guidance Notes for Validators	Assess the above eligibility criteria through sampled visits to participants' plots and interviews/participatory meetings.
C. Findings (describe)	<p>In the site visit, in the interviews with the local farmers, it was confirmed that their lands are managed by them and their families. In some cases, farmers need to hire temporary workers, mainly during the harvesting period, but such activity is of reduced scale and mostly concerns those with old owners and families with few members living in the region.</p> <p>All visited plots have been measured and have less than 10 ha. This has been also confirmed for all project parcels in the GIS file provided by Acorn. In one case the boundaries were not properly recorded and some part of the field,</p>

	<p>where tamarind trees were planted, was left aside. Also, in some of the filed visits, it was revealed that in case there are connected fields (above 10 ha) having different owners of the same family, the boundaries were not clearly defined (farmers were not able to identify their fields and the fields of their brothers). Although the fields were larger than 10 ha, considering the fact that there are different owners this requirement is met.</p> <p>No wetlands were identified during the visit and based on the reviewed documentation, the project boundary does not include wetlands.</p> <p>Project implementation was done directly by the farmers. The scale of the intervention and the technology used (manual plantation) allow farmers to do it without any assistance.</p> <p>It has been confirmed in the interviews that farmers allow the collection of data (e.g., GPS polygons have been measured).</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 5.1.1

A. Requirement:	<i>The participant is aware that their decision to participate in the project is entirely voluntary.</i>
B. Guidance Notes for Validators	Through interviews with participants, assess whether participants have entered into the project freely and without coercion. Assess whether participants were informed of the nature of the carbon project, their rights and responsibilities before formally entering into the project.
C. Findings (describe)	For the onboarding of farmers on the project, the local partner has worked with local lead farmers. The project is implemented in 15 "mandals". AFEC is building on more than 20 years of working with the mandals, AFEC is using its already existent structure. Farmers are organized by mandals, which consist of a group of villages. Each mandal has a representative and co-representative, called communal and co-communal, respectively. Once a month, a meeting is conducted on the mandal level (between 30-50 farmers), where information is passed down to the village level. Two meetings are conducted every month, with about 15 participants. Although it was not confirmed that a full Free, Prior, and Informed Consent (FPIC) process was followed, it was corroborated that the participation of the farmers in the project is voluntary. In the site visit, in the interviews with the project farmers, it was confirmed that they are voluntarily participating in the

	<p>project and planting trees.</p> <p>During the interviews, it was also confirmed that participants were informed by the local lead farmers, before signing the agreement and joining the project, about the nature of the carbon project and their rights and obligations resulting from their participation in the project. Not all participants know all the details, but they have general information about the project.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Theme: Responsibilities (Eligible Stakeholders)

Sub-theme: Smallholder farmer

Requirement 4.2.1	
A. Requirement:	<i>Acorn projects shall exclusively emphasize agroforestry practices at the smallholder or community level, where clear land tenure has been agreed upon and understood by the individual(s) involved, either by means of formal titling, informal titling and/or land mapping.</i>
B. Guidance Notes for Validators	<p>When visiting sample smallholder sites, confirm that the:</p> <ul style="list-style-type: none"> • land type being operated on is either smallholder or community land • individuals applying ACORN activities on that land have relevant land tenure. <p>Evidence for relevant land tenure should be held by the Local Partner and can be requested by the validator. Land tenure should be meet the definition and one of the criteria set out by 5.1.3 of the ACORN Framework.</p> <p>Local Partner staff should be able to explain how they check land tenure of prospective participants.</p>
C. Findings (describe)	The ADD (Part A. 19 and 20, Part D and Part H) describes how land tenure is organized among project participants. As described in the document, explained by AFEC and confirmed by the validation team during the interviews with the farmers, the land type is smallholder land and all sampled famers had the land title certificate (Pattadaar Pass Books). Copy of this certificate is held in the AFEC office. All farmers interviewed confirmed the ownership of the land and official documents for each of them were reviewed in AFEC office. No conflicts and disputes were identified with regard to land rights and limits

	within the project area. During the GPS measurement of the visited parcels, it was evidenced that the limits of project parcels are mostly clearly known by farmers and that they are coherent with the GIS file provided by Acorn as the project boundary. The only issue identified was during the interview of some farmers who share the land with other member of the family and when asked to show the boundary of their fields, sometimes they were referring to fields which according to the GIS file provided by ACORN should be of somebody else (other family members).		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	The project would benefit if during the onboarding phase, the specific boundaries of the farmer land are discussed and agreed to avoid possible disputes in the future.		

Requirement 4.2.2

A. Requirement:	<i>Acorn projects shall involve individual farmers ("participants") with up to ten hectares (ha) of cultivated land to guarantee Acorn's emphasis on smallholder farmers alone.</i>		
B. Guidance Notes for Validators	Prior or during the site visit, the validator can check that the areas of sampled project sites are less than 10ha via the remote-sensing polygons previously obtained by ACORN. If, when visiting the site, the boundary of the polygon appears to map appropriately onto the boundary of the smallholder's land, then the smallholder's land is likely less than 10 ha.		
C. Findings (describe)	As stated in the ADD, confirmed in the GIS file that includes the polygons of the project parcels, and confirmed during the site visit (in the interviews with the farmers and in the GPS measurements) all project parcels are smaller than 10 ha.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		

G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.3

A. Requirement:	<i>Acorn projects shall have a defined project council governance structure at the start of a project intervention, in which participants or community groups collectively, (i) nominate project representatives who have the capacity to operate on their behalf, and (ii) determine a decision-making mechanism for the project council. At a minimum, project councils should be organized twice per year.</i>		
B. Guidance Notes for Validators	<p>Assess whether a project council has been established and actively engaged in by project participants. This includes confirming that members of the project council were chosen fairly by participants. This may be done through:</p> <ul style="list-style-type: none"> • Records/minutes/photographs of community meetings and training workshops etc. • Project staff able to demonstrate that they are familiar with the communities/target groups and able to interact with them easily through meetings facilitated during the validation. • Participants are aware who their Lead Farmer is, and feel able to communicate with them on matters relating to the project. • Lead Farmers are aware of their responsibilities and feel able to actively represent the needs of the participants in project council meetings. 		
C. Findings (describe)	<p>It has been confirmed in the review of the ADD (Part G and Annex 6) that a project governance structure has been designed. In the interviews with the local partner staff and in the review of the available documents, it was clarified that this council structure has started to work in the project. The project starts first with community meetings (each with 25-30 farmers) and these will elect one council member who will represent them. There are reports from these community meetings and audit team has also participated in one of these during the audit.</p> <p>The local partner is aware of the need to organize two meetings per year and is working on this starting with the community meetings. AFEC is a well-recognized NGO in the area and benefits from a strong network and support from the farmers.</p> <p>During the site visit, it was evidenced that, on one hand, the governance structure at the community meeting level (council representatives) was created and that it was used for decision-making (e.g. type of crops to be used), and on the other hand that farmers understand that their contact person from the project is the local lead farmer.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

E. Corrective Actions (describe)	None
F. Acorn's Response (if applicable)	N/A
G. Status (if applicable)	None
H. Forward Actions (describe, if applicable)	N/A
I. Other	N/A

Requirement 4.2.4				
A. Requirement:	<i>Acorn projects shall not exclude participants on the basis of gender, age, income or social status, ethnicity or religion, or any other discriminatory basis, and shall onboard participants in chronological order of registration.</i>			
B. Guidance Notes for Validators	<ul style="list-style-type: none"> Can check through interviews with community members, particularly through interviews with vulnerable/marginalised communities. Local Partner staff should be able to describe their process for selecting new participants should the rate of participants wishing to join the project exceed the onboarding rate of the project. 			
C. Findings (describe)	During the site visits and in the interviews with AFEC staff, local stakeholders, and project participants, no evidence of discrimination was found in terms of participation in the project activity. Regarding gender, it has been confirmed that women participate actively in the project (AFEC Staff, local lead farmers, Council members and Farmers). However, despite the fact, that over 19% of the community member representatives are females, from the meetings with the village and community member representatives (as well as from the photos from the meetings) it is evident that the practical participation of females is rather weak. Local partner shown strong emphasis on integration of females into the project (as well as into other projects they have), however, this not yet resulted in stronger representativeness of females in the project.			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			

H. Forward Actions (describe, if applicable)	None
I. Other	The project would benefit from ever further integration of women into the structure and finding new ways how this can happen. Although culturally, it might be difficult to fully integrate women and make them participate and speak, it might be considered how this could improve over time.

