Final Project Verification Report

Name of Reviewers:
Pablo Rodríguez-Noriega (RRA Reviewer. Validation report and Verification report)
María Sosa Llopis (Team leader)
Joris Bens (Team leader)
Daniel Valdéz (Local Expert and team member)

Date of Review: 21 Jan 2025

Project Name: AC La Laja SA de CV

Project Description:

This agroforestry project led by AC La Laja was established in 2023, whose target participants are smallholders in the region of Veracruz, which have degraded crop landscapes and are the most vulnerable to the impacts of climate change. The current land use activities are coffee and subsistence crop farming, as well as existing agroforestry composed of mainly fruit trees, such as citric (mainly lemon), banana, macadamia, sugar cane, or avocado. These farmers are facing a rapid and significant loss of topsoil and fertile lands.

The agroforestry design includes boundary planting and intercropping between cash crops, food crops, and trees. The agroforestry trees include a mix of shade, fruit-bearing, medicinal, live fences, and inter-cropping trees. These include Cojoba arborea, Inga Jinicuil, Cordia Alliodora, Platanus occidentalis mexicana, Citrus latifolia, among others. The maximum number of trees farmers can plant on their plots are 15/ha. La Laja has the goal to ensure the success of this project on a large scale, expanding to include all the smallholder farmers in their coffee producers' network. La Laja aims to improve the livelihoods of smallholder farmers and their communities through income diversification (tree products and carbon finance), enhancing soil health for higher crop yield and less costly inputs, reducing massive soil erosion on farms, and improving farmers' nutritional intake and biodiversity. Carbon finance will act as a financial cushion when farmers face crop loss, as well as an incentive for them to maintain the trees long-term.

At the time of project verification, the total number of project plots with CRUs calculated was 1,498 (1,323 farms), with a total area of 3,250.87 ha, and a total amount of CRUs generated of 6,830.

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

- Project ADD
- Laws/regulations:

- Data Protection (Ley Federal de Protección de datos personales en posesión de los particulares)
- Forest Conservation (Ley General del Equilibrio Ecológico y la Protección del Medio Ambiente)
- Sustainable Forest Management Development (Ley General de Desarrollo Forestal Sustentable)
- Climate Change Law (Ley General de Cambio Climático)
- Sustainable rural Development (Ley de Desarrollo rural Sustentable)

- Legal/contractual documents
  - Participant Agreement
  - La Laja-Rabobank Partnership Agreement
- Project Business Case
- Evidence of training activities
- Evidence of farmer engagement
- KPI & SDG Surveys
- Agroforestry design
- Council meeting minutes
- Farmers database
- Land tenure documents
- Bank account documents

Visited sites:

Plot Name	Farmer ID	Area (ha)	Day of visit	Municiplaity
MX299538 - 508878	53e5d202-b517-4f7a-82d7-877ccf8645f1	1.20	4/11/2024	Huatusco
MX334490 - 546011	aa831b6f-7c5a-4dc1-b965-803af1bd9915	1.05	4/11/2024	Huatusco
MX299640 - 508980	b35f13b8-ba73-4a46-9cfe-f4fbe9f04efb	1.52	5/11/2024	Huatusco
MX273951 - 476029	140d90c4-83a8-4c59-b130-9bbb1fa47476	0.99	5/11/2024	Dos Ríos
MX273953 - 476031	fa428117-729d-4cad-890a-2e464b9560f1	1.73	5/11/2024	Dos Ríos
MX288187 - 497415	edc14c2c-8a46-4989-ada8-5717d046f73b	1.12	5/11/2024	Dos Ríos
MX287999 - 497227	6f0628bd-6999-4d01-b58a-662adeb28824	1.94	7/11/2024	Dos Ríos
MX287866 - 497094	77ccd171-b5d5-43d0-a1e7-bbccf50e4d6b	1.36	7/11/2024	Dos Ríos
MX299512 - 508852	75f12e0a-8aa4-4c2a-a744-d5fba8b596a8	1.40	7/11/2024	Pochote

MX299513 - 508853	14489b59-05e5-419a-bdf8-e09e32013092	2.77	7/11/2024	Pochote
MX299514 - 508854	122ef9e0-3cc3-44a3-b05d-ffa263110227	1.37	7/11/2024	Pochote Nuevo
MX299515 - 508855	c87811ed-c150-46bf-ab53-77178ced30d9	1.03	7/11/2024	Pochote Nuevo
MX299516 - 508856	d12739ba-ac15-4f9b-ad9f-649004972d59	1.03	7/11/2024	Pochote Nuevo
MX222829 - 388170	dc5ef8e2-ea83-4494-ad1a-2c8cbf8c90f4	6.20	6/11/2024	Agua Santa Comapa
MX302569 - 512507	59f522c1-88d7-42b1-8932-a64aba8f95d0	1.08	6/11/2024	Comapa
MX222864 - 388246	fb22f1b2-b7e1-4364-bfcf-f515a7c3a12e	7.75	6/11/2024	Maromilla
MX222996 - 388543	881f8ab5-fbe9-4013-a805-4533673cd216	1.10	6/11/2024	Zapotal
MX223206 - 389011	598f5bec-6466-46e3-98c3-0fcce3c23649	2.84	6/11/2024	Maromilla
MX256018 - 456851	49165cdf-4255-4ad4-aba1-f4c75c3ae693	1.80	4/11/2024	Puentecilla
MX256020 - 456854	68f7925e-84c9-46bc-83d4-35bfa4c0f70d	2.60	6/11/2024	Puentecilla
MX256021 - 456855	04b250a4-6050-4dfe-ade2-5b575664c9d6	2.54	6/11/2024	Puentecilla
MX288126 - 497354	809b709f-5ada-46e9-94fc-9488ded5a9c7	1.03	5/11/2024	Puentecilla

List of individuals interviewed, if applicable:

La Laja staff:

- Cristian Sampieri. Finance Operations
- Nicanor Rincón, Certification Manager and Project Coordinator
- Heriberto Flores Martínez. Agronomist, Technical team and Operations
- Darío Cabal. Agronomist, Technical team and Operations
- Silvia Cabera. Management and Participants onboarding
- Verónica Esperilla, Head of Coffee Harvesting and Reception Area

Stakeholders:

- Maud Slippens. Partnership Manager in Center America
- Santiago Gallego. Certification in Acorn-Rabobank
- Daniel Perry. Ground Truth data collection Manager, Akvo
- Salomón López, Agronomist and Technical team in Instituto Superior Tecnológico de Huatusco

- Omar Báez Vargas, Local Director of Agricultural Development of the municipality of Totutla, Veracruz

Lead Farmers (3 people interviewed)

Project participants (farmers):

- Huatusco municipality (5 farmers interviewed)
- Atzacan municipality (Dos Ríos, Puentecilla) (5 farmers interviewed)
- Comapa municipality (5 farmers interviewed)
- Totutla municipality (3 farmers interviewed)
- Zentla municipality (7 farmers interviewed)

Description of field visit:

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

Activity	Location	Date/time
Opening meeting	La Laja office, Huatusco, Veracruz	4 Nov 2024 Morning
Documentation review (ADD, project plans, maps, carbon calculations, contracts, etc.) and interviews with project staff and lead farmer	La Laja office, Huatusco, Veracruz	4 Nov 2024 Morning
Site visit and data collection; Interviews with farmers and field technician	Farmer plots in Huatusco (4 plots):	4 Nov 2024 Afternoon
Site visit and data collection; Interviews with farmers, and interview with lead farmer	Farmer plots in Atzacan (6 plots)	5 Nov 2024 Morning and afternoon
Site visit and data collection; Interviews with farmers	Farmer plots in Comapa (6 plots)	6 Nov 2024 Morning
Site visit and data collection; Interviews with farmers	Farmer plots in Totutla (4 plots)	6 Nov 2024 Afternoon
Site visit and data collection; Interviews with farmers	Farmer plots in Zentla (two different locations) (9 plots)	7 Nov 2024 Morning
Audit team internal meeting	Misión Los Cocuyos hotel	7 Nov 2024 Afternoon
Documentation review (Business Case, T-5 check, KPIs and SDGs), meeting with Rabobank-Acorn representatives	Misión Los Cocuyos hotel	7 Nov 2024 Afternoon
Visit and interview to nursery (Instituto Superior Tecnológico de Huatusco)	Instituto Superior Tecnológico de Huatusco, Huatusco, Veracruz	8 Nov 2024 Morning
Site visit and GT data collection	Farmer plot in Huatusco (1 plot)	8 Nov 2024 Morning
Interviews with a local government body (Daniel), lead farm	La Laja office, Huatusco, Veracruz	8 Nov 2024 Morning
Documentation review (project documents, maps, carbon calculations, contracts, etc.) and interviews with project staff.	La Laja office, Huatusco, Veracruz	8 Nov 2024 Morning
Closing meeting	La Laja office, Huatusco, Veracruz	8 Nov 2024 Morning

Verification Opinion:

After 3 assessment rounds, the VVB concluded that the project meets all the verification requirements of the Acorn Framework and Methodology, providing a **Positive Verification Opinion.**

The evidence obtained in the project documents and during the field visit resulted in 4 CARs, 1 NIR and 1 PCAR. In the second assessment round (16 September 2025), the NIR, the PCAR and CAR 02 were closed. In the third assessment round (19 December 2025), the remaining CARs 01, 03 and 04 were closed, concluding with the Positive opinion.

