



Annual Report

01 March 2021 – 28 Feb 2022

**Reducing Emissions from Deforestation and Forest
Degradation in the Yaeda-Eyasi Landscape, Tanzania**

**Carbon Tanzania
April 2022**

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Our Vision and Theory of Change

Carbon Tanzania's vision is that forest communities value their environment because of the direct and global benefits they derive from it. The global community invests in intact tropical ecosystems that are a cornerstone of global ecological health.

Who We Are

Carbon Tanzania is the leading Reduced Emissions from Deforestation and Degradation (REDD) project developer and sales conduit for Verified Emissions Reductions in Tanzania. Our innovative approach ensures sound land management that reduces deforestation and is based on community land and ownership rights. Carbon Tanzania manages the value chain ensuring the sales of verified emission reductions result in long-term revenue flow into villages and households within our project areas in a participatory and equitable manner. Carbon Tanzania is a global trading entity represented by a commercial sales and marketing company in the UK (Carbon Tanzania UK Ltd) and a project implementation company in Tanzania (CT Limited).

Carbon Tanzania is an innovative conservation organisation, with an implementing arm registered as a Tanzanian company based in Arusha, northern Tanzania, and as a company limited by shares in the UK. Founded by two dedicated conservation biologists, *Marc Baker and St. John Anderson*, Carbon Tanzania's primary business focus is to provide unique skills, knowledge and experience-based services and interventions that lead to the production and delivery to market of forest-based carbon offsets. These offsets are generated through the actions of local Tanzanian communities conserving and managing their indigenous trees and forests.

Central to Carbon Tanzania's innovative conservation approach is a fundamental respect for local community land rights; this approach generates significant and sustained local economic benefits that incentivize and enable communities to conserve their immediate environment on which their way of life depends. It simultaneously contributes to preserving their traditional way of life and affords local communities increased options for how they manage their land.

Carbon Tanzania is a market leader in providing forest-based offsets to the global voluntary carbon market. It provides a unique, tailored service to its clients including product support, institutional education and corporate social responsibility advice.

Our Theory of Change

We view our role as linking global environmental concerns with local economic and livelihood needs. It is now widely accepted that we need to better manage the impact of greenhouse gas emissions on the global ecosystem in order to maintain and promote a healthy environment for human populations. Equally, rural communities in developing nations face daily challenges around managing their immediate environment that have wider consequences in the global context. Growing awareness of the critical role of tropical terrestrial ecosystems in regulating global climate systems means that there is a self-serving interest for actors in more developed countries (particularly in North America and Europe) to invest in the conservation of forest habitats in the tropics, predominantly located in developing nations. Local communities often keenly appreciate the benefits that they can derive from their natural resources, but these benefits are often intangible, non-fungible and are realised over the long-term. Immediate economic needs can lead communities to accept short-term economic benefits that are too often realised through resource exploitation or donor funded initiatives, neither of which guarantees long-term sustainable returns or safeguards for traditional livelihoods.

Carbon Tanzania seeks to combine elements of conventional integrated conservation and development projects (ICDP) with a "payments for ecosystem services" (PES) approach. In some quarters, REDD has been conceived more narrowly as simply a system of conditional performance-based payments (PES)¹.

¹ Sills *et al.* (2009), The evolving landscape of REDD projects.

Projects developed by Carbon Tanzania are similarly premised on performance-based payments, but we have gone further in developing an approach to project implementation that recognizes the part that can be played by tried and tested interventions. These include participatory land use mapping, boundary determination, development of village land use plans and clarification of tenure.

Carbon Tanzania is the only private sector initiative in Tanzania that has successfully partnered with forest-adjacent communities to develop and implement an internationally accredited avoided deforestation project in natural forest, resulting in payments to communities from the voluntary carbon marketplace. In this regard, Carbon Tanzania has developed a clear understanding, well-regarded track record and proof of concept of how avoided deforestation projects can be successfully developed and implemented in Tanzania, despite the complexity of the operating environment. We have pioneered a business approach to meeting biodiversity conservation goals that simultaneously delivers reduced GHG emissions, improved livelihoods, localised economic development and support for traditional cultural values



Summary of Yaeda-Eyasi Landscape REDD project for 2021

In this first project cycle, 1st March 2021 to 28th February 2022, we have succeeded in operationalizing the entire Yaeda-Eyasi Landscape REDD project under a single management structure, incorporating all aspects of the previous Yaeda Valley REDD project which now makes up part of the greater Yeada-Eyasi project. The Validation of the Yaeda-Eyasi Landscape REDD project this year represents a major event in the development and conservation trajectory for the landscape and communities within. Despite global upheaval, the achievement of limited disturbance to project activities and outcomes represents the strong resilience of the project and communities. The Project Development Document (PDD)(November, 2020) under the Plan Vivo standard (Version 2013) incorporates technical specifications that were validated in February 2022. Through a participatory process communities have employed Village Game Scouts to patrol their own forests and undertake essential community-based monitoring. As teams become familiar with the monitoring frameworks, they are levelled-up with technology such as SMART²/Cybertracker³ monitoring systems, run on rugged GPS-Camera-Phone units. Dynamic data fuels greater and more data driven understanding of developments on the ground. Data collection and response is improved by increased capacity among the growing number of uniformed and trained Village Game Scouts (locally known as VGS). Many VGS in the landscape have received training and certification as official Village Game Scouts (VGS), granting them recognition under a government system of village law enforcement and therefore strong authority to enforce the village's participatory by-laws. The project will continue to work on increasing the capacity of these local forest protectors and monitors and the local governance structures. The previous iteration of the project received the 2019 Equator Prize⁴ from the United Nations Development Programme as "an outstanding example of a local, nature-based solution to climate and sustainable development". Since then, interest in the project has continued to grow at the local, national, and global level. In 2021 Carbon Tanzania leveraged this to undertake the validation of the project in the larger landscape, successfully increasing the area protected and community benefits delivered by multiple factors.