Requirement 4.2.5

A. Requirement:	<i>Acorn projects shall not employ workers below the ILO minimal age convention on child labor</i>		
B. Guidance Notes for Validators	Confirm through interviews with community members and Local Partner staff that there is no evidence of employees below the ILO minimal age.		
C. Findings (describe)	<p>In the site visit and in the interviews with project stakeholders no evidence has been witnessed to confirm that there are project employees below the ILO minimal age. All project staff and people involved in the project interviewed and met during the site visit (lead farmers and farmers) were above the ILO minimal age. During the interviews with the farmers, they confirmed that for certain works they hire people to help them, and they have always confirmed that those workers are above the ILO minimal age.</p> <p>During the visit to the plots, several family members were observed working on the farms in agricultural activities.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 4.2.6

A. Requirement:	<i>Acorn projects should strive to not harm or negatively influence local communities (e.g. reinforce gender inequalities). Where negative socioeconomic impacts are identified, these will be reported, mitigated and monitored to Acorn and the certifier.</i>		
B. Guidance Notes for Validators	<ul style="list-style-type: none"> Give opinion as to whether you believe the project activities or governance structures will negatively influence local communities. Where potential negative effects have been identified, do you believe the mitigating actions will be sufficient to reasonably mitigate any harm? Are the appropriate people (e.g. farmers and/or coordinating organisation) appropriately aware of these mitigating actions, how to undertake them and monitor the outcomes? 		
C. Findings (describe)	<p>Upon the review of project documentation, the interviews and the direct observation during the site visit, there is no evidence that the project will negatively influence local communities. In the ADD (Part M) only positive socioeconomic impacts are identified and, therefore, no mitigation actions are described.</p> <p>The validation team has not identified current negative socioeconomic impacts of the project. However, the project is still in its early stages and CRUs payment has still not started. In future verification processes, it will be necessary to follow up the monitoring of project socioeconomic impacts.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	<p>The validation team has not identified current negative socioeconomic impacts of the project. However, the project is still in its early stages and CRUs payment has still not started. In future verification processes, it will be necessary to follow up the monitoring of project socioeconomic impacts.</p>		

Sub-theme: Local Partner

Requirements 4.2.7 & 5.1.1	
A. Requirement:	<u>4.2.7</u> <i>The Local Partner is a legal entity, whether NGO, local co-op or trader, that shall take responsibility for on-the-ground practices and adherence to the Acorn Framework throughout the duration of the project.</i>

	<p>5.1.1</p> <p><i>The Local Partner is focused and has the organizational capability and ability to mobilize the necessary resources to develop the project (e.g. including access to seedlings, inputs, agronomic knowledge, monitoring and technical support).</i></p> <p><i>There is sufficient supply of seedlings, inputs, water and other required resources.</i></p>
<p>B. Guidance Notes for Validators</p>	<ul style="list-style-type: none"> • Request relevant legal documentation to confirm status of Local Partner • Perform interviews with Local Partner staff to confirm that they understand and are comfortable the length of commitment that they are forming with ACORN and, indirectly, the Plan Vivo Foundation • Check that the Local Partner has sufficient capacity to fulfil their responsibilities within the project. Organizational, administrative and technical capacity may be demonstrated through: <ul style="list-style-type: none"> ○ A record of managing other projects - especially those involving the receipt, safeguarding and management of funds and disbursement of these to smallholders/community groups ○ Project staff who can explain the legal status of the organisation and its management and financial structure i.e. how funds will be held and transferred – backed up by evidence of setting up bank accounts and record-keeping systems etc. ○ Discussions with project staff who should be able to define clearly who is responsible for the provision of technical support ○ Interviews with project staff to demonstrate that they are familiar with the content of project ADD e.g. species to be planted, spacing requirements, management systems and any potential issues ○ The views of others who have worked with the organisation in the past (such as government, other project partners or other NGOs) ○ A visibly efficient and functioning office with all necessary staff
<p>C. Findings (describe)</p>	<p>In the document review, it was confirmed that the local partner Accion Fraterna Ecology Centre (AFEC) was founded by Father Vincent Ferrer, the founder of Rural Development Trust (RDT), in 1982. Accion Fraterna Ecology Centre (AFEC) is registered as Trust and run by a board of directors. The board of directors nominate a director to take care of day-to-day operations. The registration was provided to the audit team. AFEC works in 8 mandals in the Anantapur and Satya Sai districts in Andhra Pradesh. The mandal teams implement and monitor the project operations. Each mandal team is headed by a Mandal team leader, who is supported by a team consisting of Agro ecology associates, Socio-technical officers (STO) and village karyakarthas. AFEC has been working supporting local farmers in the region for several years, with demonstrated capacity to manage the Acorn initiative, and with the capability and ability to mobilize the necessary resources to develop the project. AFEC has developed projects similar to Acorn's and has worked with different funders and stakeholders.</p> <p>During the validation process the audit team has gathered enough evidence to confirm the fulfillment of these two requirements (i.e. Signed agreement between Acorn and AFEC, interview with AFEC funder, interviews with local stakeholders, visit to AFEC local offices,...). Regarding the sufficient supply of seedlings/seeds, please see findings in Requirement 4.9.2.</p>

D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 4.2.10

A. Requirement:	<i>The Local Partner shall comply with GDPR or local data and privacy regulations. For more details on data integrity, see Section 4.10 and the Partnership Agreement.</i>		
B. Guidance Notes for Validators	Confirm that the Local Partner has an internal privacy policy. Check Local Staff's knowledge of this policy by e.g. asking how they would handle a hypothetical scenario regarding a participant's data.		
C. Findings (describe)	In the document review it was confirmed that data integrity requirements are covered by the project. On the one hand, the agreement signed between AFEC and Rabobank (Partnership Agreement for the Trade in Carbon Removal Units) includes in clauses 4.6 and 19.4 specific commitments regarding GDPR. The Participant Agreement signed between the local farmers and AFEC includes a Consent Form for the use of data. In the interviews with the Local Partner, it was confirmed that they know the national legislation about data integrity, and that they have their internal policy regarding this issue.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		

I. Other	N/A
----------	-----

Requirement 4.2.11			
A. Requirement:	<p><i>The Local Partner shall provide a formal Participant Agreement ("Project Implementation and Carbon Removal Unit Purchase Agreement") for each project participant, including a consent for data sharing and confirmation of payment arrangements.</i></p>		
B. Guidance Notes for Validators	<p>Randomly sample participants and request their Participant Agreement to confirm that one has been signed. Through conversations with the participant, check that they:</p> <ul style="list-style-type: none"> • Have access to the agreement in an accessible language and format • Understand and are happy with their key responsibilities <p>If participants are yet to sign agreements, check that prospective participants will be happy with the above bullet points and that there is a plan in place for participants to sign agreements</p>		
C. Findings (describe)	<p>During the site visit and in the interviews with the farmers it was confirmed that project participants have already signed the Participant Agreement (including a consent). Most of the farmers interviewed were aware of this agreement and explained the basic contents of this contractual document. They are aware of their main commitments, planting and maintaining trees, and they understand they will get paid for it. All visited farmers understand the benefits of being part of the project, showed interest in the implementation of agroforestry practices (planting trees), and are happy with the idea of getting future revenues for these activities. Nevertheless, as the CRUs payments had not started at the moment of the validation, it was not possible to confirm their opinion about this process.</p> <p>In the meetings with AFEC, it was corroborated that they have a digital copy of the signed contracts of the onboarded farmers. Some agreements (also different from those of the visited farmers) were reviewed during the validation, double-checking the fulfillment of this requirement.</p> <p>Regarding the language and the format of the agreement, the format was on paper, and the language was Telugu. Although some farmers can read in Telugu, it was confirmed during the visit that some of them speak other local languages (Kannada). As mentioned above, it was confirmed that farmers understand the main contents of the agreement, as it was explained by the local lead farmer and they received training about the project activity. However, the agreement is not in an accessible language for all project participants (See findings in Requirement 4.2.15).</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		

G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.12

A. Requirement:	<p><i>The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation and Carbon Removal Unit Purchase". At least 80% or more of the proceeds from CRU sales should accrue to participants as either cash payments or individual in-kind contributions. See Annex 7.4 for a list of in-kind contributions that may be used in Acorn projects and detail or cash payment criteria.</i></p> <p><i>The project coordinator ensures that payments are made in a transparent and traceable manner.</i></p>
B. Guidance Notes for Validators	<p>Confirm with participants, through interviews or participatory meetings, that:</p> <ul style="list-style-type: none"> • They are happy with the types of payments being offered by the project, including in-kind contributions if relevant. • Are aware of the approximate level of income that they might expect from the project (due to ACORN's nature, the exact amount will be difficult to know, but evidence of extreme expectations from participants may be of concern and should be noted). • Understand that payments are conditional upon the sale of CRUs and therefore are not guaranteed. • Discuss with a small sample of households from different socio-economic groups to determine their level of understanding of the benefits they are likely to get from the project. <p>Confirm that the Local Partner:</p> <ul style="list-style-type: none"> • Has an appropriate system for disbursing and recording payments to project participants. • Is aware of the limit on income from CRU sales that they can claim for operational costs and are happy with this limit.
C. Findings (describe)	<p>During the validation process, this requirement was not confirmed as the payments to the farmers had not started, the first transaction from Rabobank to AFEC had not taken place yet, and so far, there is no clear option as to how the financial resources will be provided to the local partner. The process is ongoing but the audit team is still unsure about the results.</p> <p>In the interviews with the local partner and in the review of the signed agreements (AFEC-Rabobank and Participants-AFEC) it was evidenced that the redistribution of income from the sale of CRUs and the way of payment is clear for the local partner and included in the main project documents.</p>