Table 1. Summary of draft report on Corrective Actions

Theme	CARs	NIRS	PCARs
Project council			
Other stakeholder consultation			
Signed Agreements			
Benefit Sharing Mechanism			
Carbon regulations			
Agroforestry Design		NIR 01/2024 VER (Closed 16/Sept/25)	
Business Case			
Grievances			
Monitoring Plan			
Buffer Pool			
Livelihoods Monitoring			
Ecosystem Monitoring			
Reporting-Annual reports	CAR 01/2024 VER (Closed 19/Dec/25)		
Double-counting	CAR 02/2024 VER (Closed 16/Sept/25)		
Applicability conditions			

Carbon Baseline			
Model development	CAR 03/2024 VER (Closed 12/Dec/25)		
Model application			
Pre-project trees adjustment factor			
Uncertainty adjustment factor	CAR 04/2024 VER (Closed 12/Dec/25)		
Leakage adjustment factor			
Quantification of carbon benefits			PCAR 01/2024 VER (Closed 16/Sept/25)

Table 2. Summary of open Forward Actions

Forward Action Requirement (FAR)	Description	Process to Resolve	Time Frame to be Closed By
FAR 01/2024 VER	During the audit, it was confirmed that a project governance structure has been designed and that it started to work with a first council meetings in October 2024. However, the project coordinator shall demonstrate, before the next verification, that in the project council governance structure, participants or community groups collectively nominate project representatives who have the capacity to operate on their behalf, and determine a decision-making mechanism for the project council. The project coordinator shall also demonstrate that the Local partner actively informs and involves participants about/in the decision-making process throughout the project (see also findings in requirements 4.2.3 and 4.2.18).	Pending Acorn response	Next verification
FAR 02/2024 VER	Acorn and La Laja shall demonstrate that project participants understand project details (e.g. durability), with special focus on payment details, and their responsibilities (see findings in requirement 4.2.11).	Pending Acorn response	Next verification

Table 3. Assessments requested by reviewers from ADD and/or technical specification review process

Relevant requirements within Methodology	Description of concern	VVB comments	Corrective actions (if any)	ACORN response	Resolved?
N/A	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

Acorn Framework & Methodology requirements to assess

Theme: Smallholder farmer (Eligible Stakeholder)

Sub- Theme: Project Council

Requirement 4.2.3 and 4.2.18	
A. Requirement:	*4.2.3 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.* *4.2.18 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:* *a. Local livelihood needs and opportunities* *b. Local customs* *c. Land availability and tenure* *d. Food security* *e. Inclusion of marginalized groups* *f. Opportunities to enhance (agricultural) biodiversity*
B. Guidance Notes for VVBs	For new participants/farmers onboarding during verification, 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. For participants that were already onboarded check that the project meetings have taken place twice per year and also that the participants have been involved in the decision-making process specially for the field management, payment and monitoring. All the above requirements may be done through: • 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. • Through interviews with Local Partner and participants, assess whether the Local Partner complies this.
C. Findings (describe)	Please, see the Validation report, FAR 02/24 VAL related to project council, farmer responsibilities, and decision-making process and mechanism. It has been confirmed in the review of the ADD (Part G and Annex G) 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 on the project and that the first council meetings took place in October 2024. Nevertheless, it was confirmed that most farmers and lead farmers do not have information about the council and its governance structure (i.e: how many meetings they will have per year, and when the next meeting is scheduled), and no evidence was gathered about how farmers are represented in the council or how their representatives are selected/elected, and evidence of non-democratic processes has been found. In many cases, the farmers don´t know who their representative is. The established Project council doesn´t comply with the Acorn Framework requirements. According to the validation report, and since validation and verification have been conducted at the same time, the audit team raised a FAR corresponding to FAR 02/2024 VAL from the validation report related to the project council establishment. At the moment of verification, the project is still in the implementation phase, and it will be necessary to follow up on monitoring the project council's responsibilities, decision-making process, stakeholder participation, training, and capacity-building plan in future verifications. Further elaboration is needed, and a clear plan that can be monitored in the future shall be in place.
D. Conformance	[ ] Yes [X] No [ ] N/A
E. Corrective Actions (describe)	**FAR 01/2024 VER** During the audit, it was confirmed that a project governance structure has been designed and that it started to work with a first council meetings in October 2024. However, the project coordinator shall demonstrate, before the next verification, that in the project council governance structure, participants or community groups collectively nominate project

<table>
<tr><td></td><td>representatives who have the capacity to operate on their behalf, and determine a decision-making mechanism for the project council. The project coordinator shall also demonstrate that the Local partner actively informs and involves participants about/in the decision-making process throughout the project.</td></tr>
<tr><td>F. Acorn's Response (if applicable)</td><td>(To be filled out by the Project Coordinator)</td></tr>
<tr><td>G. Status (if applicable)</td><td>Outstanding</td></tr>
<tr><td>H. Forward Actions (describe, if applicable)</td><td>
<table>
<tr><th>Forward Action</th><th>Why Unresolved</th><th>How to resolve</th></tr>
<tr><td>See Section E. Corrective Actions</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>I. Others</td><td>N/A</td></tr>
</table>

Sub- Theme: Other stakeholder consultation (Not including the project council)

<table>
<tr><th colspan="2">Requirement 4.2.16</th></tr>
<tr><td>A. Requirement:</td><td>4.2.16 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. See stakeholder map in ADD. 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.</td></tr>
<tr><td>B. Guidance Notes for VVBs</td><td>Assess the stakeholder consultations carried out during the reporting period (if applicable).

The above requirement may be done through:
• Records/minutes/photographs of community meetings and training workshops etc.
• Through interviews with stakeholders demonstrate that they are familiar with the project and able to interact with them easily through meetings facilitated during the verification.
• Participants are aware who their Lead Farmer is, and feel able to communicate with them on matters relating to the project.</td></tr>
<tr><td>C. Findings (describe)</td><td>The local partner and Acorn have provided a stakeholder map in the ADD (Annex 1) and a list of stakeholders potentially impacted by the project, providing their interest and influence within the project (Part L).

During the conversations with La Laja, the main entities affected by the project were described, and the validation team had the chance to meet and</td></tr>
</table>

	interview some of them (e.g., Instituto Tecnológico Superior de Huatusco, Akvo). Consulted stakeholders have been informed about the project, and their views have been considered. The ADD Part L has been updated to include detailed information on the project stakeholders. Annex 11 has been added to include a list of local authorities who participate in the project. See NIR 04/2024 in the Validation report.		
D. Conformance	X Yes	☐ No	☐ N/A
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. Others	N/A		

Theme: Local Partner

Sub-theme: Sample Signed Agreements

Requirement 4.2.11	
A. Requirement:	*4.2.11. 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.*
B. Guidance Notes for VVBs	For new participants onboarding during verification, assess whether the local partner has provided them with the agreement. Randomly sample participants and request their Participant Agreement to confirm that one has been signed. Through conversations with the participant, check that they: • Have access to the agreement in an accessible language and format • Understand and are happy with their key responsibilities 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
C. Findings (describe)	Please, see the Validation report, FAR 02/24 VAL related to project council, farmer responsibilities, and decision-making process and mechanism.

<table>
<tr><td></td><td colspan="3">During the on-site visit, it was verified that the interviewed participants had already signed a consent form, allowing La Laja to share data relevant to the project. The consent form is included in the Participant Agreement as an Annex. The main contractual/legal documents (Participant Agreement and consent) between La Laja and the local farmers are also in Spanish. No evidence of discrimination against the illiterate was gathered, and it was confirmed that both illiterate and non-illiterate were onboarded in the project interchangeably.

Most of the farmers already are included in the La Laja payment system, since they are already getting paid for their coffee. However, some of the farmers don't have a bank account, so the payments for those farmers will be made in cash or through mobile. The farmer agreement includes 3 means of payment: electronically, mobile, and cash. The ADD states that payments will be made electronically, and only exceptional cases will be made in cash (Part K, 1 and 2).

At the moment of verification, CRUs payments to the farmers have not started, therefore, it has not been possible for the verification team to check the payments. Farmers understand they will get paid for their participation in the project, but they do not understand the details of the carbon project. Most farmers interviewed requested information from the validation team about the payment process, as they wanted to know when and how they will be paid.