² www.smartconservationtools.org

³ www.cybertracker.org

⁴ <https://www.equatorinitiative.org/equator-prize/>

The activity-based monitoring system from the 2020 PDD forms the basis for annual ex-post issuance of Plan Vivo Credits (see appendix). This activity based-monitoring system incorporates all the community monitoring data, tracks institutional arrangements, conflicts, land security as well as financial flows to communities which are critical to ensure payments for ecosystem services continue to deliver on promises. In 2021, we began building a strong dataset through expanded monitoring in Yaeda-Eyasi. We are committed to using innovative software and modules designed specifically for our communities' needs, this includes a mobile app (Cybertracker) that incorporates all our monitoring requirements, is in Swahili, and is primarily pictorial, allowing for use even among illiterate team members who are some of the best scouts. Data generated improves our specific on the ground understanding of patrol events throughout the Yaeda-Eyasi Landscape. The community guards have become highly proficient with patrols and monitoring, with new guards being coached by others who have years of expertise. Community members and leadership often request and use data and pictures generated through the system to independently support the community's legal claims around land incursions, poaching and other land use issues.

Project summary and request for issuance

| Project overview | |
|--|--|
| Reporting period | 1st March 2021 – 28 th February 2022 |
| Geographical area | Yaeda-Eyasi Landscape, Mbulu and Karatu Disticts. 34.3E/03.30S |
| Technical specifications in use | Reducing Emissions from Deforestation and Forest Degradation in the Yaeda-Eyasi Landscape. 2020. |
| Area under management (ha) <i>Areas put under management since last report (ha)</i> | 110,526.54 ha project area |
| Project indicators to date | |
| Community groups with plan vivo and PES agreements (total) | Twelve village communities, Domanga, Dumbechand, Endamaghan, Endanyawish, Endesh, Eshkesh, Jobaj, Mbuganyekundu, Mikocheni, Mongo wa Mono, Qangdend and Yaeda Chini, following the CCROs / land use plans outlined in the PDD technical specifications. |
| Total PES payments made to communities to date (USD) | 0 USD |
| Total PES in trust | 0 |
| Plan Vivo Certificates issued to date | 0 |
| Allocation to buffer to date | 0 |
| Unsold stock / vintage (as of 28 th February 2022) | 0 |
| Project activity this reporting period | Avoided deforestation |
| Community groups with PES agreements signed | Twelve village communities, Domanga, Dumbechand, Endamaghan, Endanyawish, Endesh, Eshkesh, Jobaj, Mbuganyekundu, Mikocheni, Mongo wa Mono, Qangdend and Yaeda Chini, following the CCROs / land use plans outlined in the technical specifications of the PDD. |
| Approximate number of people | Administrative areas which encompass the project totalled are 61,029 (census) with seasonal variation. Many may be outside of project villages. |
| Area under management | 110,526.54 ha project area |
| PVCs Issued to Date | 0 |
| Total Emissions Reductions achieved in this reporting period | 221,604 tCO ₂ e |
| Allocation to PV buffer account in this reporting period | 49,245 |
| Submission for PVC Issuance (tCO ₂) | 172,359 |
| PVCs available for future issuance (REDD only) | 0 |
| Total PVCs issued (including this issuance) | 172,359 |

Part A. Project updates

A.1. Key Events in chronological order from March 2021 to February 2022

March 2021

– Major project activities start including community-based land and biodiversity monitoring. German, a Datooga local of Eyasi, with extensive background with the communities and local land planning is brought on as Eyasi project manager and added to Yaeda management structure. Village Game Scouts are chosen in new villages, receive training, and start monthly monitoring work. Regina, a Hadza community coordinator joins the team to support her community with planning.

April 2021

– First month of patrols and monitoring is a success in Yaeda-Eyasi. Villages report their VGS stopping illegal tree cutting and ensuring communal grazing follows community desires and traditions.

May 2021

– The Carbon Cup, an educational carbon themed football tournament is held in Yaeda to great applause. The communities that were part of the earlier Yaeda project receive legacy payments and focus on forest protection and development projects.

June 2021

– Yaeda project manager and community member Isack gets married in the Yaeda Valley, all project communities and local leaders join the festivities and showcase cultural traditions, the VGS also send a large contingent to celebrate as does Carbon Tanzania.

July 2021

– Patrols continue throughout the Yaeda-Eyasi Landscape, and data and procedures are assessed to make sure the new villages are comfortable with the protocol.

August 2021

– A team from The National Government, specifically The President's Office - Regional Administration and Local Government come on a learning and research visit to the project as an example of new industry and innovation at a local level in Tanzania.

September 2021

– A team from Aster Global, a VVB, visits the project, to verify all remaining credits from the earlier project and validate the new project.

October 2021

The project is featured as a Global Best Practice at the opening of the Dubai Expo 2020

November 2021

– The last legacy payments from the previous project are made to the communities in Yaeda Chini, Mongo, and Domanga. Associated finance and grievance meetings are held.

December 2021

– The Carbon Tanzania team across Yaeda and Eyasi start to gather the years data on the community, land, and biodiversity aspects of the project for compiling as part of the annual report and review.

January 2022

– Carbon Tanzania collates the year's data and discusses with community to ensure feedback and dialogue about the project and monitoring results before submission

February 2022

– The Yaeda-Eyasi project is Validated. In preparation of the issuance of PVCs and transfer of PES revenue to communities, project work is focused on governance, planning, transparency, and banking protocols.