	<p>Regarding the distribution of the 80% of the sales of CRUs incomes to the farmers, AFEC plans to do it by bank transfer and it was confirmed that farmers do have bank account and this is a feasible option. Also, it was evidenced during the visit that participants do not understand the details of the CRUs calculation and payment process. Although the carbon component or the project (specifically the CRUs topic) is complex to explain and understand, this issue has been identified as an opportunity for improvement. Farmers understand they will get paid for their participation in the project, but they do not understand the details of the carbon project.</p>		
D. Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<p>CAR 03/23 At the time of the validation, the issue of how to transfer the funds from Rabobank to AFEC, and from AFEC to the farmers, was not yet sorted out.</p>		
F. Acorn's Response (if applicable)	<p>Due to a complex legal context; the fact that this is Acorn's first Indian project, and that carbon markets are still relatively new in the Indian context, finding a suitable way to execute carbon revenue payments towards LP and farmers has taken longer than expected. However, after months of thorough investigation from legal and tax experts, we have reached a consensus on how to adequately pay out the respective CRU revenue share to the farmers and AFEC alike.</p> <p>The following actions have been taken:</p> <ul style="list-style-type: none"> i. Acorn has answered India's legal questionnaire (India Trilegal, a partner company of DLA Piper), which provides legal context and recommendations on selling CRUs in India; ii. Acorn and AFEC have together explored potential ways to perform the payment, considering the national legal context; iii. AFEC has hired a professional external firm for legal advice on the "short-term/urgent" solution to perform payments, as well as a "long-term" solution to receive and deliver payments in an ideal scenario going forward; iv. Acorn has hired Trilegal India (a law firm) to explore if the proposed short-term solution works from a legal and tax perspective; as well as to provide advice on the preferred long-term set-up to perform payments. v. Advice from both legal firms has been consolidated, and following solutions have been suggested: <ul style="list-style-type: none"> 1) For farmers short-term: Farmer's will be paid out through Rabobank's corresponding bank in India (HSBC). 2) For farmers long-term: A Collective (new legal entity) will be set up, which will manage the administration and perform payments to the farmers. This option will also be set-up for another Acorn partner which has been approved after thorough legal analysis. 3) For AFEC short-term: AFEC is allowed to receive 10% of CRU revenues to cover the costs required to implement the program. As current costs will be higher than 10% of CRU revenues, we expect AFEC to be in line with the requirement. If costs of project implementation are less than 10% of CRU revenues, we will implement the long-term solution to manage payments. 4) AFEC long-term: In the long term, AFEC is investigating the opportunity to set-up another legal entity which would be allowed to receive 10% CRU revenues directly. vi. Lastly, we are following up on all subsequent actions arising from the solutions mentioned above, such as adjusting contracts, asking for formal tax 		

	<p>advice, etc. Because we cannot pay out farmers before we have a positive validation result, we cannot yet fully implement the solution before validation is closed. Please refer to folder named Evidence 7, where all underlying legal discussions on the above solutions have been mentioned.</p> <p>As a result of the actions in place and the fact that we have found a legally solid solution to perform farmer and AFEC pay-outs, Acorn proposes this CAR be downgraded to a FAR</p> <p>Validation team response after Re-validation (3 April 2025)</p> <p>The response has been reviewed and legalities around the payment system advisable in Indian context with farmers are duly noted. VVB reviewed the process of structuring the AFEC payment incorporating the knowledge of taxation system and availability of project revenue to farmers account. VVB has discussed the process of payment and its progress with local partner and farmers. The payments to the farmers have not been made yet. The open issue pertaining to the clear structure of transfer of funds from Rabobank to AFEC, and from AFEC to the farmers are yet to be clearly implemented. The requirement 4.2.12 of Acorn framework that requires local partners to demonstrate annual and traceable carbon benefits payments to the participants (i.e., farmers) could not be met. However, it is also noted that the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities get complete and 80% of sales of CRU revenue is distributed to farmers. In this case, the finding remains open and shall be checked by verifying VVB at the time of first verification. The finding is converted to FAR.</p>						
G. Status (if applicable)	Outstanding						
H. Forward Actions (describe, if applicable)	<p>See also Table 3</p> <table border="1" data-bbox="483 1275 1441 2108"> <thead> <tr> <th data-bbox="483 1275 727 1343">Forward Action</th><th data-bbox="727 1275 1066 1343">Why Unresolved</th><th data-bbox="1066 1275 1441 1343">How to resolve</th></tr> </thead> <tbody> <tr> <td data-bbox="483 1343 727 2108">The finding has been unresolved at this re-validation stage and converted to FAR. The Acorn framework, v1.0, requirement 4.2.12 states "The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation</td><td data-bbox="727 1343 1066 2108">Since the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities get complete and 80% of sales of CRU revenue is distributed to farmers. However, in the absence of confirmation of payment system implemented, the requirement of 4.2.12 of Acorn framework could not be fulfilled.</td><td data-bbox="1066 1343 1441 2108">The resolution lies in the confirmation of the requirement 4.2.12 of the Acorn framework at the time of verification, which is project coordinator ensuring that payments are made in a transparent and traceable manner.</td></tr> </tbody> </table>	Forward Action	Why Unresolved	How to resolve	The finding has been unresolved at this re-validation stage and converted to FAR. The Acorn framework, v1.0, requirement 4.2.12 states "The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation	Since the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities get complete and 80% of sales of CRU revenue is distributed to farmers. However, in the absence of confirmation of payment system implemented, the requirement of 4.2.12 of Acorn framework could not be fulfilled.	The resolution lies in the confirmation of the requirement 4.2.12 of the Acorn framework at the time of verification, which is project coordinator ensuring that payments are made in a transparent and traceable manner.
Forward Action	Why Unresolved	How to resolve					
The finding has been unresolved at this re-validation stage and converted to FAR. The Acorn framework, v1.0, requirement 4.2.12 states "The Local Partner shall be responsible for annual and traceable carbon benefit payments to the participants, as detailed in the "Standard Terms to Project Implementation	Since the scope of this assessment is validation, and the payment could only be made once the monitoring and verification activities get complete and 80% of sales of CRU revenue is distributed to farmers. However, in the absence of confirmation of payment system implemented, the requirement of 4.2.12 of Acorn framework could not be fulfilled.	The resolution lies in the confirmation of the requirement 4.2.12 of the Acorn framework at the time of verification, which is project coordinator ensuring that payments are made in a transparent and traceable manner.					

	<p>and Carbon Removal Unit Purchase". At least 80% or more of the proceeds from CRU sales should accrue to participants as either cash payments or individual in-kind contributions. See Annex 7.4 for a list of in-kind contributions that may be used in Acorn projects and detail or cash payment criteria. The project coordinator ensures that payments are made in a transparent and traceable manner."</p> <p>In this project, the legalities around the payment system advisable in Indian context with farmers are duly noted. In terms of document review, VVB reviewed the process of structuring the AFEC payment incorporating the knowledge of taxation system and availability of project revenue to farmers account. VVB has discussed the process of payment and its progress with local partner as well. The payments to the farmers have not</p>		
--	---	--	--

	been made yet. The open issue pertaining to the clear structure of transfer of funds from Rabobank to AFEC, and from AFEC to the farmers are yet to be clearly implemented. The requirement 4.2.12 of Acorn framework that requires local partners to demonstrate annual and traceable carbon benefits payments to the participants (i.e., farmers) could not be met		
I. Other	N/A		

Requirement 4.2.13			
A. Requirement:	<i>The Local Partner shall have a separate account or earmarked funds for the sole purpose of participant finance, separate to the Local Partner's operational finances.</i>		
B. Guidance Notes for Validators	Request evidence of such an account.		
C. Findings (describe)	During the site visit, in the interviews with AFEC, it was confirmed that AFEC has a separate bank account that can be used for the reception of funds from Rabobank. There is enough evidence to confirm the possibility of independently monitoring and accounting for project funds.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	None		
G. Status (if applicable)	N/A		

H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 5.1.1				
A. Requirement:	<i>The project coordinator ensures that mobile payments to participants are either already possible or there are no foreseeable obstacles for this in the near future.</i>			
B. Guidance Notes for Validators	Check the systems that are being proposed by the project and make an assessment of whether these are fully functional already or whether they can be made functional when required. Are communities/producers aware of the system and do they understand it? Are documents and materials readily available to producers/communities?			
C. Findings (describe)	In the site visit it was confirmed that bank payment is commonly used in India, both in the cities and in the rural areas. In the interviews with the local partner and with the farmers it was corroborated that they are familiar with this payment method. As mentioned above, CRUs payments to the farmers have not started yet, but AFEC plans to use the bank transfers and the audit team has reviewed the database with all the project participants and how bank data are collected on a sample of farmers. Although mobile payment will not be the payment method, the validation team considers that the requirement is fulfilled as the final goal is accomplished (there is a feasible, robust, and traceable method to pay project participants).			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Requirement 4.2.14	
A. Requirement:	<i>The Local Partner should be aware of local, national and international laws and regulations, align project activities to comply accordingly, and integrate proper employment law.</i>

B. Guidance Notes for Validators	<p>Keep a look out for any illegal activities that the Local Partner may be engaging in, whether in the capacity of coordinating the ACORN project or otherwise.</p> <p>Through interviews with Local Partner staff, assess their awareness of relevant laws and regulations.</p>		
C. Findings (describe)	<p>In the interviews with AFEC, it was confirmed that local staff are aware of the main regulations related to project activities.</p> <p>The main legislation and regulations concerning agroforestry activities are mentioned in the ADD and have been facilitated to the VVB before the site visit.</p> <p>During the site visit and in the interviews with stakeholders no evidence was found of illegal activities carried out by AFEC.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 4.2.15