Besides, some of the interviewed farmers, even though having in their possession the signed Participant Agreement, do not understand their responsibilities, and are unsure of their continuation within the project and its durability. Most of them confirmed they had only participated in one meeting since they had only been approached once. Most of them have not received the seedlings, and they have doubts about the payments.</td></tr>
<tr><td>D. Conformance</td><td>[ ] Yes</td><td>[X] No</td><td>[ ] N/A</td></tr>
<tr><td>E. Corrective Actions (describe)</td><td colspan="3">FAR 02/2024 VER

Acorn and La Laja shall demonstrate that project participants understand project details (e.g. durability), with special focus on payment details, and their responsibilities.</td></tr>
<tr><td>F. Acorn's Response (if applicable)</td><td colspan="3">(To be filled out by the Project Coordinator)</td></tr>
<tr><td>G. Acorn's Response (if applicable)</td><td colspan="3">Outstanding</td></tr>
<tr><td>H. Forward Actions (describe, if applicable)</td><td colspan="3"><table><tr><th>Forward Action</th><th>Why Unresolved</th><th>How to resolve</th></tr><tr><td>See Section E. Corrective Actions</td><td></td><td></td></tr></table></td></tr>
</table>

I. Others	N/A

Requirement 4.2.15			
A. Requirement:	*The Local Partner should provide information in an applicable language and/or format that suits all participants and avoid discrimination of illiterate groups.*		
B. Guidance Notes for VVBs	For new participants onboarding during verification, 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: • 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)	As confirmed during the on-site visit, in the interviews with the local partner and the farmers, all documented information is provided in Spanish. It was verified that training, meetings in local communities, technical support, and all verbal communication, conducted by La Laja staff, the lead farmers, and field technicians, took place in the appropriate local language (Spanish). The main contractual/legal documents (Participant Agreement and consent) between La Laja and the local farmers are also in Spanish. Additionally, there are some project documents provided to the lead farmers and field technicians that include infographics for a better description and/or explanation of the project to the farmers, mainly to the illiterate ones. No evidence of discrimination against the illiterate was gathered and it was confirmed that both illiterate and non-illiterate were onboarded in the project interchangeably.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub-theme: Benefit Sharing Mechanism

Requirement 4.2.12	
A. Requirement:	*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 of ADD 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*.
B. Guidance Notes for VVBs	Confirm with the new participants for this verification through interviews or participatory meetings, the following things: • They are happy with the types of payments being offered by the project, including in-kind contributions if relevant. • Are aware of the benefits 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 participants from different socio-economic groups to determine their level of understanding of the benefits they are likely to get from the project. Confirm that the Local Partner: • 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. Confirm with participants already included during validation through interviews or participatory meetings, the following things: • The payments have been made during the reporting period as detailed in the "Standard Terms to Project Implementation and Carbon Removal Unit Purchase".
C. Findings (describe)	During the verification process, this requirement was not confirmed as payments to the farmers had not started. In the interviews with the local partner and in the review of the signed agreements (La Laja-Rabobank and Participants-La Laja) 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. The farmer agreement includes 3 means of payment: electronically, mobile, and cash. The ADD states that payments will be made electronically, and only exceptional cases will be made in cash (Part K, 1 and 2).

	Regarding the distribution of 80% of the proceeds from CRU sales, in cash and in-kind, it was agreed during the only council meeting that farmers will get paid in a generalized way according to the size of their farm and the sale value of the CRUs generated so that all participating producers receive a first payment in this first year. It was confirmed during the visit that participants did 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 in the validation report. Lastly, CRUs payments had not started at the moment of the verification. Therefore, it was not possible to confirm farmers´ opinions about this process and it was not possible to verify if payments have been made as detailed in the "Standard Terms to Project Implementation and Carbon Removal Unit Purchase". Farmers understand they will get paid for their participation in the project, but they do not understand the details of the carbon project. Most farmers interviewed requested information from the validation team about the payment process, as they wanted to know when and how they would be paid.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	The project is still in the implementation phase, and it will be necessary to follow up on the payments in future verifications		

Sub-theme: Carbon regulations

Requirement 4.2.14			
A. Requirement:	*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.*		
B. Guidance Notes for VVBs	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. Through interviews with Local Partner staff, assess their awareness of relevant laws and regulations.		
C. Findings (describe)	In the interviews with La Laja it was confirmed that local staff are aware of the main regulations related to project activities. The main legislation and regulations concerning agroforestry activities are mentioned in the ADD (Part I, 6; Part K, 1). During the site visit and in the interviews with stakeholders, no evidence was found of illegal activities carried out by La Laja.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub- Theme: Agroforestry Design

Requirement 4.1.7	
A. Requirement:	4.1.7. 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: a. There are livelihood benefits that make the use of the species preferable to any alternative native species. 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.

B. Guidance Notes for VVBs	For new participants/farmers onboarding during verification, check the agroforestry design and assess that only naturalized species are integrated into the design if complied with Acorn requirements. Please give an opinion as to whether the concept of agroforestry is followed or pursued and tree species being planted meet these criteria. This can be checked using a number of sources: • Visual observations of local tree-growing practices • Discussions with farmers, communities, and project staff • Discussions with local experts (forestry and biodiversity experts) • Published information (refer to this in the validation report if used)
C. Findings (describe)	The ADD includes in Part F the list of species selected for the new agroforestry system, classifying them as native or naturalized and including a description of the potential impacts and/or benefits of naturalized species. According to the local partner and the nursery, all of them are native or naturalized. It was confirmed during the interviews with the farmers that the species are commonly used in the forestry and agricultural sectors. The ADD has been updated to include a description of the agroforestry design (Part F) and an implementation plan has been provided ("Implementation_Plan_LaLaja" Excel sheet) No negative potential impacts of these species have been confirmed. The project species have been observed in the project area, outside the project boundary, as common tree species used in agroforestry activities. 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). However, the agroforestry design includes *Syzygium jambos* species, a tree native to Southeast Asia that has been cultivated and naturalized in continental tropical America. It is an invasive species in other Central American countries (i.e. Cuba), and can compete with native plant species, altering local ecosystems. At the time of the site visit, *Syzygium jambos* was not included in the list of species already provided to the farmers. During the field visit, the nursery in charge of providing the project seedlings was visited. During the visit an inventory of species to grow was provided, including the number of produced seedlings per species and the number of seedlings already provided to the farmers (5000). As per Acorn response to the validation report (NIR 01/2024 VAL), *Syzygium jambos* will be eliminated from the Acorn program. The ADD and AF design have been updated to include this information. However, there is no mention in the ADD text about the use of this species and the intention of eliminating it from the Agroforestry design. It is not clear if the already grown species will

	be distributed to farmers and used at the project level. The plots where the species have already been planted should be identified, and control measures should be in place. Besides, the Business Case shall be updated to exclude this species from the model. The Data package provided includes the mentioned species in the Agroforestry Design sheet (2.a. AF Design), Pomarosa, which is the common name for *Syzygium jambos*.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
E. Corrective Actions (describe)	**NIR 01/2024 VER (NIR 01/2024 VAL)** The Project Coordinator shall provide a new version of the ADD, Business Case and Data package with clear information of the measures taken regarding the use of *Syzygium jambos*.		
F. Acorn's Response (if applicable)	***Acorn Response 08-08-25:*** *This NIR has already been addressed in the Validation Report NIR 01. The ADD has been updated (Part F Agroforstry design, Part M risk assessment, Part N Monitoring plan) including the controling measures. The Business Case and Agroforestry design has been updated to exclude the species. The folder NIR 01 in the verification response includes both documents.* **VVB response (16 September 2025):** See Validation report NIR 01. The ADD has been updated, clarifying the exclusion of this species from the AF design, and including monitoring measures to control the already provided seedlings. The Business Case and Agroforestry design have been updated accordingly. This NIR has been closed.		
G. Status (if applicable)	Closed		
H. Forward Actions (describe, if applicable)	N/A		
I. Others	The project is still in the implementation phase, and it will be necessary to follow up on the fulfillment of this requirement in future verification processes.		

Sub- Theme: Business case

Requirement 4.2.17, key concept 1.4, table 4 extract	
A. Requirement:	4.2.17 *The Local Partner should coordinate and provide a business case, including a financial analysis, monitoring and implementation plan, at the start of the project.* Key concept 1.3 *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.* Table 4 extract *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.*
B. Guidance Notes for VVBs	For new participants/farmers onboarding during verification, check the business case. 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, for the new onboarded farmer during the verification request to see this business case and assess whether: - 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)	The business case has been provided to the VVB and has been developed by Acorn and La Laja. Prices and costs considered in the Business Case are in accordance with the Mexican rural context and with reference numbers of local crop production. Key concept 1.3. is confirmed in the Business Case spreadsheet (see Dashboard Sheet). The requirement included in Table 4 extract (Local partner eligibility checklist, Acorn Framework) cannot be justified as project payments have not started. However, it was evidenced in the discussions with La Laja and in the review of the agreement between Rabobank and La Laja, that the local partner will receive 10% of the CRUs sales income.