A community VGS and the education board chairman from Domanga village accepts the 2019 Equator Prize on behalf of the community at the UN General Assembly and climate week in New York City.

A.2. Successes and challenges

Project implementation activities

Land use and ownership rights to the forest resources remain secure. Ensuring by-laws are followed depends on operational revenue generated by the project for communities and local governance structures. Carbon Tanzania fully understands that this essentially means being able to achieve sales levels that meet financial expectations and commitments (see sales section below). Previously, ensuring pastoralist communities follow traditional grazing patterns within the overall land use plan was a challenge, however now the inclusion of many of these communities in the project expansion has greatly reduced this challenge. Furthermore, in this case altered grazing regimes does not lead to deforestation, and is addressed by the communities through their enforcement and protection regimes. Some years heavy rains can mean that areas designated for grazing flood and some cattle grazing is displaced into protected areas. In 2021 this was the case; the results were handled through local agreements and without negative effect on the forest.

Carbon Tanzania and our partners, including the Ujamaa Community Resource Team (UCRT), are constantly communicating and working with district government to ensure transparency. The Tanzanian Government increasingly takes poaching of mega-fauna seriously but poaching in the region is also a local security and livelihood concern for communities. Due to the distances involved and resource challenges, responses to poaching can be limited but Carbon Tanzania and its partner communities continue to work with district officials to meet these challenges. Having full-time project managers based in Yaeda and Eyasi confers increased capacity to be more responsive to community needs and improves our speed and efficiency when gathering information from the communities. By 2021 many of the project VGS had undergone significant professional development at respected institutes such as

Pasiansi⁵ for further training on conducting patrols and wildlife management. All project VGS have been trained and many have received official documentation and recognition from the district, significant in terms of both their capacity and their authority.



Sales

Bringing credits to market at a value that reflects expectations and meets the real costs of project operations is critical to the project success. Though Carbon Tanzania has not yet sold any credits from this project as none have been issued, Carbon Tanzania has an excellent record of achieving sufficient sales to meet and exceed its commitments. Furthermore, Carbon Tanzania has already entered presale agreements for most of the credits to be issued by the project.

In 2021 we continued to maintain strong relationships with local Tanzanian clients. However, COVID-19 has had a dramatic impact on tourism in Tanzania and reduced the need for companies to offset their operational emissions. We plan to continue to sell PVCs in the form of gift certificates to individuals and small companies.

Like the previous project, PVCs from the Yaeda-Eyasi project are already in high demand with most of the interest being from resellers in Europe and America. Delivery of PVCs for long-term VERPAs with myclimate will form the bulk of these sales, as well as occasional orders for credits from other resellers.

A.3. Project Developments

REDD in Yaeda-Eyasi

Since 2020, Yaeda-Eyasi have been under the same management structure, characterised as one greater Yaeda-Eyasi REDD project area. Carbon Tanzania has continued to build its capacity to better manage the project. This includes the continued employment of the Yaeda Valley manager, who lives in Yaeda Chini and manages a Carbon Tanzania office there as well. The project now also employs a local project manager in Eyasi as well as a Hadza governance coordinator from the community. The project managers' role includes district level engagement, mentoring and working with VGS, conducting

⁵ <http://www.pasiansiwildlife.ac.tz>

surveys, collecting, and collating data, as well as organizing and leading trainings and meetings. The managers also provide the link between the project and the village governance structures.

In 2021 the project managers worked to increase management capacity and operational independence as well as furthering integration into their community leadership structures. This includes through the management trainings and workshops they attended at Carbon Tanzania headquarters this year. The project is increasingly run and managed by the Yaeda and Eyasi based offices with less and less reliance on the Arusha headquarters. Many project activities in 2021 were completely conceived and implemented by the local Yaeda-Eyasi project team and the project communities themselves.

The pandemic often limited field visits between offices and field sites and operational independence and authority by our local teams proved invaluable. We commit to continue to ensure this aspect of project can grow and flourish. The constantly improving and expanding mobile and data network in Tanzania and specifically Yaeda-Eyasi has allowed for easier communication between the managers and the core staff based in Arusha.

A.4. Future developments

Our future project developments are the activities and areas on which we will be focusing, as well as the future outcomes we expect to see. VGS capacity will continue to increase through trainings and experience, while many more youth in the landscape will be employed as communities add to their teams. The governance capacity at the local and district level will also benefit from increased project exposure and engagement sessions. The project will continue in its commitment to using participatory principles in all decision making. The sale of the first issuance of PVCs will have large impacts on project scope. Critical development projects and services will begin in the community, and we are currently building the capacity to track this as it happens. Carbon Tanzania will also be hiring finance managers in the landscape to help the communities with their planning, spending, and tracking. The availability of significant payment for ecosystem services in the landscape is sure to increase local vigour for conservation and natural resource management and solidify community investment in the project. The project is also committed to continuing and increasing the use of technology to support the project and the communities and undoubtedly new modalities and methods will be unveiled in the project's future. The project will also certainly manifest in increased access to healthcare for the communities, this may come in the form of medical insurance and funds, mobile health clinics, and increased permeant health infrastructure.

Operational management and planning

Carbon Tanzania has continued operational management and training exercises to clearly identify gaps and needs within the organisation. Carbon Tanzania has identified the need to engage with the Paris Agreement policy where it relates to REDD and is continuing to engage with the Tanzanian government through the National Carbon Monitoring Centre (NCMC) and other government agencies. Engagement includes meetings with the Honourable Minister of the Environment of Tanzania. Carbon Tanzania continues to conduct regular strategy planning, human resource exercises, and meetings. Carbon Tanzania has an established track record of developing, operationalising, and managing large landscape REDD projects in the Yaeda-Eyasi area and across Tanzania. Carbon Tanzania employs empowered operational and management structures and strong planning processes to achieve this. The use of innovative and project specific monitoring system and local management structures across all projects allows the operations team to oversee daily project activities and maintain quality assurance and control. The Arusha headquarters team is always available and equipped to react promptly to any needs arising from the project or the various project stakeholders.