A. Requirement:	<p><i>The Local Partner should provide information in an applicable language and/or format that suits all participants and avoid discrimination of illiterate groups.</i></p>		
B. Guidance Notes for Validators	<p>Check that the materials that participants should be able to access are in an appropriate language and/or format. Materials that can be requested include:</p> <ul style="list-style-type: none"> • Participant Agreement • Relevant Standard Operating Procedures or support documents • Information on process for submitting grievances • Information or leaflets on Project Council meetings or meeting outputs/minutes 		
C. Findings (describe)	<p>As confirmed during the on-site visit, in the interviews with the local partner and the farmers, all documented information is provided in Telugu. While it was verified that trainings, meetings in local communities, technical support and all verbal communication, conducted by both AFEC staff and the local lead farmers, took place in the appropriate local language, the main contractual/legal documents (Participant Agreement and consent) between AFEC and the local farmers remain in Telugu. In the discussions with the local</p>		

	<p>farmers, it was evidenced that most of them do speak Telugu and understand the Agreement and the consent. However, it was identified at least one farmer who did not speak Telugu but Kannada only. Farmers informed the validation team that the contents of the signed documents are explained by the local lead farmers in their local languages, and that the expressed agreement with the main rights and obligations. Additionally, there are some project documents provided to the local lead farmers that include infographics, for a better description/explanation of the project to the farmers, mainly to the illiterate ones.</p> <p>No evidence of discrimination of illiterate was gathered and it was confirmed that both illiterate and non-illiterate were onboarded in the project interchangeably. However, considering all the above mentioned, there is evidence that Participant Agreement and consent are not provided to all the participants in local language. The farmers who do not speak Telugu, do not receive the contract in language they would understand.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<p>CAR 04/23</p> <p>Project documents provided to the local farmers shall be in an applicable language that suits all participants.</p>		
F. Acorn's Response (if applicable)	<ul style="list-style-type: none"> - All of the onboarded Acorn farmers and villages speak Telugu as their primary language (although ~4% do not read it), and some farmers (mainly in the bordering regions of the state) may speak Kannada, but in general would also speak Telugu or have family members which speak Telugu. - For those farmers that do not speak Telugu, Acorn has translated the agreements and infographics to Kannada (see Evidence 8a and 8b) - During the Project Council meetings, AFEC has gone through the infographic again (see evidence 9), and participants were also asked to specify if they or anyone in their village did not receive the information on the program in their language which was not the case; - In addition, the Kannada version of the documentation was shared on WhatsApp with the participants, ensuring everyone had access to the document in their language. (see Evidence 10) <p>As a result of the actions in place, Acorn refutes this CAR.</p>		
G. Status (if applicable)	<p>The review of the following sources of evidence has provided confirmation that the project does provide information in applicable language: evidence (8a) participant agreement in Kannada language, (8b) project infographic in Kannada language, (9) photograph showing local partner explaining project in local language and (10) screenshot of communication channel, whatsapp, maintained to distribute project information in local language. In the same context, it was checked that translations of project information are provided in Telugu and Kannada languages which are the spoken and written languages in the region of project farmers. It was further checked during on-site visit while interviewing the farmers that farmers have been made aware of project and agreement terms and clauses. The local partners and enumerators who have been in direct contact with farmers since the onboarding procedure ensured to communicate the project details. Furthermore, the discussion with local partners, field officers and staff local partner AFEC also highlighted that procedure being followed to disseminate the project details among farmers. The requirement 4.2.15 of Acorn framework, v1.0 has been met and thus, finding stands closed.</p>		

H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.16	
A. Requirement:	<i>The Local Partner should provide a stakeholder map to identify key communities, organizations, and local and national authorities that are likely to be affected by or have a stake in the project. The Local Partner is responsible for taking appropriate steps to inform these stakeholders about the project and seek their views, and secure approval where necessary.</i>
B. Guidance Notes for Validators	<ul style="list-style-type: none"> • Check that stakeholder mapping has been conducted in a participatory manner • Check whether a local stakeholder or well-being analysis has been conducted to identify socio-economic groupings in the communities • Check that relevant stakeholders have been informed about project, and approve of project. Ensure this is the case for a variety of stakeholders included within the stakeholder map, including local communities not included in the project, marginalised groups and relevant local authorities.

C. Findings (describe)	<p>The local partner and Acorn have provided a stakeholder map in the ADD, Part K, including information about their interest and influence in the project. During the conversations with AFEC the main entities affected by the project were described and the validation team had the chance to meet and interview some of them (e.g. forest department, horticulture department, local government representative). Consulted stakeholders have been at some extend informed about the project and their views have been considered. However, the information included in the ADD does not specify the name and contact of the stakeholders, the document includes general information about each stakeholder type but does not include detailed info. There are no specific stakeholders mentioned in the ADD just general groups (e.g. local authorities, donors or local communities).</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<p>NIRS 01/23 Stakeholders' analysis in the ADD (Part K) shall be updated, identifying key stakeholders (public and private entities, communities, etc.) and including the required specific information who are the representatives of these stakeholders.</p>		
F. Acorn's Response (if applicable)	<p>Please refer to the ADD, Part K, for updated information on the stakeholder assessment.</p> <p>Part K: Stakeholder Analysis of the ADD has been updated to include information on the key stakeholders and their required outcomes. These include higher and local-level governmental bodies: the State Department of Andhra Pradesh, the District Administration, the Department of Agriculture, the Department of Horticulture, and the Forest Department of Anantapur. AFEC interacts with the governmental stakeholders on a need basis. At the local level, interaction happens more regularly, especially when sourcing from government nurseries. At times, local government is also invited to provide trainings to farmers and to inform farmers of available government schemes. At a higher level, it's more of a need basis; for example, AFEC has interacted with the state level of Andhra Pradesh for a letter of no objection. Chief Conservator of Forest (relatively high up) also visited Acorn farms in August 2024.</p> <p>Private stakeholders include Rabobank and commercial nurseries.</p> <p>As for contact information, it is not a requirement to do so under the Acorn Framework v1.0, and Acorn will not include such in Part K, for data protection purposes.</p> <p>Validation team response after Re-validation (3 April 2025)</p> <p>The revised ADD post validation assessment has been reviewed. ADD section K, table 14 was found revised with consistent and adequate details of name and contact of the stakeholders, the document includes general information about each stakeholder type. The finding stands closed.</p>		
G. Status (if applicable)	Closed.		

H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.17, key concept 1.3, Table 4 extract

A. Requirement:	<p><u>4.2.17</u> <i>The Local Partner should coordinate and provide a business case, including a financial analysis, monitoring and implementation plan, at the start of the project.</i></p> <p><u>Key concept 1.3</u> <i>For the farmer, the increased annual income from both agricultural production and carbon sequestration needs to exceed the costs associated with the transition to agroforestry and the generation and trading of CRUs.</i></p> <p><u>Table 4 extract</u> <i>The Local Partner does not draw more than 10% of sales income for ongoing coordination, administration and monitoring costs. Exceeding this percentage is only possible in exceptional circumstances where justification is provided and Acorn formally approves a waiver.</i></p>
-----------------	---

B. Guidance Notes for Validators	<p>The business plan will have been checked by Plan Vivo Foundation, however it is difficult to assess the appropriateness of some aspects remotely and without knowledge of local context. Therefore, the validation should request to see this business case and assess whether:</p> <ul style="list-style-type: none"> - Check business case is underwritten by agronomist(s) and community representatives through interviews. - Costs detailed in business plan (e.g. cost of seeds, labour etc.) are appropriate for the local context - Participants believe that the income they will receive from the project (direct and in-kind) will be enough for their activities to take place.
C. Findings (describe)	<p>The business case has been provided to the VVB and has been developed by Acorn and AFEC. Prices and costs considered in the Business Case are in accordance with the India rural context and with reference numbers of local crops production.</p> <p>ADD Annex 4: Local partner and farmer business case includes all information required.</p> <p>It was evidenced in the discussions with AFEC and in the review of the agreement between Rabobank and AFEC, that the local partner will receive 10% of the CRUs sales income.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	None
F. Acorn's Response (if applicable)	N/A
G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.18	
A. Requirement:	<p><i>The Local Partner should actively inform and involve participants about/in the decision-making process throughout the project, from design, to monitoring, to implementation, to field management, and to payments, by organizing regular project council meetings. Participants should actively contribute to the selection and design of activities, considering:</i></p> <ol style="list-style-type: none"> a. Local livelihood needs and opportunities b. Local customs c. Land availability and tenure d. Food security e. Inclusion of marginalized groups