	The Business Case has been updated and provided, including the real implementation status of the project at verification.		
D. Conformance	X Yes	☐ No	☐ N/A
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. Others	N/A		

Sub-theme Grievances

Requirement 4.2.19 and 4.2.20	
A. Requirement:	4.2.19 *The Local Partner shall be available to handle grievances and provide feedback 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.* 4.2.20 *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.*
B. Guidance Notes for VVBs	For new onboarding farmers determined through checking: - 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

	For farmers already included in the project determined during the reporting period through checking: - 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)	The project grievance mechanism is described in ADD (Part H). During the document review and in conversations with the local partner, it was identified that La Laja has a project grievance mechanism in place. There is also evidence (i.e. minutes) that during the council meeting, the grievance mechanism was discussed and that specific grievances were debated and noted (all related to payment). In the discussions with the local farmers, they expressed that if they have any grievance concerning the project, the contact will be either the lead farmer or someone from La Laja staff (field technicians). 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. Although there is evidence of the existence and implementation of a grievance mechanism, in line with the findings of requirement 4.2.3, a potential lack of communication between the farmers and the council was identified. La Laja annual report states that 20 grievances have been raised and resolved. According to the interviews, all the grievances are related to the payment timelines. The grievances mechanism procedure and report have been provided, including evidence of the address of questions raised by already involved and interested farmers. Besides, the ADD has been updated to include a reference to the grievances received at the moment of verification.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub-theme Monitoring Plan

Requirements 4.2.21 and 4.2.22	
A. Requirement:	*4.2.21 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.* *4.2.22 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.*
B. Guidance Notes for VVBs	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? • Monitoring and reporting systems and capabilities may be determined through: 1. Staff and participating communities able to explain the monitoring system (how each of the indicators in the ADD will be monitored) 2. Records of any monitoring already undertaken e.g. baselines or other information. 3. 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)	As confirmed in the conversations with La Laja, and shown during La Laja's office visit, project information is stored safely (digital and physical records). They have backup copies of the main information and Acorn-Rabobank has also copies of the project documents and farmers database. Although La Laja does not have a specific monitoring plan drafted for the project, Acorn and La Laja are following The Acorn Framework and Methodology, considering timelines and responsibilities to conduct the continuous monitoring included in section 7.10 “Monitoring & reporting overview” of The Acorn Framework. Regarding socioeconomic and environmental aspects, the ADD (Part E, Baseline Assessment) describes the results of the first survey and how the identified indicators will be monitored. In the discussion with Acorn 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 stages, during the verification, only the results of the first survey were available. La Laja also explained that, with the current governance structure, they do continuous monitoring of the project implementation through the lead farmers and field technicians.

	With regards to carbon accounting and the CRUs calculations, during the on-site visit, the verification team had the opportunity to see how Acorn is collecting ground truth data in collaboration with the local partner and with the support of a consultancy firm (Akvo). Acorn has developed a specific methodology and protocol in line with the Acorn Framework and Methodology for ground truth data collection, which has been provided to the audit team. During this verification, La Laja facilitated the on-site visit, coordinating the process with local farmers, lead farmers, field technicians, and other stakeholders. During the audit, no evidence of non-compliance with this requirement was identified.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub-theme: Buffer pool

Requirements 4.9.1, 4.9.3 and 4.9.4	
A. Requirement:	*4.9.1 Acorn projects shall supply 15% of generated CRUs to the buffer pool for the duration of the project to cover unforeseen premature loss of carbon stock.* *4.9.3 Every two to five years, the buffer pool percentages should be assessed on coverage ratio and adjusted accordingly.* *4.9.4 If premature reversal is not recovered within five years, BCRUs should be provided from the buffer pool.*
B. Guidance Notes for VVBs	Check the buffer pool auditing the excel spreadsheet provided by Acorn of CRUs calculations.
C. Findings (describe)	Based on the review of the provided Excel files with project GHG calculations (Verification_Data_Package_LaLaja_Mexico_20250310_20250424updated) it can be confirmed that the buffer pool percentage rate included in the

	calculation of CRUs is 15% and the value has been correctly applied in the CRU calculations sheet, according to the Acorn methodology.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Monitoring Indicators

Sub-theme Livelihoods Monitoring

Requirements 4.4.6	
A. Requirement:	*4.4.6 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.*
B. Guidance Notes for VVBs	Check a sample of the surveys that were made to collect the information from the local livelihood indicators for this reporting period.
C. Findings (describe)	In the on-site visit, by direct observation and during the interviews with farmers, it was confirmed that the current land use of all farms visited during the validation is cropland. All of them are coffee crops, accompanied by different food crops (banana, macadamia, mango…). Some of the farmers visited have already started with agroforestry practices, planting some trees on their farms (e.g. some fruit trees inside the crop or some timber trees on the border of the farm). The ADD Part E Baseline Assessment has been updated, after validation, mentioning Annex 10 Biodiversity Report. Besides, a list of species with high local environmental and social conservation value in the project area has been included in the ADD Part D, 3. Agricultural Biodiversity and clarification have been provided on how the mentioned Biodiversity Report is linked to the Acorn project and updated annually.

	Local livelihood and environmental potential positive impacts will be able to be monitored with the 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 verification.		
D. Conformance	X Yes	☐ No	☐ N/A
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. Others	N/A		

Sub-theme Ecosystem Monitoring

Requirements 4.4.2 and 4.1.5	
A. Requirement:	*4.1.5 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.* *4.4.2 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*1 *or the Forest Stewardship Council*2*.*
B. Guidance Notes for VVBs	Check a sample of the surveys that were made to collect the information from the ecosystem monitoring indicators for this reporting period.
C. Findings (describe)	The project activity consists of tree planting manually (digging the holes and planting) for a new agroforestry system. Due to the type of intervention and considering the scale (low planting density), the potential impact during the

[1] *IUCN, 2021*
[2] *Forest Stewardship Council, n.d.*

	project implementation is expected to be negligible. Based on consultation with local stakeholders and on direct observations in the field visit, the project is growing natural and naturalized species, commonly used in the forestry sector, leading to an increase of biodiversity in the vegetation and potentially in the fauna. During the site visit, no negative impacts were identified. In the interviews with local partner staff and with farmers, it has been confirmed that they also have not identified potential negative impacts, and therefore, no mitigation measures are being or will be undertaken. The ADD has been updated to include a biodiversity report (Annex 10). Part E, Baseline Assessment includes a reference to Annex 10, biodiversity report. The report consists of a Conservation and ecosystem restoration plan that La Laja has in place and has been submitted as supporting documentation. Besides, a list of species with high local environmental and social conservation value in the project area has been included in the ADD Part D, 3. Agricultural Biodiversity and clarification have been provided on how the mentioned Biodiversity Report is linked to the Acorn project and updated annually.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub-theme: Reporting-Annual reports

Requirement 5.8.3	
A. Requirement:	*From the start of a project intervention, the local partner is asked to provide annual reports on the project's progress. At a minimum, the following information should be provided in these annual reports:* • *Total number of farmers participating** • *Number of new farmers participating** • *Average hectares per farmer**

	• *Number of CRUs generated (metric ton CO2eq sequestered)** • *Number of CRUs sold** • *Total payments to participants* • *Local partner expenditure* • *Any significant updates in the project*		
B. Guidance Notes for VVBs	Check that the annual report provided by Acorn contains all the above information.		
C. Findings (describe)	An annual report (La Laja annual report) has been provided at the moment of verification, for a reporting period between July 2023 and July 2024. The report includes the information required as per requirement 5.8.3. A reference to the ADD for the average hectares per farmer has been included; however, the average hectares per farmer value is not included in the annual report. Besides, the number of farmers and total project size (Table 2.6a) are not updated as per the updated ADD after validation rounds of findings, and the number of CRUs generated is not updated as per the Data Package provided.		
D. Conformance	X Yes	☐ No	☐ N/A
E. Corrective Actions (describe)	**CAR 01/2024 VER** The annual report shall be updated to reflect the updated information required in this requirement.		
F. Acorn's Response (if applicable)	***Acorn response 08-08-2025:*** *The annual report, together with the Remote Sensing process description, has been updated to include the correct CRU results and both files can be found in the folder CAR 01.* **VVB response (16 September 2025):** The new version of the annual report was reviewed, confirming that it includes in Table 4.1 the same amount of CRUs generated (6830) as in the last version of the Data Package provided. However, the document does not include the Average hectares per farmer and the same number of farmers and project area as in the ADD, and the CAR has not been closed. ***Acorn response 07-11-2025:*** *The ADD and annual report have been updated, including the pending information.* **VVB response (19 December 2025):**		

	After reviewing the updated ADD and Annual report, the Verification team has confirmed that the ADD now includes the updated Average hectares per farmer and that ADD and Annual have the same number of farmers and project area. With this new evidence, the Verification team concludes closing the CAR.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Others	N/A