Sales and Marketing

Carbon Tanzania's past inability to fulfil increasing demand for PVCs is one of the main factors for the creation of the expanded Yaeda-Eyasi project. As previously mentioned, most of the PVCs to be issued are already committed to sales. For this reason, we are not dedicating any increased or extra efforts to

marketing the project, beyond maintaining the current exposure that the project has through our digital presence (web and social media), our newsletters, and occasional communications with clients and interested stakeholders. The arrangement with the European reseller means that active marketing of the project is less important to the medium-term financial needs of the project. We will concentrate on working with the reseller to continue to generate marketing and communications content that satisfies the end-buyers and ensures that the key elements and impacts of the Plan Vivo certified project are showcased to the market in general. This medium-term financial security for the project means that sales and marketing efforts can be focussed primarily on why the project design and certification system is an effective framework for delivering long-term rural development hand-in-hand with protecting biodiversity and creating measurable climate mitigation impacts, rather than simply attempting to attract ever more buyers for the PVCs themselves.

Part B. Project activities, total project size and participation

This project works with hunter-gatherer Hadza (or Hadzabe) and Barabaig (a tribe of the Datooga/Taatoga) pastoralist communities in Domanga, Dumbechand, Endamaghan, Endanyawish, Endesh, Eshkesh, Jobaj, Mbuganyekundu, Mikocheni, Mongo wa Mono, Qangdend and Yaeda Chini villages. By working in conjunction with traditional leaders, the elected village governments and a team of community members, Carbon Tanzania has established a system of results-based payments for ecosystem services through the sale of *ex-post* Plan Vivo Certificates (PVCs). This REDD project strengthens land tenure, management capacity and local natural resource management, enhances and diversifies local incomes, and contributes to local, national and global environmental conservation aims.

Table 3. Project Activity Summary

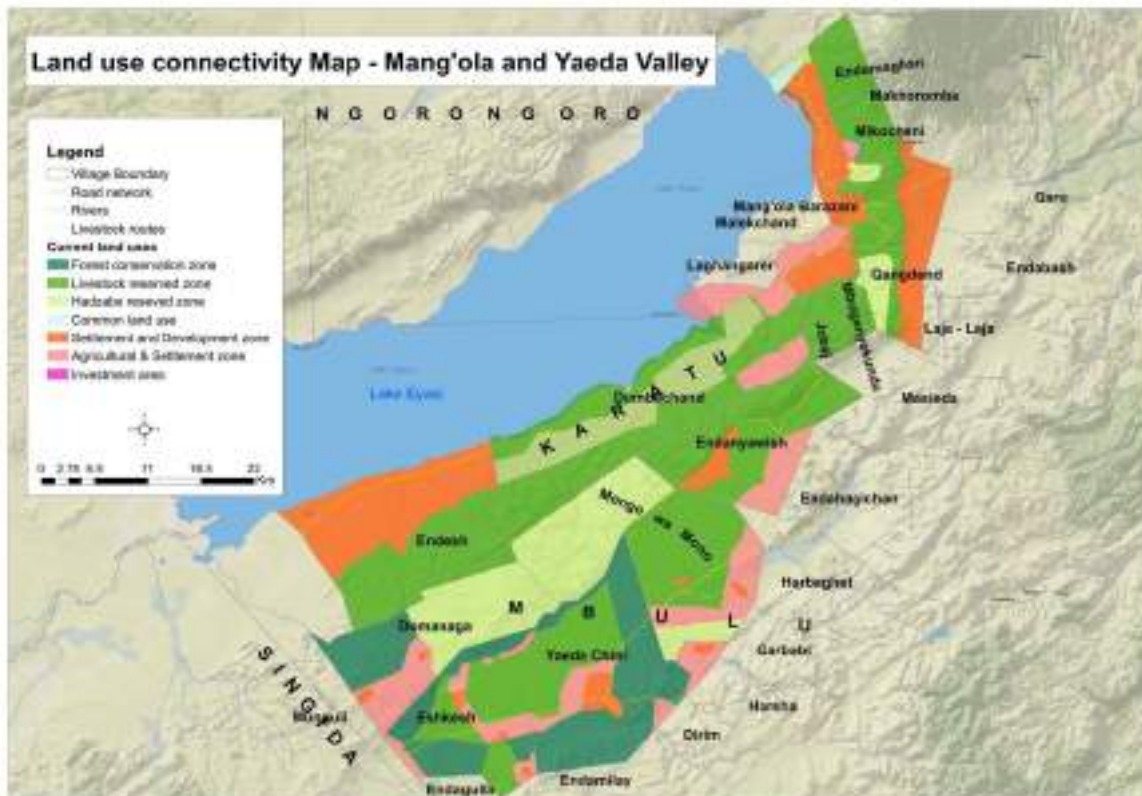
| Name of Technical specification | Area (ha) | No households | No communities |
|---------------------------------|---------------|---------------|----------------|
| REDD in Yaeda-Eyasi 2020 | 110,526.54 ha | n/a | 12 |

Successful avoided deforestation is being achieved through a series of interventions including reinforcing the implementation of the approved village land use plan (see Land use plan map B1) and associated village by-laws, improving forest conservation and management activities, and addressing the primary driver of deforestation, slash and burn agriculture.

The community members are achieving these aims by patrolling and reporting any land use change and / or poaching activities, which are occurring illegally within the designated project area. This data, with support from external government agencies, is being used to tackle illegal land intrusion and resulting land conversion at both a local and district level.