	<i>f. Opportunities to enhance (agricultural) biodiversity</i>
B. Guidance Notes for Validators	<p>Whether participants have been actively involved in the decision-making of the project may be determined through:</p> <ul style="list-style-type: none"> Records/minutes/photographs of community meetings and training workshops etc. Project staff and communities able to explain how communities/target groups were selected and involved in the development of the project and in the choice of activities Project staff able to demonstrate that they are familiar with the communities/target groups and able to interact with them easily through meetings facilitated during the validation Meetings held with specific target groups e.g. women, socially disadvantaged etc. <p>It may be useful to conduct a time-line exercise with communities to understand the planning process that has taken place.</p>
C. Findings (describe)	The findings of requirement 4.2.3. include a description of the evidence gathered about the governance structure. AFEC has already organized number of community meetings and is planning the council meetings in near future. In the discussions with different stakeholders, it was verified that the council is being used by AFEC as a decision-making mechanism. Local lead farmers have demonstrated frequent and fluent communication with local farmers and community meetings are taking place regularly where farmers are encouraged to express their ideas.
D. Conformance	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	None
F. Acorn's Response (if applicable)	N/A
G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirements 4.2.19 & 4.2.20

A. Requirement:	4.2.19 <i>The Local Partner shall be available to handle grievances and provide feedback</i>
------------------------	---

	<p><i>mechanisms on the project design, in a transparent, fair and timely manner and should organize regular council meetings to provide participants and their local community with a setting in which they can raise any concerns or grievances about the project to the Local Partner.</i></p> <p><u>4.2.20</u></p> <p><i>The Local Partner should ensure that a proper grievance mechanism is developed, described in detail in the project documentation, communicated to the local communities and followed-up. A summary of grievances received, the manner in which these are dealt with and details of outstanding grievances shall be reported to an Acorn representative(s) within 35 working days. These grievances are detailed by Acorn in annual reports to the certifier.</i></p>
B. Guidance Notes for Validators	<p>This may be determined through checking:</p> <ul style="list-style-type: none"> - That the grievance mechanism is in place. E.g., if the states that it will create a box for submitting feedback, can it be found in an appropriate location? - Checking through interviews that project participants are aware of grievance and feedback mechanisms, and know how to access them, and are satisfied with these mechanisms - Check through interviews with relevant project staff that they have appropriate knowledge of the grievance mechanism process - Check project council meeting minutes for evidence of grievances being reported, and check whether these have been resolved and whether the resolution has been communicated to participants - Check whether feedback thus far from project participants has been incorporated into the project, and if not, whether there is a reasonable justification for this.
C. Findings (describe)	<p>The project grievance mechanism is described in the ADD Part G.4 and G.5,. During the document review and in the conversations with the local partner, it was identified that AFEC has an internal grievance mechanism complementing the project mechanism. In the discussions with the local farmers, community meeting attendees, and local lead farmers, they expressed that if they have any grievance concerning the project they know how to proceed. Farmers confirmed that the first contact will be the local lead farmers and the second one AFEC staff. In these conversations with the farmers, no significant grievances or disputes were identified. As described before in other findings, as the CRUs payment process has not started, most of the farmers are interested and asked about the payment protocol, wanting to understand when and how they will be paid.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	<p>None</p>
F. Acorn's Response (if applicable)	<p>N/A</p>
G. Status (if applicable)	<p>N/A</p>

H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.21				
A. Requirement:	<i>The Local Partner shall be responsible for the secure storage of project information, including project designs, business case details, proof of payments, records of participant events and monitoring results.</i>			
B. Guidance Notes for Validators	<ul style="list-style-type: none"> Check that Local Partner has stored this information safely, and that records can be produced when asked. Are there appropriate back-up systems for important information? 			
C. Findings (describe)	As confirmed in the conversations with AFEC, project information is stored safely. They have backup copies of the main information in their office, and Acorn-Rabobank has also copies of the project documents and farmers database.			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Requirement 4.2.22	
A. Requirement:	<i>The Local Partner shall follow the Acorn monitoring plan as outlined in the Methodology and contribute to on-the-ground data collection, validation, and verification activities while coordinating the support of participants and local communities on this monitoring plan.</i>

B. Guidance Notes for Validators	<p>Monitoring and reporting systems and capabilities may be determined through:</p> <ul style="list-style-type: none"> • Staff and participating communities able to explain the monitoring system (how each of the indicators in the ADD will be monitored) • Records of any monitoring already undertaken e.g. baselines or other information • Visiting plots and watching Local Partner collect data on the ground, and assessing whether this is in keeping with procedures outlined in Acorn Methodology
C. Findings (describe)	<p>Although AFEC does not have a specific monitoring plan drafted for the project, Acorn and AFEC are following The Acorn Framework and Methodology, considering timelines and responsibilities to conduct the continuous monitoring in section 7.10, "Monitoring & reporting overview," of The Acorn Framework.</p> <p>Regarding socioeconomic and environmental aspects, the ADD Part D (Farmers survey) describes the results of the first survey and how the identified indicators will be monitored. In the discussion with AFEC staff, they explained how they did the first survey and how they are planning to do the monitoring, the next surveys. As the project is currently in its early stage, during the validation, only the results of the first survey were available. AFEC also explained that, with the current governance structure, they do a continuous monitoring of the project implementation through the local lead farmers. With regards to the carbon accounting and the CRUs calculations, Acorn has developed a specific methodology and protocol (in line with The Acorn Framework and Methodology) for ground truth data collection, that has been provided to the validation team.</p> <p>During this validation, AFEC facilitated an on-site visit coordinating the process with local farmers, local lead farmers and other stakeholders. During the audit, no evidence of non-compliance with this requirement was identified.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	None
F. Acorn's Response (if applicable)	N/A
G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 4.2.23

A. Requirement:	<i>The Local Partner should address and is expected to make efforts to provide equal opportunities to fill employment positions in the project for women and members of marginalized groups where job requirements are met or for roles where they can be cost-effectively trained.</i>		
B. Guidance Notes for Validators	<p>Check that women and members of marginalized groups have been given opportunities to be employed through:</p> <ul style="list-style-type: none"> - Interviews with women participants - Presence or absence of women in project staff (if women only fill e.g. low level or part time roles, note this here) 		
C. Findings (describe)	<p>In the document review and in the conversations with AFEC it was confirmed that the local partner has a Workplace inclusion and diversity policy. During the site visit, it was corroborated that women are employed by AFEC, not only in low-level or part-time roles. It was confirmed that women participate actively in the project. Women involved in different levels of the project (AFEC Staff, Local lead farmer and farmers) were interviewed and no grievances or discrimination issues were identified. During the audit no marginalized groups were identified in the local communities where the project is being implemented.</p> <p>See also findings of requirement 4.2.4.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Theme: Additionality

Requirements 4.3.1, 4.3.2 & 5.1.1	
A. Requirement:	<p>4.3.1 <i>Acorn projects shall demonstrate additionality at the start of the project intervention. Projects that wish to expand into a new country should reassess additionality prior to such expansion.</i></p> <p>4.3.2 <i>Acorn projects shall be additional, i.e. would not have been implemented without the additional revenues generated through the sale of CRUs. At minimum, the Local Partner shall demonstrate:</i></p> <p class="list-item-l1">a. <i>Proof of regulatory surplus, meaning it is not required by any form of existing laws or regulations. Exceptions can be made for projects that support laws that are not enforced or commonly met in practice.</i></p> <p class="list-item-l1">b. <i>Compliance with the Agroforestry Positive List requirements OR robust proof of at least one barrier as defined in the Acorn Additionality Assessment (Section 5.2). Please note that the Agroforestry Positive List can only be used as a standalone approach after separate approval of the Plan Vivo Foundation. Until then, projects are expected to demonstrate adherence to both criteria to prove applicability.</i></p> <p><i>The participant ensures project additionality and is aware that the project has a durability period of 20 years.</i></p> <p>5.1.1 <i>For any pre-existing agroforestry on a smallholder's land:</i></p> <ul style="list-style-type: none"> • <i>Agroforestry at the farm level has been implemented less than 5 years ago.</i> • <i>The participant confirms that previously sequestered CO₂ on the land has not yet been monetized.</i> • <i>The participant has received donor/grant funding for a significant part of their existing agroforestry practices.</i>
B. Guidance Notes for Validators	<p>The Local Partner should give opinion on whether:</p> <ul style="list-style-type: none"> • The project simply owes its existence to legislative decrees or to commercial land-use initiatives that are likely to be economically viable in their own right i.e. without payments for ecosystem services. • The project activities are common practice in the area in the absence of carbon finance. • Without project funding there are social, cultural, technical, ecological or institutional barriers that would prevent project activities from taking place. • Participants are aware that project has durability period of 20 years and what this entails regarding expectations around, and monitoring of, their trees. This can be achieved through interviews. • Agroforestry activities were implemented at the start of the project, 5 years prior to the start of the project, or more than 5 years prior. This can be