Sub-theme: Double-counting

Requirement 4.7.1 and 4.7.2	
A. Requirement:	*4.7.1 In order to prevent double counting, issuance, use or claim of project emissions reductions, all CRUs shall be registered in a public register with a unique serial number, highlighting when (year), where (country, GPS coordinates) and by whom (local partner) the CRUs were generated.* *4.7.2 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.*
B. Guidance Notes for VVBs	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)	A notification letter about the project has been sent to the national government in July 2023. The letter has been stamped as received, however, no answer from the government has been received at the moment of verification. Two potential double-counting risks were identified and discussed with La Laja and Acorn. The first potential issue raised is the Sembrando Vida program, already defined in the Additionality section of the validation report, requirements 4.3.1, 4.3.2 & 5.1.1. With regards to the Sembrando Vida program, Acorn has provided a report in which results show that there are some plots that are included simultaneously in Acorn project and the Sembrando Vida Program. These plots shall be excluded from the Acorn project, and the data package shall be updated accordingly (see CAR 07/2024 VAL). However, the Sembrando Vida program is not an accounting program. The second issue identified is the potential conflict with the national commitments, with the Nationally Determined Contributions (NDCs) of the Paris Agreement. Mexico has identified the risk of double-counting and the

need to strengthen the voluntary carbon markets' carbon credits traceability since the use of these credits could affect their NDC's accountability. The potential risk of double counting will be lower as this payment will probably be considered as a sort of authorization by the country (*https://www.gob.mx/cms/uploads/attachment/file/943747/xxxxMercadoVoluntariodeBonosdeCarbono.pdf*).

The agreed adoption of article 6 during COP29, and 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.

According to the Acorn framework, there is no specific requirement to assess additionality for the verification event. Nevertheless, according to the validation report (CAR 07/2024 VAL), 13 plots have been identified by the local partner that are included in both programs: Sembrando Vida and Acorn. None of these plots is included in the updated GIS file. However, 7 of them are included in the data package sheet "1. CRU Calculations", listed below:

plot SV-Acorn	PbN check GIS file (29.04.2025)	PbN check data package (29.04.2025)
MX322443	Excluded	Included MX322443 - 533145 and MX322443 - 533146
MX256042	Excluded	Included MX256042 - 456879 and MX256042 - 456880
MX288061	Excluded	Included MX288061 - 497289
MX220346	Excluded	Included MX220346 - 381389
MX220337	Excluded	Included MX220337 - 381366
MX220214	Excluded	Included MX220214 - 381063
MX220236	Excluded	Included MX220236 - 381115

D. Conformance	[X] Yes	[ ] No	[ ] N/A
E. Corrective Actions (describe)	**CAR 02/2024 VER** Different plots from other project activity have been identified in the project area of La Laja and are included in the data package provided. This issue should be clarified, and mitigation measures should be outlined to avoid similar issues during the future onboarding of project participants..		
F. Acorn's Response (if applicable)	***Acorn Response 08-08-25:*** *As addressed in the validation report, the Local Partner identified 13 participants who are also part of the SV register. These 13 farmer profiles have been put on hold on the Acorn platform until the participants provide formal evidence that the coffee plot onboarded on the Acorn platform is distinct from the maize plot involved in the SV project. Funds received by the farmer for the SV project are not used for the Acorn project. The geo file and the data package have been updated excluding these plots. With this update, Acorn*		

	requests to close this CAR together with the final outstanding CAR of the validation. (see folder CAR 02). **VVB response (16 September 2025):** The data package has been updated, and the 13 identified plots have been excluded from the CRU calculation sheet. This CAR is closed.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Others	N/A

Carbon benefits

Sub-theme: Applicability conditions

Requirement 4.5 and 4 Applicability conditions from the methodology	
A. Requirement:	*Framework:* 4.5.1 All Acorn CRUs shall be generated based on the applicability conditions addressed in the Methodology. *Methodology:* 4.The applicability conditions from the methodology are the following one: a) The project intervention meets the agroforestry definition (see Section 3), and any trees planted are native or naturalized species. b) *The project area must not have been cleared of native vegetation within 5 years of the start of the project intervention.* *c) The project area consists of individual plots that are between 0.1 and 10 ha.* *d) All land within the project area is either cropland or degraded land and not on wetlands in the baseline scenario.* *e) The project interventions must not include activities that increase the total number, weight or number of grazing days for any livestock type, relative to the baseline scenario.* *f) The project intervention must not include the planned harvesting of planted trees during or after the crediting period.*

	g) Heavy machinery must not be used for site preparation or management. *h) The project intervention must not increase the use of synthetic (nitrogen-containing) fertilizers relative to the baseline scenario.* *i)* Soil disturbance attributable to the project intervention must not occur on more than 10% of the plot that is under any of the following types of land: ○ Land containing organic soils; ○ Land which, in the baseline, is subjected to land-use and management practices and receives inputs listed in Annex 2 of Methodology.
B. Guidance Notes for VVBs	Check the following issues for the new farmers onboarding the project: -Through interviews with Local Partner and participants, assess whether the Local Partner promotes the use of native species in agroforestry systems. -Assess the evidence to demonstrate that the land was not cleared prior to the project intervention with satellite imagery (5 years prior to the smallholder joining the project). -Prior or during the site visit, the VVB 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. -During site visits and interviews with the smallholders, check with the smallholders whether the activities of the project, or income from the project, have or will likely result in an increase in their total number, weight or number of grazing days for any livestock type.
C. Findings (describe)	In the on-site visit, by direct observation and during the interviews with farmers, it was confirmed that the current land use of all farms visited during the verification is cropland. All of them are coffee crops, accompanied by different food crops (banana, macadamia, mango…). Some of the farmers visited have already started with agroforestry practices, planting some trees on their farms (e.g. some fruit trees inside the crop or some timber trees on the border of the farm). During the interviews and site visit, it was confirmed that none of the lands included in the project are used for cattle ranching. No wetlands were identified during the visit and based on the reviewed documentation; the project boundary does not include wetlands. The ADD includes in Part F the list of species selected for the new agroforestry system, classifying them as native or naturalized and including a description of the potential impacts and/or benefits of naturalized species. According to the local partner and the nursery, all of them are native or

<table>
<tr><td></td><td colspan="3">naturalized. It was confirmed during the interviews with the farmers that the species are commonly used in the forestry and agricultural sectors.

No negative potential impacts of these species have been confirmed. The project species have been observed in the project area, outside the project boundary, as common tree species used in agroforestry activities. 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) and no harvesting of planted trees is planned during or after the crediting period.

The use of heavy machinery is prohibited for site preparation. It was confirmed during the site visit and interviews that the farmers do not use heavy machinery for planting or harvesting.

The GIS file provided to the validators shows that all the farms included are less than 10 ha. During the field visit the boundary of some randomly selected plots was measured using GPS, and it was confirmed that the plots size is less than 10 ha.

However, the agroforestry design includes Syzygium jambos species, a tree native to Southeast Asia that has been cultivated and naturalized in continental tropical America. It is an invasive species in other Central American countries (i.e. Cuba), and can compete with native plant species, altering local ecosystems. At the time of the site visit, Syzygium jambos was not included in the list of species already provided to the farmers (see Sub-theme: Agroforestry design).</td></tr>
<tr><td>D. Conformance</td><td>[X] Yes</td><td>[ ] No</td><td>[ ] N/A</td></tr>
<tr><td>E. Corrective Actions (describe)</td><td colspan="3">Please, see Sub-Theme: Agroforestry Design NIR 01/2024 VER (NIR 01/2024 VAL)

The Data package provided includes the mentioned species in the Agroforestry Design sheet (2.a. AF Design), Pomarosa, which is the common name for Syzygium jambos. Since this species has been eliminated from the AF design, Data package shall be updated accordingly.</td></tr>
<tr><td>F. Corrective Actions (describe)</td><td colspan="3">None</td></tr>
<tr><td>G. Acorn's Response (if applicable)</td><td colspan="3">N/A</td></tr>
<tr><td>H. Status (if applicable)</td><td colspan="3">N/A</td></tr>
<tr><td>I. Forward Actions (describe, if applicable)</td><td colspan="3">None</td></tr>
</table>