Famers are supported through designated areas within the villages that have been identified based on best fit for agriculture; analysis of aspect and soil type allow for improved agricultural conversion but are external to the project activities and area (B1) and any counted carbon.

B.1. Land use plan for Yaeda-Eyasi Landscape



Part C. Plan Vivo Certificate Issuance Submission

C.1. Carbon Tanzania is applying for issuance of 172,359 PVCs based on contractual agreements with Domanga, Dumbuchand, Endamagham, Endanyawish, Endesh, Eshkesh, Jobaj, Mbuganyekundu, Mikocheni, Mongo wa Mono, Qangdend and Yaeda Chini villages who have successfully carried out their obligations stated in the contractual agreements. This is reflected in the activity-based monitoring results and collated in Part E of this annual report.

Table 4. Statement of tCO₂e reductions available for issuance as PVCs, based on activity for reporting period March 2021 – February 2022.

| Area ID | Total area (ha) | tCO ₂ e available from previous periods | Total tCO ₂ e achieved this period | Non-permanence Risk % buffer | No of PVCs allocated to buffer account | No of PVCs requested from saleable carbon | tCO ₂ e available for future issuances |
|-------------|-----------------|--|---|------------------------------|--|---|---|
| Yaeda-Eyasi | 110,526.54 | 0 | 221,604 | 20% | 49,245 | 172,359 | 0 |

Table 5. Allocation of issuance request

| Buyer name / unsold stock | No of PVCs transacted | Registry ID if destined for unsold stock | Tech spec associated with issuance |
|---------------------------|-----------------------|--|------------------------------------|
| Carbon Tanzania | 172,359 | 103000000002262 | REDD in Yaeda-Eyasi |
| TOTAL | 172,359 | | |

C.2. Data to support issuance request

Data supporting issuance request is listed Part E. Monitoring Results.

Part D. Sales of Plan Vivo Certificates

D.1. Sales of Plan Vivo Certificates

Though there were no sales this period as project PVCs were yet to be issued, demand for project PVCs was very high, and most PVCs to be issued are already committed to sales agreements. Sales are primarily to international resellers with the remaining sales made to a combination of Tanzanian tour operators and individuals and organisations both directly and through Carbon Tanzania’s website portal – see Table 7 below.

Table 6a. Consolidated figures for Carbon Tanzania sales and corresponding Markit Registry retirements and transfers, project start to February 2022

| Reporting period | Total tonnes sold in reporting period (various vintages) | Vintage on registry | Tonnes issued | Total retirements / transfers from vintage | Unsold stock (balance) |
|------------------|--|---------------------|---------------|--|------------------------|
| 2021-22 | - | - | - | - | - |
| Totals | - | - | - | - | - |

Currently Carbon Tanzania has two sales channels for its offsets: *direct sales and indirect sales (resellers).*

Direct Clients: Carbon Tanzania has developed a unique customer base in the Tanzanian tour operator sector that initially relied on the personal relationships of its founders with the target customers and has subsequently evolved to include tourist outfitters and lodge and hotel owners seeking to enhance their eco-travel credentials. The local credibility of Carbon Tanzania combined with the relevance of the project activities to customer priorities means that new customers are being added in this segment regularly. However, the drastic reduction in travel in 2021 due to the Coronavirus pandemic has directly impacted the offsetting demands in the Tanzanian domestic market, reflected in our reduced sales to this sector in 2021.

International Resellers: In 2021 various global resellers continued to sell offsets on behalf of Carbon Tanzania, and our reseller business now forms the bulk of our volumes purchased.



Domanga based VGS or traditional scouts on patrol.

Table 7. Buyer classes, buyers, and transaction volumes March 2021 to February 2022

| Customer Name | Tonnes | Vintage | Price | Revenue |
|-------------------------------------|--------|---------|-------|---------|
| Direct sales (Tanzania) | | | | |
| - | - | - | - | - |
| Direct sales (International) | | | | |
| - | - | - | - | - |
| Indirect Sales (resellers) | | | | |
| - | - | - | - | - |
| Totals | - | - | - | - |

NB. Carbon Tanzania plans to pay communities aggregated payments around May and November as shown in the project timetable Part H. This is done to balance financial needs, such as school fees that are paid at a specific time of year and with availability of natural food (May being end of wet season and November end of dry season).

Part E. Monitoring Results

E.1. Ecosystem services monitoring - Activity based monitoring

Monthly community-based monitoring of the project area forms part of the activity-based monitoring schedule. The community monitoring reports on three potential threats; 1) Illegal land incursion resulting in habitat loss, thus loss of above ground biomass (this is within the project area and leakage area); 2) overgrazing or illegal cattle incursion and associated construction of cattle corrals (known locally as a 'boma'); 3) poaching or illegal bush meat hunting, this being a socio-economic issue for the Hadzabe. Paper forms and the matching SMART/Cybertracker mobile app system are used to gather monthly data. As VGS teams build increased capacity they are migrated to the digital system. Community-based monitoring is compiled monthly by the project staff and sent to the project coordinator in Arusha to be added to the activity monitoring database. Many VGS are experienced and are already using the system with high efficiency, providing a myriad of useful data and metadata. Incidents recorded with GPS locations and photos through this simple and secure procedure are exceedingly valuable for project follow-up as well as internal community and legal uses.

The community-based monitoring aims to record events systematically to allow for presentation and discussion with the communities, village, project partners and district government. Importantly, the monthly community-based monitoring also tracks how these issues were dealt with by local authorities so that UCRT, Carbon Tanzania and local authorities can follow up in village and district meetings on how potential issues can be resolved. District and other authorities can be engaged to deal with land incursion and conflict, and are available when needed to support VGS in their routine natural resource protection activities. This relationship is managed by the communities.