	<p>achieved through interviews. If agroforestry activities were implemented 5 years prior to the start of the project:</p> <ul style="list-style-type: none"> ○ How was this funded? ○ Was any of the CO2 sequestered monetized?
C. Findings (describe)	<p>Additionality has been described in Part C of the ADD. The main arguments are:</p> <ol style="list-style-type: none"> 1) That the project-target group are functionally illiterate farmers with low per-capita income and, therefore, cannot afford high investment costs. 2) Farmers do not have access to quality seeds/seedlings due to above 3) Due to the practices of subsistence agriculture, farmers face problems of degraded soil, which, in addition to poor biodiversity, leads to frequent episodes of pests and diseases. 4) Farmers lack skills and knowledge in terms of spacing, pruning, species suitability and mixing etc. <p>Also, the compliance is shown using the <u>positive list</u> (meeting requirements a, b and c of section 5.2 of Acorn Framework) and with the proof of one barrier (financial and technical barrier). In the additionality assessment, the participation of AFEC as an NGO with experience in the project area working on agroforestry is considered a key aspect to justify how the main barriers will be faced.</p> <p>During the site visit and interview with the farmers it was revealed that the process of transferring agriculture to horticulture is being applied already for some 10 years with more activity being seen in last 5-6 years. This was happening without AFEC being part of this process and the driver for this was the change of climate (reduced precipitation), less available labor force (lime or mango is easier for harvest) and the fact that for people living under poverty rate the seedlings are provided for free by the governmental office. With the carbon project, the initiative will be able to scale up and additional funds will be provided to farmers, and these will be motivated to plant border trees (forest species) and overcome periods without crops.</p> <p>The <u>technical support</u> that AFEC is providing to the farmers will contribute to face the identified barriers, and the revenues generated by the project will contribute to maintain this technical assistance during the project duration. The audit team is, however, not convinced that the technical support is adequate, as the level of knowledge sharing on how the planting should be carried out is not very high (in some of the cases). The farmers claimed they were not given information apart from soaking it in hot water, and this method does not work for all the species in the same way. Also, the information that some of species (e.g. red sandal, which is promoted as most important species in the ADD) can be harvested only with special permission from the forest department. The farmers are not able to choose the species they would like to plant, but given bags with mixed species instead. The local partner explained that this is done to ensure there is a wider diversity as otherwise the farmers would go with few species only. Also, planting from seeds seems not to be viable option for any of the farmers due to water scarcity. All interviewed farmers who already planted seeds, claimed no seeds have germinated. Other farmers have not planted any trees and are waiting</p>

	for heavy rain to start. Strong message from interviews with both the farmers and other stakeholders was received about the feasibility of planting trees from seeds in current conditions. It was clearly requested to use seedlings instead.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<p>CAR 05/23</p> <p>The audit team could not confirm at the site that additionality is fully demonstrated. The arguments are mostly build around the lack of income and lack of knowledge. While the first one does not necessarily provide evidence of additionality, the auditor agrees that without additional funding the plantation might be abandoned and disappear on medium term. On the technological (knowledge based) barrier, the audit team was not able to collect enough evidence to confirm that the project at this stage would overcome the barrier (e.i. border trees did not germinated in any of the case, the farmers are asking for seedlings instead but not being given, the pamphlet document with information about how the trees should be planted is not clear enough).</p>		
F. Acorn's Response (if applicable)	<p>Closing this finding takes considerable planning, as it requires on-the-ground coordination and funding. With this in mind, the Local Partner is adopting a phased approach to planting additional trees (varied species) and ensuring training is provided. The following has been performed:</p> <ol style="list-style-type: none"> A plan has been developed to ensure multiple tree species are planted on the farms (see CAR 01/23). Currently, approx. 42% of farmers are intercropping, and farmers are expected to continue intercropping with fruit trees for five years before the canopy becomes too dense to support the annual crops. Due to budget constraints, seeds would initially be distributed (along with saplings/seedlings). Once future CRU revenues come in, these can be used (after participant approval) to source and fund higher-quality seedlings. Refer to CAR 01/23 for a more detailed overview of what is provided. A plan has also been developed to increase agroforestry knowledge for the Local Partner and farmers alike. According to this plan, the following actions will be taken among others: <ol style="list-style-type: none"> AFEC's six field coordinators/supervisors will be trained on agroforestry 4 times a year and will be responsible for sharing this knowledge with the farmers within their network/mandals. These supervisors have been crucial in the work to transform the farms into agroforestry; The Project Council members will receive training 6 times a year and are responsible for passing it on in their village. Trainings will be facilitated by local government or relevant AFEC staff who have agroforestry expertise. Leaflets on taking care of newly planted species will be shared by AFEC. Soft copies are shared on WhatsApp, and hard copies are shared during meetings or when farmers pick up the seedlings. (See Evidence 11). This information will be shared through the farmer WhatsApp groups. (It's estimated that 70% of the farmers can be reached through these WhatsApp groups). <p>See also Evidence 12, for a better overview of actions taken to ensure farmers are engaged, well informed of the program and trained on agroforestry.</p> <p>As a result of the actions in place, Acorn proposes this CAR be downgraded to a</p>		

	<p>FAR</p> <p>Validation team response after Re-validation (3 April 2025)</p> <p>The assessment of the project to check the additionality argument has been conducted as follows. The positive list requirement has been met by the project. In terms of barriers, the project faces financial or economic, technical, ecological and cultural barriers. The technical support provided by local partners has been demonstrated which provided the basis to review the knowledge or technical barrier. During the site visit of re-validation assessment, the discussions carried out with farmers, local partner, field supervisors and field coordinators confirmed that local partners' staff maintains their presence among the project farmers to ensure timely meetings with farmers. The farmers interviewed confirmed that they are directly connected with field supervisors and accessible whenever they require support or need to outreach to report feedback or concerns. In order to ensure that farmers are equipped with adequate knowledge pertaining to planting and maintaining the project trees, the training framework (evidence 12) have been checked. It has been concluded that the Acorn framework v1.0 requirement 4.3.1 has been met. The project has demonstrated the additionality as per section 4.3.1 of the Acorn framework. Further, the project does not intend to expand into a new country. The requirements 4.3.2 and 5.1.1 have also been met as the revised ADD has sufficiently explained the project additionality following adherence to regulatory surplus, positive list and barrier analysis. The finding is closed.</p>
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Theme: Project baselines

Sub-theme: carbon baseline

Requirements 4.4.1, 4.4.2 & 4.4.4	
A. Requirement: <p><u>4.4.1</u> <i>The Local Partner should describe the current land use and habitat species within a project area, and explain how these are most likely to change over a period of ten years without the project intervention.</i></p> <p><u>4.4.2</u> <i>As part of the carbon baseline, project areas should identify species with a high local environmental and social conservation value and describe how these species are likely to be affected by the project intervention, and how these effects are monitored. The conservation value of species can be determined by local Indigenous knowledge and/or by referring to the IUCN red list or the Forest Stewardship Council.</i></p>	

	<p>4.4.4</p> <p><i>All land within the project area should be either cultivated land or degraded at the start of the project intervention (i.e. baseline).</i></p>
B. Guidance Notes for Validators	<p>Through visiting site, determine whether description of current land use and habitat species within ADD is an accurate representation of the situation on the ground. Also confirm that the project areas are/were cultivated land or degraded at the start of the project intervention.</p> <p>Through either own expertise, conversations with an appropriate expert of the region, and/or conversations with local community members, identify whether any of high local environmental and social conservation value have been missed from the ADD.</p>
C. Findings (describe)	<p>In the on-site visit, by direct observation and in the interviews with farmers, it was confirmed that the description of current land use and habitat species within the ADD is an accurate representation of the situation on the ground. The current land use of all visited parcels during the validation is orchards. Depending on the project area the type of crop is different and it is common to see in the farms an area dedicated to fruit crops. The fields included in the project are either lime or mango monocultures.</p> <p>All of the visited farmers have already established the orchards.</p> <p>During the field audit no evidence was found to demonstrate that high local environmental and social conservation values are missed in the ADD.</p>
D. Conformance	<p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>N/A <input type="checkbox"/></p>
E. Corrective Actions (describe)	None
F. Acorn's Response (if applicable)	N/A
G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Sub-theme: project baseline

Requirement 4.4.7	
A. Requirement:	<p><i>In addition to the carbon baseline, a project baseline should be provided by Local Partners on a project level at the start of a project intervention. This project baseline should describe the current socioeconomic conditions and explain how these conditions are most likely to develop over time (positively and/or negatively) as a result of the project intervention.</i></p>

B. Guidance Notes for Validators	<p>Discuss with project staff and communities to understand how the baseline assessment was conducted and how the socio-economic monitoring plan developed out of this. Assess in particular:</p> <ul style="list-style-type: none"> • Whether the livelihoods indicators can effectively monitoring socio-economic changes taking place • The extent to which women, disadvantaged people and other social groups have been involved project processes and whether the selected indicators will enable impacts on them to be determined <p>Whether any groups in the community are likely to be adversely affected by the project and whether there are any mitigation measures in place to address this. If so, are the mitigation actions appropriate and understood by relevant people?</p>			
C. Findings (describe)	<p>The project baseline assessment is described in Part D of the ADD and was done following section 5.4 of Acorn Framework (103 farmers were originally surveyed for the baseline assessment). During the discussions with AFEC it was confirmed that future monitoring of project baseline is planned. Local livelihood and environmental potential positive impacts will be able to be monitored with indicators included in the ADD. No negative environmental or socioeconomic impacts have been identified. Likewise, no adverse effect on any type of community group has been identified during the validation.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Theme: Carbon benefits