Sub-Theme: Carbon Baseline

Section 6 Carbon Baseline pre-project tree adjustment factor from Methodology	
A. Requirement:	*Methodology:* If the potential change in pre-project tree biomass is less than 5% of the expected increase in tree biomass expected to result from the project intervention, estimated using an appropriate tree or stand growth models, the carbon stock aboveground and belowground biomass of pre-project trees can be set at zero in the baseline scenario. Otherwise, measurements from sample plots must be used to define an appropriate adjustment factor with Equation 1 to Equation 3 and Table 3. of the methodology. The sample plot data used must allow for distinction between pre-project trees and trees planted as part of the intervention. In project regions where pre-project tree biomass varies substantially between plots (e.g. by more than 10%), calculating a separate adjustment factor for each stratum is likely to reduce the number of samples required to obtain an acceptable level of precision. A minimum of 30 randomly selected sample plots must be measured per stratum. Project may further stratify or use y-1 to optimize measurement.
B. Guidance Notes for VVBs	Check the pre-project tree adjustment factor via the adjustment factor calculation spreadsheet provided prior by Acorn. Check the formulas in the excel provided and the re-measurement some plots during the on-site visit. Are the formulas correctly applied in the excel spreadsheet?
C. Findings (describe)	As remote sensing is used for the monitoring of tree biomass, carbon baseline cannot be set as zero. Therefore, Acorn has estimated carbon baseline adjustment factor based on the Acorn methodology (50%, as indicated in Part O.2 of the ADD) The adjustment factor for baseline removal (AdjB) has been calculated using growth models and not using measured data. This adjustment factor has been estimated by comparing project year 2018 and year 2025. The estimated percentage change in tree biomass in year “y” that is attributed to pre-project trees (EETBy) plus the Adjustment for the uncertainty of EETBy,s (AdjUEETBy,s) was calculated between 50% and 75%. However, based on the observations in the field visit and on the forestry expertise of the audit team, there is enough information to confirm that this value should be close 100% or at least higher than 50%. In more than 90% of the 22 visited plots, project trees have not been planted or have been planted recently (seedlings smaller than 0.5 m). At the moment of site visit, only 5,000 seedlings have been provided, from the 60,000 planned for year 1.

	The current biomass changes in these first project years are mainly due to the growth of pre-existing trees. The use of an average adjustment factor for 7 years is not considered a conservative approach for the first years of the project, when, because of the sigmoid growth of the biomass, the growth is slower. The Data package provided shows the estimated growth of pre-existing trees compared to the total number of trees, modelled and real. The adjustment factor for the baseline is calculated based on the estimated pre-project tree biomass growth and its uncertainty adjustment factor. The formulas are correctly applied, and the Adjustment factor is properly estimated.		
D. Conformance	Yes [X]	No [ ]	N/A [ ]
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. Others	The use of average adjustment factors for each monitoring period, following the methodology, must be calculated for the specific period, not considering previous or future years.		

Sub- Theme: Model development

Requirement 4.5.4. and Section 7.1.1,7.1.2., 7.1.3. and 7.1.4 from methodology	
A. Requirement:	*Framework:* *4.5.5. Acorn shall check the accuracy of the satellite measurement on a sample basis every year, and satellite measurements shall be verified every three years by an independent and qualified verification body.* *Methodology:* *7.1.1. Data from sample plots are used to calibrate models for estimating tree biomass from satellite imagery. Sample plots used for model calibration must meet the requirements 1-4 of the methodology.*

	7.1.2. Sources of satellite imagery that can be used include, but are not limited to, those given in the Table 4 of the methodology. *7.1.3 Machine learning models for estimating tree biomass from satellite imagery must be calibrated using sample plot data for each ecoregion they are applied to. A minimum of 30 sample plots7 must be used to calibrate the model for each eco-region, and a further set of at least 20 sample plots that are not used for model calibration must be used to assess model uncertainty. The number of plots used for model calibration and accuracy assessment should be determined based on data availability, variability in the landscape and the desired level of precision.* *7.1.5 The accuracy criteria is based on the withheld validation dataset. The expected accuracy of the model is 70% (with an uncertainty of 30%), calculated on 90% of the validation set. If multiple remote sensing partners are building models for the same ecoregion, the model with the lowest uncertainty is selected for use.*
B. Guidance Notes for VVBs	During field visit(s) collect ground truth data, do the plots meet the above requirements and does it appear that the trees have been appropriately measured? Check the model uncertainty and model calibration calculation spreadsheet provided prior by Acorn. Check the formulas in the excel provided and the re-measurement some plots during the on-site visit. Are the formulas correctly applied in the excel spreadsheet?
C. Findings (describe)	During the site visit, the following findings were identified regarding ground truth data collection: **Field measurements**: during the GTD collection, the verification team visited, together with Acorn staff (Acorn team), several field teams (Akvo team) doing the GTD collection. During the visit, it was possible to measure some plots with them and to re-measure some plots with the Acorn team. No errors in the delineation of the plot and data collection have been identified. Acorn has provided a SOP document, including Quality assurance and control procedures, adapted from section 4.3.4 of the good practice guidance for Land Use, Land-Use change and Forestry, from the IPCC. The data collected following the protocol can be made available to the verifier/validator if required. Acorn has implemented an additional step incorporating high-resolution imagery and Lidar data. **Verification team remeasurement**: The audit team has measured 4 plots from the 30 GT plots measured by the Acorn team. The Acorn team has discarded 9 plots out of the 30 GT plots to estimate the uncertainty adjustment factor. Two of the plots measured by the audit team are among the discarded plots.

<table>
<tr><td></td><td colspan="3">From the other two remeasured plots, it has only been possible to check and compare the plot (MX299640 – 508980, subplot 1). Some discrepancies have been identified:

• The total number of measured trees are 12 according to Acorn data, while the audit team identified and measured 22 trees (excluding coffee plants).
• The AGB for the subplot measured by Acorn is 5.55 t d.m, and it is 4.47 according to the audit team measurements.

There are some discrepancies between the verifier and project measurements and calculations. Verifier results are slightly lower than project results, even though almost twice as many trees have been identified and measured almost twice the number of trees identified and measured by Acorn.</td></tr>
<tr><td>D. Conformance</td><td>Yes [X]</td><td>No [ ]</td><td>N/A [ ]</td></tr>
<tr><td>E. Corrective Actions (describe)</td><td colspan="3">CAR 03/2024 VER

Discrepancies between verification team measurements and project measurements shall be clarified. Uncertainty calculation based on the 30 GTD plots measured shall be clarified and reassessed (less than 10 GTD plots were used, and these were combined with other previously measured, not with the objective of this uncertainty verification).

Note: CAR is under discussion with Acorn. New information was requested regarding the 30 GTD plots measured (23 were discarded for the uncertainty verification and only one, of the four measured by the VVB, was available for verification data comparison).</td></tr>
<tr><td>F. Acorn’s Response (if applicable)</td><td colspan="3">Acorn response 08-08-25:

Field measurements were initially compared using plots selected for the verification of the biomass model. However, three out of four plots visited by the PbN team during this process were excluded from the model validation. The specific reasons for exclusion are documented in Section Verification Data Package “5.d. GT Plot Discarded” and supported by evidence in Section 5.e. Support High Res Imagery” (See folder Response to verification report)

Due to these exclusions, the available data did not meet the requirements for completing the comparison using the ground truth plots collected during the verification campaign. To enable a valid comparison of field measurements, the subplots visited by the PbN team instead of the full GT plot are be considered.

This is because, the quality of a Ground Truth (GT) plot is determined by the condition of all 16 subplots it contains. GT plots with fewer than eight valid subplots are not suitable for comparison with data used in model calibration. However, for the purpose of field measurement comparison, only the quality of the individual visited subplots is assessed. A detailed review confirmed that</td></tr>
</table>

	these subplots met the necessary standards and did not present any grounds for exclusion. The treelist corresponding to these subplots is available in Section "5.a. Biomass inventorization". Folder CAR 03 & 04 contains also the geo file of the subplots ("GT_subplots_visit_PbN") and the geo file of the farmer plots visited by PbN during the verification ("Acorn_plots_visit_PbN") . *It should be noted that the complete GT plots associated with these subplots are not included in the biomass model verification (see Section VDP "5.c. GT Plot Biomass" and treelist in "5.b. GT Tree Biomass"), confirming that the datasets used for model verification and GT comparison are distinct.* **VVB response (16 September 2025):** In the verification assessment, two main analyses are performed: quality assessment of field data collection and model uncertainty assessment. For the first one, the VVB remeasures 3-4 plots previously measured by Acorn/Local Partner. These measurements are compared to identify potential sources of errors and/or discrepancies. For this analysis, the VVB measured 4 plots and the identified discrepancies are significant, leading to the conclusion that the provided data by Acorn do not correspond to the measured plots, at least in one of the cases. The VVB requests Acorn to provide the correct information to be able to perform a comprehensive comparison of measurements vs. remeasurements (E.g. providing all measurements of the subplots of plot MX299640-508980). In the second case, Acorn is expected to provide measured and modeled results of 30 selected plots, which are measured for verification purposes, during or before the audit. The objective is to compare the model uncertainty used in the CRUs calculation with the uncertainty calculated with these 30 plots, and evaluate potential discrepancies (See CAR 04). ***Acorn response 07-11-2025:*** *New measurements have been provided to be able to compare PbN measurements vs. Acorn measurements (file: fulltreelist_threesampleplots_AcornandPbN).* **VVB response (19 December 2025):** Based on the new provided information, the Verification team has compared the biomass calculations of 3 measured plots. The discrepancies found are lower than 10% (7.46%). With this new assessment, the verification team has performed the quality assessment of field data collection, concluding that the identified discrepancies are acceptable. Therefore, the CAR has been closed. Regarding the model uncertainty assessment, please refer to CAR 04.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None