The monitoring plan uses activity-based monitoring indicators to trigger annual issuance of PVCs and deforestation analysis to verify the project on a 5-year basis. Activity-based monitoring is used to demonstrate whether the project is on course to achieve expected climate benefits and non-carbon benefits. Each indicator has annual performance thresholds throughout the monitoring period (see table below). These indicators include a range of potential changes in the legal status and institutional capacity of the participating villages and organisations, as well as land use changes that may result in failure of the project to achieve its stated carbon and non-carbon benefits.

Annual issuance is triggered by a continuous process of qualifying the incidence or reporting of changes in community user rights over forest-based resources, community land rights and village land use plans, the consistency of management institutions, effort spent on conflict resolution and the monitoring reports by the VGS of land use change, and finally the payments to VGS and communities from carbon revenue. Indicators that relate to policy, law, management capacity and financial payments are monitored by both UCRT and CT as part of normal operating procedures to ensure contractual obligations to participating villages and communities

E.2. Activity-based monitoring results - refer to the activity-based monitoring schedule in the appendix.

Green: Indicates that the project is on track to achieve the expected climate benefits and issuance continues as per the performance targets and contractual agreements with the communities.

Orange: Indicates some project activities are not on track to deliver the expected climate benefits. If one or more of these indicators are orange, then corrective actions are needed and are to be reported in the annual report to Plan Vivo. Issuance may be withheld from Carbon Tanzania and revenue may be withheld from communities depending on the indicator or the performance.

Red: Indicates that project activities are not on track to deliver the expected climate benefits. If the project has one or more red indicators, corrective actions are required, and issuance is withheld from Carbon Tanzania and payments are withheld from communities until evidence is shown of corrective action being taken.

Table 8. Activity-based monitoring results.

| Indicator | Thresholds | | | Means of verification / comment on threshold |
|---|------------|--------|-----|---|
| | Green | Orange | Red | |
| Community user rights over forest-based resources | | | | Land use plans are in place, no changes made to law or policy on user rights |
| Community tenure, ownership and rights over land | | | | CCROs are in place, no changes made to law or policy on ownership |
| Management Institutions | | | | All bi-annual finance and grievance meetings are attended by all management institutions. Both Ujamaa Community Resource Team and Carbon Tanzania are engaged and working within Yaeda-Eyasi. All village meetings are recorded and filed in the CT office. |
| Effort spent on conflict resolution by UCRT | | | | Only 5 days were spent in Yaeda-Eyasi by UCRT in 2021 related to pastoralist conflict and cattle enclosures in the project area. Target: <=14 days |

| | | | |
|--|--|--|---|
| Coverage by community guards | | | Monthly reports indicate approx. 80% of project area was covered in 2021 in Domanga, Dumbechand, Endamaghan, Endanyawish, Endesh, Eshkesh, Jobaj, Mbuganyekundu, Mikocheni, Mongo wa Mono, Qangdend and Yaeda Chini ⁶ |
| Land use change | | | There has been a reduction in cattle enclosures built inside the project area and leakage area thus reducing land clearance. Furthermore, there has been no land use change related to agricultural clearing in either the project or leakage areas. All infringements of by-laws have been reported and acted upon. Prior project verifications showed the model's ability to ensure land use change decreases compared to the baseline. |
| Payments to the community guards, communities and local government | | | All payment schedules, specifically payments to guards have been met. Major payments to communities will start upon issuance. |

As this period all indicators are green the project is on track to achieve the expected climate benefits including deforestation reduction by >80% of baseline conditions (risk and permanence buffer already removed). As such all payments continue as scheduled and issuance is achieved as per the project performance targets and contractual agreements with the communities.

Graduate village game scouts from Pasiansi training school, Mwanza, Northern Tanzania



⁶ SMART allows us to better understand and track patrolling and as such we are expanding the program.



E.3. Land use monitoring

Table 9. Results of land use monitoring

| Threat | Occurrence | Reporting and action by community | Reporting and action by village / district |
|---|--|---|---|
| Unplanned agriculture | There were minor incidents of unplanned agriculture reported within the project area. | Incidents reported to village government. | Agriculture was halted. Areas to be reassessed in future patrols. |
| Illegal hunting (poaching) | There were illegal hunting incidents recorded in the project area. The incidents did not involve Elephant poaching; and were reserved to illegal meat poaching. No incidents involved a vehicle, and one involved a firearm. | Incidents reported to village and district government. | Incidents reported to district and local police. Arrest made in case of firearm. |
| Non-agricultural land conversion | Unplanned boma construction by Taatoga pastoralists is reduced and is rarely recorded both on the edge and inside the project area. In some areas temporary boma construction is allowed seasonally. | VGS and villages ask the Taatoga not to clear land within the project and report to the village chairman and Taatoga leaders. VGS may record boma construction, but these are often gone by the onset of the rains in December. | Reported to Village Chairpersons who reiterate governance and legal frameworks around refraining from habitat clearance in the project area. |
| Illegal cattle incursion | Illegal cattle incursions during the end of the dry season continue across the landscape though are reduced from the baseline. Whilst this has no impact on above ground biomass, cattle herds displace wildlife so is a socio-economic issue for the Hadzabe. | The community and UCRT continue to communicate the land use plan. The land use plan is also physically demarcated with beacons throughout the valley. This is important as often the illegal cattle belong to outsiders who are not aware of local land use planning. | UCRT and Carbon Tanzania continue to engage people about land use planning. Physical boundaries of the land use plan still in place and assessed to be functioning. |

Water Availability

Due to heavy rainfall in recent years surface water was reported to be available all year in both the Yaeda and Eyasi Basins.