Sub-theme: Leakage

Requirements 4.6.1 & 4.6.2				
A. Requirement:	<p><u>4.6.1</u> <i>All Acorn projects should identify potential sources of negative leakages and the location(s) where this leakage may occur. See the leakage assessment in Section 5.5.</i></p> <p><u>4.6.2</u> <i>Where leakage is likely to be significant, a specific leakage mitigation and monitoring plan should be established and a conservative adjustment factor should be applied to the CRU calculations according to the Methodology.</i></p>			
B. Guidance Notes for Validators	<p>Check the listed sources of leakage and, by comparing against discussions with local experts, the Local Partner and participants, comment on the appropriateness of the:</p> <ul style="list-style-type: none"> ○ Sources of leakage listed and their perceived significance. Is the leakage adjustment factor (AdjL) therefore appropriate for the level of leakage risk? ○ Mitigation measures. Have they already started? ○ The understanding of the importance of addressing leakage amongst project participants 			
C. Findings (describe)	<p>The ADD in Part M. 4. gives an adjustment factor for Leakage of 0%. Leakage is not expected, the project activity is not expected to lead to GHG emissions outside the project boundary. AFEC and Acorn do not expect potential displacement of pre-project activities due to the project implementation. During the site visit enough evidence was gathered to confirm that, if existing, potential leakage will be negligible. The only potential identified source of significant leakage is the displacement of agricultural activities. These activities will be displaced only if incompatible with project activities. Remaining forest in the area is quite well managed and it is not foreseen that it would be converted to agriculture (e.g. for groundnut which is being replaced by fruit trees as part of this project).</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			

I. Other	N/A
----------	-----

Sub-theme: Double-counting

Requirement 4.7.2				
A. Requirement:	<i>An Acorn project shall not be incorporated by any other accounting program (e.g. compliance, voluntary or national GHG program) unless upon Acorn approval and with official agreement that demonstrates that no double counting is taking place.</i>			
B. Guidance Notes for Validators	Check the possibility of double counting from other accounting programs through discussions with local experts, the Local Partner and other projects (including any national or regional level GHG coordination unit).			
C. Findings (describe)	<p>During the validation no evidence was found to confirm that the project is incorporated in any other accounting program.</p> <p>However, during the on-site visit, two potential double counting risks were discussed with AFEC. The first potential source of double counting identified was the possible carbon credits claimed by AFEC donors. In the interviews with the main donors, it was confirmed that they are not interested in claiming GHG removals, they are focused on agroforestry and regenerative agriculture. The second issue identified is the potential conflict with the national commitments, with the National Determined Contributions (NDCs) of the Paris Agreement. The implementation of articles 6.2. and 6.4 of the Paris Agreement may affect the voluntary carbon market, and therefore this project, depending on the final country approach.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	Although, at the moment of this validation, there is enough evidence that there is not double counting, there is a potential risk in the future that will need to be monitored during the implementation of the project.			

Sub-theme: Reversal risk

Requirement 4.9.2			
A. Requirement:	<p><i>Acorn projects should review their reversal risks by making use of the reversal risk assessment (see Annex 7.8), and high-risk areas should be mitigated with appropriate actions and be monitored closely. At least every five years, Local Partners should reevaluate their reversal risks and report this to Acorn, who again submits this to the certifier for oversight.</i></p>		
B. Guidance Notes for Validators	<p>Through interviews with Local Partner and local experts, assess whether the:</p> <ul style="list-style-type: none"> • Risk levels assigned in the <i>reversal risk assessment</i> are appropriate. • Mitigation measures proposed are likely to be effective and implemented. Have they already started? • Monitoring plans associate with risk mitigation are appropriate and likely to be implemented. <p>Is the Local Partner aware that the risk assessment must be recompleted every 5 years?</p>		
C. Findings (describe)	<p>During the site visit to the different randomly selected plots and in the conversations with the farmers and local AFEC staff, it was confirmed that some existing risks identified in the ADD have infra-estimated risk levels. Therefore, some of them will require mitigation actions.</p> <p>The following two risks were considered with infra-estimated risk level:</p> <ul style="list-style-type: none"> • Change of land ownership and coverage (land tenure): in several of the visited plots the land tenure was in the process of changing (usually due to inheritance reasons). Although it was always within the same family, this was identified as a potential risk by AFEC (e.g. plot segregation affecting the project boundary, change of project participant and agreement status). • Planting material: the trees in the current conditions might not grow from seeds directly and AFEC does not have sufficient size of nurseries to produce enough seedlings for this size of project. Even though there are private nurseries in the region, AFEC has not established its own nurseries at the scale. Considering the size of the project, seedling production and distribution can be a bottleneck for the project implementation. 		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	<p>NIRS 02/23</p> <p>Acorn and AFEC shall update the Risk assessment in the ADD (reviewing the whole risk assessment, updating risk levels of the already included risks and including mitigation actions).</p>		
F. Acorn's Response (if applicable)	<p>Part L: Reversal Risk Assessment of the ADD has been updated to include information on the following risks:</p> <ul style="list-style-type: none"> • Change of land ownership and coverage (land tenure): information on land ownership will be shared with AFEC through their field supervisors, who maintain close contact with the farmers (i.e., training and field visits), and through the Project Councils. The legal process to change land ownership is 		

	<p>time-consuming. Therefore, if a plot needs to be split, a discussion with the new owners will occur to check if they want to split the revenue; otherwise, the Local Partner will collect a new polygon through an exercise of land mapping and signed consent from the participants.</p> <ul style="list-style-type: none"> Planting material: please refer to the explanations under CAR 01/23 and CAR 05/23, and the updated ADD. Natural risks: The water management issue is a major one in the project region; it is very costly and has many infrastructure challenges (water must be transported long distances, as it is simply unavailable in the area). Even the government does not have sufficient resources to address the irrigation issue. Prominent government water schemes exist in Andhra Pradesh, but the implementation will span many years into the future. Some smaller governmental schemes exist to help farmers with adequate irrigation or 'protection irrigation' where water is brought from the vicinity. Still, for farmers where water is unavailable in the area, this issue becomes more complex to resolve. Approx. 75,4% of farmers have irrigation in the form of borewells. However, even they are vulnerable due to the increasingly low groundwater levels, contributing to decreasing annual crop yields. Due to the high prevalence of borewells and the low groundwater levels, the water crisis has been more damaging. <p>Therefore, the intervention needed to reduce long-term water scarcity risks is developing an agroforestry system that applies to regulating the local water cycle. The agroforestry species promoted under this project are drought-prone and tolerant of poor soil quality. In addition, the Local Partner provides information (through meetings and leaflets) on how to best plant and when to increase the survival risk amid the region's water scarcity. It is, therefore, expected that the intervention will not significantly affect the water resources but will adapt to them with the aim that in the long term, as the trees grow and establish their roots, the benefits can increase.</p> <p>For some farmers, AFEC also spends resources on 'protection irrigation' where water is within reach (1-2km). Farmers usually can take care of the crops where water is available (2 km is for 5% of the population). In case there are any government schemes available for water, farmers will make use of them. This risk was raised to high and includes mitigation and monitoring actions in the updated ADD.</p>
--	---

Validation team response after Re-validation (3 April 2025)

The review of the revised ADD and evidence submitted has been carried out. The Acorn framework, v1.0 requirement 4.9.2 stated that Acorn projects should review their reversal risks by making use of the reversal risk assessment (see Annex 7.8), and high-risk areas should be mitigated with appropriate actions and monitored closely. At least every five years, Local Partners should reevaluate their reversal risks and report this to Acorn, who again submits this to the certifier for oversight.

The assessment of the risk of change of land ownership and coverage has been done as follows. VVB has gone through the procedure of data entry and analysis maintained in the project. The Acorn registry interphase and data analysis system reviewed through virtual call. In the call, the steps of data collection from farmers on field, data entry, data analysis on registry interphase were checked. PP uses DCT application to record the initial details of farmers. The initial information includes name of the farmer, address, farmer's land demarcation using track plot feature. The process automatically generates reference ID and plot ID enabling PP to avoid double counting at data entry stage. The application also record information of data collector that is enumerator temporary hired by local

	<p>partners. The enumerators are trained and work under the supervision of field supervisors. Field supervisors act as direct contact between project farmers and local partner. The data of each farmers onboarded are curated under their unique farmers ID/ plot ID. The steps in the registry interface are clearly described and followed as per the Acorn framework. The process of entering the information on land ownership, exercise of land mapping and signed consent from the participants have been fully discussed. This provides the assurance that there are no potential risk pertaining to land ownership.</p> <p>Regarding the planting material, The observation of site as well as interviews conducted that farmers have accessibility to seeds and sampling of tree species. These seeds and saplings are self-bought as well as provided to farmers by RDT and through government schemes.</p> <p>The revised ADD section 3, table 19 reports the project has natural risk, specifically water scarcity. The mitigation action in place is providing farmers with the necessary technical knowledge and promoting drought-tolerant species under the agroforestry scheme of project. The monitoring to ensure risk reversal is proposed by ensuring regular field visit.</p> <p>The on-site observations and interviews with farmers also confirmed that the project area faces water scarcity. It was confirmed that the field supervisors are directly in contact with farmers and pay regular visits. Further, the submitted evidence Council meeting records confirmed the regular farmers meetings and follow-up discussions with local partners. All these steps ensure that risk is identified, mitigate through appropriate actions and monitored with regular field visits. The requirement has been met by the project and therefore, the finding is closed.</p>
G. Status (if applicable)	Closed