I. Others	N/A

Sub-Theme: Model application

4.5.2. Requirement, Section 7.2.1 and Section 7.2.2	
A. Requirement:	*Framework:* 4.5.2 All Acorn CRUs shall incorporate AGB and BGB. In this version of the Framework, soil is excluded for conservativeness. *Methodology:* *7.*2.1 Aboveground biomass is estimated using a machine learning model. The model is applied to satellite imagery acquired at the time of farmer onboarding (or when required). The model makes an estimate of the total biomass within the plot. 7.2.2. If tree biomass is estimated using satellite imagery, change in tree biomass must be calculated using Equation 5. This approach estimates the change in carbon stock in trees as the difference between two successive and independent carbon stock estimates. $$\Delta TB_{y,s} = \left(AGB_y - AGB_{y-1}\right) \cdot (1 + R) \cdot CF \cdot \frac{44}{12} \cdot (1 - AdjU)$$ Equation 1 Where: $\Delta TB_{y,s}$ = Change in carbon stock in aboveground and belowground tree biomass in stratum *s,* in year *y* (t CO_2eq) after uncertainty discount AGB_y = Aboveground tree biomass per plot in year y (metric tons of dry matter) AGB_{y-1} = Aboveground tree biomass per plot in year y-1 (metric tons of dry matter) R = Root-shoot ratio to calculate the belowground biomass factor CF = Carbon fraction of tree biomass $\frac{44}{12}$ = Conversion from carbon to carbon dioxide $AdjU$ = Adjustment factor for uncertainty

B. Guidance Notes for VVBs	At desk review check whether above equation has properly been executed and result in real and measurable results in the excel spreadsheet provided by Acorn. Are the formulas correctly applied in the excel spreadsheet?		
C. Findings (describe)	Based on the review of the provided Excel files with project GHG calculations (Verification Data Package LaLaja) it can be confirmed that the calculation of the Change in carbon stock in aboveground and belowground tree biomass was performed following The Acorn Methodology V1.1. and its Equation 6.		
D. Conformance	Yes [X]	No [ ]	N/A [ ]
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. Others	N/A		

Sub- Theme: Uncertainty adjustment factor

Requirements 4.5.4. from Framework and 7.3 from the Methodology			
A. Requirement:	*Framework:* *4.5.4 All Acorn CRUs shall be adjusted, if required, for uncertainty in the AGB estimates derived from the carbon model. Acorn aims for conservative estimates that take model error and sampling error into account. Further details can be found in the Methodology.* *Methodology:* *7.3 The uncertainty value per project is calculated by dividing the confidence value for individual project by the change in above ground biomass within one measuring period (Equation 7).*		
B. Guidance Notes for VVBs	Check the uncertainty adjustment factor via the adjustment factor calculation provided prior by Acorn. Can this be justified/confirmed on a project level? Are the formulas correctly applied in the excel spreadsheet?		
C. Findings (describe)	In the review of the documentation provided by Acorn, it was confirmed that the Uncertainty adjustment factor was calculated following the methodology and using equations 1 and 7. Uncertainty is calculated by comparing model results at two points in time. To estimate the uncertainty, 22 plots measured in 2023 have been used. According to the Acorn methodology, 20 plots will be used for this, is ok. The audit team has estimated the uncertainty for the 30 GT plots measured by the Acorn team at the time of verification, during the site visit. The uncertainty value for the GT plots collected during the site visit (0.08) is similar to the one estimated for the GT plots measured in 2023, used for model validation (0.09). Nevertheless, 9 plots out of the 30 GT plots have been discarded from the 2024 measurements, which does not meet the Acorn methodology requirement.		
D. Conformance	Yes [X]	No [ ]	N/A [ ]
E. Corrective Actions (describe)	**CAR 04/2024 VER** According to the Acorn Methodology, to calculate the error of the Acorn model, measurements from 30 plots are needed. All 30 plots shall be considered for the verification assessment to calculate the error of the model. The Data package shall be updated to include the 30 plots.		
F. Acorn's Response (if applicable)	***Acorn response 08-08-25*** *Sheet "5.c. GT Plot Biomass" contains 28 plots used to calculate the model error. These plots are a combination of two field campaigns – one at time of data*		

	collection for model calibration and validation, and one at the time of project verification. *The verification ToR recommends a minimum of 30 plots should initially be considered. The minimum number of plots to take into account to calculate model error is 20 according to Methodology V1.0 Section 7.1.3.* *After assessing plot quality, most of the plots collected during the verification campaign failed the quality checks and could not be used. Therefore, in order to demonstrate accuracy, plots collected during the model calibration and validation campaign were added to the dataset. These plots are not part of model calibration.* *To calculate model error is 20 according to Methodology V1.0 Section 7.1.3. This requirement has been met by calculating the model error using the 28 plots in the VDP in sheet "5.c. GT Plot Biomass". (See folder Response to verification report).* **VVB response (16 September 2025):** The measurement of 30 plots for verification purposes, recommended in the verification ToRs, has the main objective to calculate the accuracy in the determination of the Uncertainty adjustment factor. Because of the methodology to calculate CRUs (using remote sensing models), it was determined that the two means of GHG calculations verification will be: • Model uncertainty assessment: the uncertainty of the model when implementing it in 30 plots/farms will be compared with the model uncertainty used in the calculation of the Uncertainty adjustment factor. Acorn was requested to measure 30 plots/farms (calculating the biomass as in the GTD plots for model calibration), applying the model to these 30 plots, and then calculating the Uncertainty following the same approach as in the calculation of project Uncertainty adjustment factor. The uncertainty of the model obtained for these 30 plots is then compared with the calculated Uncertainty adjustment factor. The uncertainty of the model is calculated using the GTD of 100 m x 100 m plots, and then it is applied to all project farms to determine the CRUs. To confirm the actual uncertainty when using the model, it was agreed that 30 plots/farms will be measured during the verification to assess model uncertainty. • Plots/farms biomass remeasurement and data comparison: to verify the quality of GTD plots measurement, the VVB is expected to remeasure during the field visit 3 plots and compare measurements and biomass calculations (see CAR 03) During the verification process, only 27 of the 30 plots were measured, and only 6 are available. Based on Acorn analysis, 21 of them have significant measurement errors and can not be used for the uncertainty calculation. For the model uncertainty assessment, Acorn has performed the new calculations using the 6 measured plots for this verification, plus 22 previously measured for the calibration and validation of the model. Therefore, 22 plots (78.5%) used

	now for the verification are part of the model calibration/validation (original GTD plots), and 21 plots (78%) measured during the verification were discarded for quality reasons. The VVB requests further justification of the discarding criteria for those 21 plots and requests data of at least 14 plots (to have a total of 20, 14+6) of the 30 selected for the verification. This information is required to be able to perform the comparison analysis. ***Acorn response 17-12-2025:*** *The Verification Data Package has been updated and provided to the VVB "Verification_Data_Package_LaLaja_Mexico_20251217updated". The new version incorporates the following updates:* *1. Two new sheets: '4.c Error residual Check' and '4.d. Support High Res Imagery' which contain GT check comments and supporting images.* *2. Updated comments and visuals for '5.d GT Plot Discarded' and '5.e Support High Res Imagery'* *The new sheets include a quality check of the 22 previously measured plots used in the sheet "5.c. GT Plot Biomass" to justify the use for verification purposes.* **VVB response (19 December 2025):** After the assessment of the provided new information *"Verification_Data_Package_LaLaja_Mexico_20251217updated"*, it was confirmed that Acorn has performed a quality check on the 22 previously measured plots (sheets 4.c and 4.d) following the same procedure as the one for the 27 verification plots (sheets 5.d and 5.e). With the final set of not discarded plots (6 from the 27 verification plots and the 22 of previously measured plots) Acorn has performed a goodness of fit analysis (measured vs modeled) in sheet "5.c. GT Plot Biomass". The result of this analisys comply with the methodology requirements regarding accuracy criteria. With this new evidence, the Verification team has closed the CAR. Regarding Plots/farms biomass remeasurement and data comparison, please refer to CAR 03.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	None
I. Others	N/A