E.4. Biodiversity monitoring

The Hadza are one of Tanzania's most distinctive and threatened human cultures, with a deep reservoir of indigenous knowledge pertaining to natural resource use. The Hadza are strict, almost obligate, hunter-gatherers and do not raise any livestock, although some do keep fields of domestic crops (indigenous African millet). Whilst famine might be part of the cultural history of neighbouring pastoralists or agriculturalists, this is not the case for the Hadza as they can survive on a rich diversity of foods. As the Hadza are able to exploit a wide range of seasonally available birds, mammals, and plant species our biodiversity monitoring program is interested in what types of mammals are observed on an annual basis.



The Yaeda-Eyasi forest in Domanga village

Avifauna

Avifauna are good long-term indicators of ecosystem health. Previous monitoring by external teams using Timed Species Counts (TSCs) were completed year on year in two locations inside the project area (within undisturbed Acacia–Commiphora woodland) and outside the project area (within mixed woodland and agriculture). The use of TSC counts allows for comparative analysis of species diversity between the two areas and consistently showed total species recorded in the Acacia-Commiphora woodland to be higher than in the edge of agricultural areas.











Mammals

Mammals were monitored by the community teams as an indication of presence. Larger mammal species can be split into two classes, resident and migratory, in 2021 the following mammal species were observed within the project area. The Monitoring sheets and SMART/Cybertracker system identify specific species to be monitored and reported on related to ecological and socioeconomic importance. When available pictorial, and spatial data is taken for observations. Many other non-specified mammals are encountered during patrols but are not tracked individually. It should be noted that many of these large mammals range over large areas and data on movement is limited, we therefore ensure that our data is passed into the Tanzania Mammal Atlas, which in turn informs better conservation management across the larger landscape. Furthermore, this means that lack of observation of a species does not necessarily indicate its presence or status in an area. Data is also discussed and shared with the community to ensure it conforms with their expert and everyday experience of wildlife trends on their land.

Table 10. Mammal records for 2021: R: known resident; M: Possibly migratory; R/M?: Unknown resident / migratory status.

| Species | Resident or migratory | # of observations | Notes |
|----------|-----------------------|-------------------|--|
| Giraffe | R | 157 | Resident populations with some migrant individuals |
| Elephant | M/R | 280 | Resident populations with some migrant individuals |
| Zebra | R | 354 | Common resident |
| Impala | R | 1717 | Common resident |
| Kudu | R | 419 | Common and highly prized by Hadza |
| Eland | R/M? | 245 | Known to range over large areas |
| Buffalo | R | 29 | |
| Warthog | R | 21 | Common |
| Leopard | R | - | No records but community claims seen this period |

| | | | |
|----------|------|----|--|
| Lion | R | - | No records but community claims seen this period |
| Wild Dog | R/M? | 13 | Known to range over large areas |

| Ripoti Kitu Gani | | Mnyama Gani | |
|------------------|--|-------------|--|
| Kilimo Haramu |  | Twiga |  |
| Ukataji Wa Miti |  | Tembo |  |
| Ujangili |  | Punda Milia |  |
| Mifugo Haramu |  | Swalapala |  |
| Wanyamapori |  | Tandala |  |

Screenshots from SMART/Cybertracker system used by scouts to monitor land use change and wildlife.
Screenshots of wildlife tracks from community patrols in Yaeda-Eyasi using SMART/Cybertracker system.



Leopard



Impala



Elephant



Kudu



Giraffe



Wild Dog



Poachers' traps discovered and removed by community guards while on patrol using SMART/Cybertracker.

E.5. Socio-economic impact monitoring

| Impacts | Assumption | Indicator | Results | | | |
|--|--|---|---|--------|------|-----|
| | | | Good | Medium | Poor | |
| Awareness of project participants about the project | If people in the project are actively participating in project activities and decision-making, they will be more aware about the project | % of project participants who feel they have good/medium/poor knowledge about the project | | | | |
| | | | Men | 71% | 19% | 10% |
| | | | Women | 62% | 21% | 17% |
| Community income from carbon sales | If income from carbon sales increases, there will be enhanced benefits for the community (in terms of more project-supported activities) | Income from sales Spending on community activities | No sales this reporting period as issuance not yet achieved. Significant presale agreements achieved, and forward finance provided to communities for governance and land rights enforcement. | | | |
| Individuals benefitting from project training and education payments | Investment into education leads to increased education and employment therefore individuals benefit | Number of individuals receiving training, education, employment | 362 individuals received training, education, employment. | | | |