H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Theme: Data handling

Requirement 4.10.1			
A. Requirement:	<i>All project participants should give permission to share (provide and receive) data relevant for the project (e.g. name and GPS coordinates), either via the Local Partner or directly with Acorn. A participant's consent is provided at the start of a project intervention in a new area.</i>		
B. Guidance Notes for Validators	Check through interviews with participants, and participant consent forms (currently can be found in the "TEMPLATE FARMERS AGREEMENT AND REQUIREMENTS REGARDING SMALLHOLDER FARMERS' CONSENT" document), that participants have given permission for their data to be shared and are aware of what it is being used for.		
C. Findings (describe)	During the on-site visit it was verified that participants have already signed a consent, giving permission to share data relevant for the project. This has been confirmed by checking a random selection of signed documents and during the interviews with the farmers. The consent form is included in the Participant Agreement as an Annex. In the conversation with AFEC, it was explained that at the beginning of the project they started onboarding farmers using only a consent form and then they included it as a part of the Participants Agreement.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Theme: Local partner eligibility checklist

Requirement 5.1.1				
A. Requirement:	<p><i>The Local Partner has a strong in-country presence and the respect and experience required to work effectively with local participants and their communities.</i></p> <p><i>The Local Partner is capable of negotiating and dealing with government, local organizations and institutions.</i></p>			
B. Guidance Notes for Validators	<p>Assess whether Local Partner has experience and respect of communities through:</p> <ul style="list-style-type: none"> - Ability to facilitate meetings with project participants with ease - Interviews with project participants show that Local Partner is well known and respected in the project area <p>Assess whether Local Partner can deal with government and other organisations through:</p> <ul style="list-style-type: none"> - Assess officials' views of the Local Partner through interviews with officials from government and other local organisations - Asking to see relevant documentation from government showing support of the project and ability to sell CRUs 			
C. Findings (describe)	<p>AFEC has been working in the project area in agroforestry for several years before the project started. It was corroborated in the on-site visit that the local partner has a strong in-country presence with offices in the region. It was also confirmed in the different interviews with stakeholders that AFEC has a strong network of partners (public and private entities) supporting its activities, both local, national and international. At the implementation level, some of the identified strengths of the NGOs is the important network of farmers and the figure of the Local lead farmer. AFEC has been training community lead farmers (Local lead farmer) that are a key for the implementation of these ambitious initiatives. The project is now working with more than 7,000 farmers and Local lead farmer are being crucial for the onboarding and the sensitization of this number of local farmers.</p> <p>As for the documentation from the government showing support to sell CRUs, there is a letter to District horticulture officials, but this letter does not contain the information about sales of CRUs to private entities and also the horticulture office is not representing the sufficient governmental level (e.g. forestry is not covered). Additionally, there is no agreement with the government or any type of confirmation from the authorities that these activities will not be incorporated in any other accounting program.</p>			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	<p>NIRS 03/23</p> <p>Local partner should seek agreement or other type of documentation with the government, that they allow to sell CRUs.</p>			

F. Acorn's Response (if applicable)	<p>This process has been finalized and AFEC has received a letter of acknowledgement by the government to engage in the Acorn program.</p> <p>What has been done to get to the approval/ acknowledgement (please refer to folder Evidence 13 for reference):</p> <ul style="list-style-type: none"> i. Local state stakeholders (e.g. at Panchayat level) have been informed about the project during the normal course of their activities (e.g. when sourcing the seedlings from the local government); ii. AFEC has responded to an information request on voluntary carbon markets by the Government of India's Ministry of Agriculture and Farmers Welfare, including information about the project, stakeholders, etc. iii. A state representative, Florence Deepa, Deputy Forest Ranger of the Kalyanadurgam region, visited the AFEC Acorn project in person during one of the Project Council meetings in June 2024; iv. AFEC has sent out letters to the state-level commissioner for Horticulture requesting and requested a meeting. v. On November 20th, Acorn and AFEC representatives have met with Additional chief secretary, Govt of Andhra Pradesh, with Dr. B.Rajsekhar IAS to discuss the program. vi. On November 22nd, Acorn and AFEC have also met with the local agriculture officer. viii. On December 20th, Acorn received a written letter of acknowledgement from the Agricultural department of the state of Andhra Pradesh. <p>Validation team response after Re-validation (3 April 2025)</p> <p>Acorn received a written letter of acknowledgement from the Agricultural department of the state of Andhra Pradesh. The requirement 5.1.1 requires demonstrating the presence of local partners and negotiating and dealing with government, local organizations and institutions. VVB reviewed the submitted evidence, the acknowledgement letter from Department of Agriculture, Government of Andhra Pradesh in response to the notification letter submitted by Rabobank. In the letter of acknowledgement from the Agricultural Dept, Andhra Pradesh, it was confirmed that government acknowledged the initiative to measure, report, and sell certified CRUs from the agroforestry systems in Andhra Pradesh. Further, VVB interviewed the stakeholders to confirm the presence, roles and responsibilities and engagement of local partner AFEC within the project area and among the farmers. The submitted evidence, and discussions with stakeholders confirmed the fulfillment of requirement 5.1.1 of Acorn framework, v1.0. The finding is closed.</p>
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 5.1.1

A. Requirement:	<i>The Local Partner has a solid understanding of local policies and can confirm that the country's policy allows individual CRUs to be sold.</i>
------------------------	---

B. Guidance Notes for Validators	<ul style="list-style-type: none"> - Local Partner can name and understand relevant policies including country's Nationally Determined Contribution (NDC) 		
C. Findings (describe)	<p>AFEC has provided the validation team with the main local policies related to the project. Based on the information provided, there is not official permission to sell CRUs but there is no evidence found in the policies not allowing to sell CRUs. See also findings in previous requirement.</p>		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	<p>This requirement will need to be reviewed in the next verification. Acorn and AFEC must follow this legislation/regulation process.</p>		

Requirement 5.1.1

A. Requirement:	<i>The Local Partner can provide reliable data (i.e. GPS polygons, phone numbers, other KYC data).</i>
B. Guidance Notes for Validators	Check whether data is available upon request.
C. Findings (describe)	In the validation it was evidence that the local partner and Acorn can provide

	reliable data. During the sampling design for the on-site visit and during the on-site visit AFEC has provided reliable project participants information. Polygons of all project parcels were provided before the site visit as well as the farmer names and parcel ID of the randomly selected parcels to be visited.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		

Requirement 5.1.1

A. Requirement:	<i>The Local Partner recognizes that the participant's involvement in the project is entirely voluntary.</i> <i>The Local Partner recognizes that participants own the carbon benefits of the project intervention.</i>		
B. Guidance Notes for Validators	Interviews with Local Partner to assess whether they understand the nature of the participant's involvement in the project.		
C. Findings (describe)	AFEC is fully aware of the nature of participants' involvement in the project, as demonstrated during the meetings with AFEC staff and by reviewing the agreements (i.e., Rabobank- AFEC and AFEC-Farmers). AFEC understands that with the signature of the Participant agreement and consent farmers are entering voluntarily in the project. It was confirmed during the visit, in the interviews with the farmers and with the Local lead farmer, that in the onboarding process, and before the signature of the participants agreements (in trainings, awareness events and in personal meetings with the farmers), the main objectives of the project and the main contents of the agreement were communicated to the participants.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		

G. Status (if applicable)	N/A
H. Forward Actions (describe, if applicable)	None
I. Other	N/A

Requirement 5.1.1				
A. Requirement:	<i>The Local Partner is able to collect and provide proof of participant's identity.</i>			
B. Guidance Notes for Validators	Check that documentation is available upon request that can provide proof of identity.			
C. Findings (describe)	In the validation it was evidenced that Acorn and AFEC have a comprehensive database with all participants' information. During the on-site visit, for those project parcels that were randomly selected to be visited, the identity of project participant was provided to the audit team by AFEC. During the meetings with the visited farmers the validation team confirmed that the identity information provided by the local partner corresponded with farmers' identity. Some of the farmers interviewed provided proof of identity during the visit.			
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
E. Corrective Actions (describe)	None			
F. Acorn's Response (if applicable)	N/A			
G. Status (if applicable)	N/A			
H. Forward Actions (describe, if applicable)	None			
I. Other	N/A			

Requirement 5.4	
A. Requirement:	<i>Sample size for a project baseline assessment [for socio-economic and biodiversity indicators] equals 1% of the participants, with a minimum sample size of thirty participants and a maximum of one hundred participants per project.</i>
B. Guidance Notes for Validators	Request data that demonstrates the number of participants interviewed for the socio-economic and biodiversity indicators baseline.

C. Findings (describe)	The number of surveyed participants for project baseline assessment, as indicated in the ADD Part D (Farmer Survey), has been 105, evidencing the fulfillment of this requirement. From total 6715 farmers, 105 were served which is 1,56%. The ADD includes only the conclusions and summary results of the survey. The validation team has checked with Acorn the complete survey database.		
D. Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
E. Corrective Actions (describe)	None		
F. Acorn's Response (if applicable)	N/A		
G. Status (if applicable)	N/A		
H. Forward Actions (describe, if applicable)	None		
I. Other	N/A		