Sub-theme: Leakage

Requirement 4.6.1, 4.6.2 from Framework and 8 from Methodology.	
A. Requirement:	*Framework:* 4.6.1 *All Acorn projects should identify potential sources of negative leakages and the location(s) where this leakage may occur.* 4.6.2 *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.* *Methodology:* *8. The likelihood of activity shifting leakage (displacement of farmer activity leading to an increase in emissions outside the project area) must be assessed using Equation 9 to determine an appropriate leakage adjustment. To come up with a conservative deduction, the following three parameters are evaluated: i) which activities may be displaced?, ii) where would the activity be displaced to?, and iii) what amount of emissions would be associated with the displacement? Market leakage from changes in production by smallholders is not expected to be significant and is assumed to be zero.*
B. Guidance Notes for VVBs	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: o Sources of leakage listed and their perceived significance. Is the leakage adjustment factor (AdjL) therefore appropriate for the level of leakage risk? o Mitigation measures. Have they already started? o Check the leakage adjustment factor via the adjustment factor information provided prior by Acorn. Can this be justified/confirmed on a project level with what the VVB sees during the fiels visits? For projects where leakage is significant, please double check the calculation in the excel spreadsheet provided by Acorn and against equation 9 of the methodology. Are the formulas correctly applied in the excel spreadsheet?
C. Findings (describe)	As stated in the Validation report, in the findings of Requirements 4.6.1 & 4.6.2: The ADD in Part O. 2. gives an adjustment factor for Leakage of 0%. Leakage is not expected, and the project activity is not expected to lead to GHG emissions outside the project boundary. La Laja 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. In the case of livestock, it is not a common practice in the project area due to

	incompatibilities with coffee production; none of the farmers interviewed have animals, and if they do, they are outside of the project farms. Agroforestry is expected to increase the productivity of the current crops, or at least not decrease it, therefore, no displacement of agricultural activities is expected.		
D. Conformance	[X] Yes	[ ] No	[ ] N/A
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. Others	N/A		

Sub-Theme: Quantification of carbon benefits

Requirement 4.5.3 from Framework and Section 9 Quantification of carbon benefits from methodology	
A. Requirement:	*Framework:* *4.5.3. All Acorn projects should be monitored by satellite monitoring technologies to calculate the available CRUs per plot per year according the Methodology.* *Methodology:* *9. Carbon Removal Units (CRUs) are calculated using equation 11.* $$CB_y = PR_y \cdot \frac{1}{1+BP} \cdot \left(1 - AdjB_s\right) \cdot (1 - AdjL)$$ Equation 11 *Where:* CB_y = *Carbon benefit for a plot in year y (t CO2eq)* PR_y = *Carbon removal for a plot in year y (t CO2eq)* BP = *Buffer pool percentage* $AdjB_s$ = *Adjustment factor for baseline removal for plots in stratum s* $AdjL$ = *Adjustment factor for leakage*
B. Guidance Notes for VVBs	Please double check the calculation in the excel spreadsheet provided by Acorn and against equation 11 of the methodology. Are the formulas correctly applied in the excel spreadsheet?
C. Findings (describe)	Based on the review of the provided Excel files with project GHG calculations (Verification Data Package La Laja) it can be confirmed that the calculation of CRUs was performed following The Acorn Methodology V1.1. and Equation 11. Nevertheless, at the time of the verification site visit, it was confirmed that planting has not taken place. The project covers more than 9000 ha in around 4000 farms with different agricultural systems, mainly coffee crops. The local partner and the nursery have an agreement in place that states that the nursery will provide a total of 60000 seedlings. Each farmer should receive around 15 trees/ha to be planted on their farms. The project implementation plan states that, in year 1, a total of 1200 farmers would receive seedlings to plant on their farms and start project activities (See ADD Annex 5 Business Case). According to the interviews with different stakeholders, such as the local partner, and the nursery, there is an insufficient supply of seedlings. At the moment of verification, a total of 5000 seedlings have been provided to the farmers, out of

	the 60000 seedlings planned within the agreement between the nursery and the local partner. If we consider an average of 2 ha per farm (as stated in the Business Case), each farmer should receive around 30 trees. The 5000 seedlings already given are enough to cover around 150-200 farmers, which is far from the 1200 farmers targeted for year 1. This was confirmed during the interviews and direct observations; out of 26 farmers interviewed, only 4 have received plants, and only one of them received the full package of 30 trees. As per the Acorn Framework and methodology, it may happen that a project that has not started implementation during the first years is issuing CRUs. This should be solved in the methodology with some requirement that does not allow issuing credits in projects not implemented or at very early stages.		
D. Conformance	Yes [X]	No [ ]	N/A [ ]
E. Corrective Actions (describe)	**PCAR 01/2024 VER** The project activities have not taken place at the time of verification. Based on the methodology, CBy can be positive and the project can generate CRUs without activity implemented (e.g. when based on the remote sensing models, PRy is positive and AdjB is lower than 100%). Preferred by Nature identifies a PCAR, since—applying a conservative approach—even though the direct application of the equation might allow it, CRU generation should not be accepted if the project has not begun the implementation of its activities (e.g.tree planting). This non-conformity is methodological in nature and requires clarification from Plan Vivo and Acorn.		
F. Acorn's Response (if applicable)	***Acorn Response 08-08-25:*** *The Acorn Methodology v1 allows for issuance of CRU's on the growth of pre-existing trees which are subject to an adjustment factor to ensure conservative estimations. In parallel, Acorn is actively collecting data to record the number of newly planted trees on annual basis (see "Implementation_Plan_LaLaja.xlsx" in folder PCAR 01) . As part of the project onboarding process and the formalization of agreement with Local partners, Acorn conducts a thorough assessment of each projects additionality argumentation, implementation strategy and scaling plans to ensure alignment with Acorn's standard. An integral part of this process is the preparation of an Agroforestry design (see VDP, sheet "2.a. AF Design"). On average 15 trees per hectare will be planted additionaly for the purpose of optimal shade for coffee production. This ensures that the farmers plant both not too few and not too many trees on their plots.* *Following the Agroforestry design is essential, too few trees might result in limited carbon benefits, while too many trees can result in lower survival rates of newly planted trees as well as productivity loss. Productivity loss therefore would translate in activity shifting leakage.*		

	For the case of La Laja, farmers have been planting trees in the five years prior to the project intervention. Acorn has performed two GT data collection campaigns. The first one is in the period of november 2023 and february 2024, prior to the issuance of the first set of credits. The second is in november 2024, during the verification campaign. More information and analysis of the ground truth data in regards to specific number of pre existing trees (planted after 2018) per GT plot can be found in the supplimentory excel sheet provided (see folder GT analysis in folder PCAR 01). The same dataset as provided in the VDP has been used for the analysis. The treelist provided in sheet "2.c. GT Tree Biomass" and "5.c. GT Tree Biomass" are restructured based on the data collection campaigns in sheets "GT – I", "GT – II". The summary can be found in sheet "Overview". *After performing quality assurance procedures on the GT plots, and excluding plots that fail following the procedure in the SOP, we can see that in data collected in the first campaign (nov 2023 – feb 2024), the average number of newly planted trees per hectare is 15. As observed, approximately 70% of the plots have planted new trees in 2023. This is in line with the recommended number of trees per hectare described in the Agroforestry design. In during the second campaign (nov 2024), we observe a drop in newly planted trees, indicating approximately 7 trees per hectare. This can be explained by the increased focus on setting up nurseries, as well as by the fact that no financial support has been provided by Acorn due to ongoing V&V and sales of CRU's.* *As stated in the ADD section C of additionality, approved by the validation report, a key component of the project intervention is the establishment and enhancement of a local nursery and technical assistance. This aims to improve the current agroforestry systems with well-suited species that provide shade and offer an alternative source of income, such as fruit trees. La Laja partnered with the Instituto Tecnológico de Huatusco to develop the necessary infrastructure to produce 60,000 seedlings (see article here) for the project. This will ensure the availability and high quality of the seedlings.* *Besides, given the relevance of knowing how to manage the existing agroforestry systems, La Laja has developed a full training on silvicultural practices. This will ensure that coffee, as the main crop, gets the intended benefits of the agroforestry systems; and the benefits of the specific trees given by the Local Partner, either for the coffee productivity or the potential extra source of income (e.g. the harvest of fruit trees). Details regarding the training scheme, topics, schedule and nursery setup are also available in folder Training Evidence in folder PCAR 01.* *Given the time required to cultivate seedlings and strengthen nursery operations since project intervention date, tree planting and distribution is planned to occur over multiple years. This phased approach is aligned with ongoing technical trainings to reflect a strategy of continuous improvement in farm practices throughout the region during the project's lifetime (see "Implementation_Plan_LaLaja.xlsx" in folder PCAR 01).*

	VVB response (16 September 2025): It was agreed by Acorn and Plan Vivo that before the release of the new version of the methodology, which is expected to have new requirements regarding project implementation, this PCAR will be considered and treated as a CAR, assessing the requirements on a case-by-case basis. With the new evidence provided by Acorn and the Local partner, it can be confirmed that the implementation of the project has significantly started and therefore, this PCAR (treated as CAR) can be closed for this project.
G. Status (if applicable)	Closed
H. Forward Actions (describe, if applicable)	N/A
I. Others	N/A