Part F. Impacts

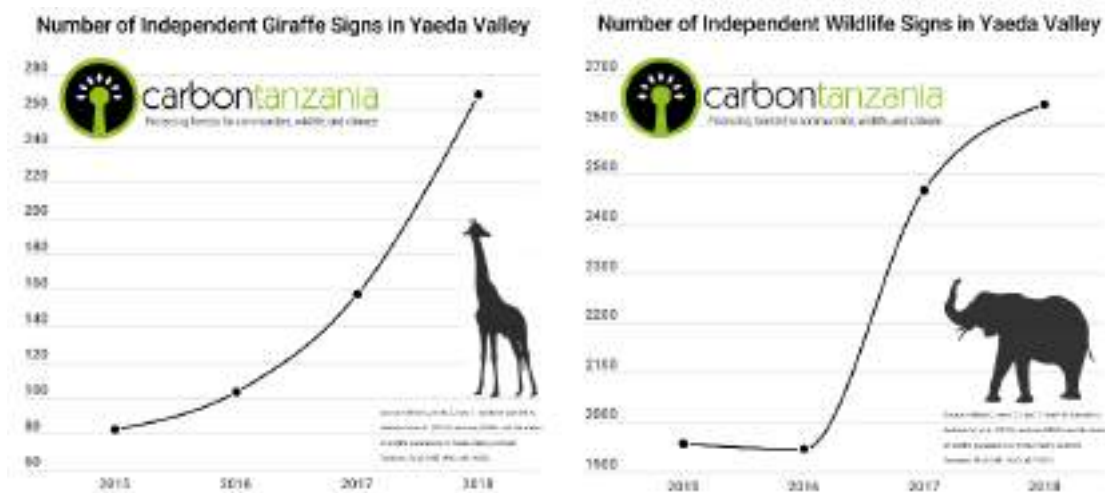
F.1. Evidence of outcomes

Community

In terms of social impacts and outcomes, the community benefits continue to function at a high-level as shown in our Activity based monitoring results (Table 8). Project communities whose livelihoods are directly reliant on ecosystem function have garnered direct benefits from the successful protection, conservation, and sustainable use of their natural resources this monitoring period. The project’s strengthening and enforcement of community land and resources right also was a major community outcome in 2021. The community’s governance structures have been strengthened through interaction with the project and through training sessions, this benefits the project but also the village’s overall function in its general activities. All project villages have been able to generate local employment for community members in the position of Village Game Scouts and expanding opportunity for employment in ensured in the future. The project maintained the capacity of local stakeholders to deliver medical benefits to communities and healthcare access will continue to be a project focus. Overall, it can be stated that the project met the targets for community impacts and outcomes, centred on livelihoods employment, awareness, and governance.

Biodiversity

During the 2021 project cycle, community-based biodiversity monitoring and community testimonials continued to reinforce the project’s case for positive biodiversity impact. As reported in Table 10, community sightings evidence high biodiversity. Hadza are among the most ecologically knowledgeable groups globally and the community suggestion of increasing wildlife holds merit. Datooga who also regularly traverse the landscape and project area also report a sentiment that there is increased wildlife. Furthermore, the avoided deforestation being achieved by the project is inherently good for biodiversity as it preserves the key habitat that underpins the ecosystem. In 2019 a paper was published on Carbon Tanzania’s REDD model’s impact on biodiversity in Yaeda⁷. The results showed that across the area wildlife populations were either stable or increasing. Specifically of note is the increase in Masai Giraffe, an endangered species, that otherwise have seen declines throughout their range due to bushmeat poaching. This is a strong indicator of the model’s ability to achieve real robust biodiversity impacts.



⁷ Kiffner C, Arndt Z, Foky T, Gaeth M, Gannett A, Jackson M, et al. (2019) Land use, REDD+ and the status of wildlife populations in Yaeda Valley, northern Tanzania. PLoS ONE 14(4): e0214823. <https://doi.org/10.1371/journal.pone.0214823>

Part G. Payments for Ecosystem Service update

As the project is pre-issuance there were no sales of PVCs this period and thus no corresponding PES payments resulting from revenue sharing. All payments made to producers are based on contractual agreements and communities meeting their monitoring targets. Revenue dispersal is informed by scheduled community meetings – an example of payment structures and reporting are outlined in Annex 2. In all cases no payments have been withheld during this reporting period.

Table 11: Summary of payments made and held in trust

| Reporting Period | (1) Total previous payments (USD) | (2) Total payments held in trust until May / Nov 2022 (USD) | (3) Total payments withheld (USD) |
|-------------------|-----------------------------------|---|-----------------------------------|
| March 21 – Feb 22 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 |

Part H. Ongoing Community Participation

Community autonomy and participation are cornerstones of the Yaeda-Eyasi project and have been ongoing throughout the 2021 - 2022 project period. Carbon Tanzania has bi-annual finance and grievance meetings with the community in May and October every year (see table 12). In addition to these meetings, quality assurance visits are made every trimester to collect monitoring data and carry out specific tasks. The dates of the financial planning meetings are chosen to coincide with project issuance, contractual agreements and peak needs of the community (see table 12 below), which are usually related to seasonal conditions. Carbon Tanzania schedules payments to the communities to coincide with the annual meeting in May, which allows for a delivery of the annual report and monitoring data to the communities and the payments which reflect the results-based payment plan. Carbon Tanzania maintains an office and 4 full time staff in the project area, all of whom are community members. There is also constant communication between the communities, community leadership, and Carbon Tanzania staff at all levels of the organization. Recent improvements in mobile networks continue to strengthen community communication and participation.

Table 12. Time frame – meetings, data, seasonality and community needs. Green: wet season & brown: dry season.

| Month & Season | Operational activities | | Community revenue incoming / outgoing <i>Issues effecting communities</i> |
|----------------|--|---|---|
| | Carbon Tanzania role | Communities role | |
| January | | Monthly patrols and reporting to project coordinator | School fees due to government schools |
| February | Quality Assurance visit trimester 1 | Monthly patrols and reporting to project coordinator | <i>Availability of grazing, tubers, and fruiting plants provides indigenous food.</i> |
| March | | Monthly patrols and reporting to project coordinator | <i>Availability of grazing, tubers, and fruiting plants provides indigenous food</i> |
| April | Annual Report | Monthly patrols and reporting to project coordinator | <i>Availability of grazing, tubers, and fruiting plants provides indigenous food</i> |
| May | Bi-annual community/village government meetings Quality assurance trimester 2 | Bi-annual community/village government meetings Monthly patrols and reporting to project coordinator | Revenue use is planned for the coming dry season -allocation of revenue towards priorities, development, infrastructure, protection, health, education, food |

| | | | |
|-----------|---|--|--|
| June | Quality Assurance visit trimester 2 | Monthly patrols and reporting to project coordinator | Maize crop becomes available at low cost |
| July | | Monthly patrols and reporting to project coordinator | Maize crop becomes available at low cost so food can be bought in bulk and stored |
| August | | Monthly patrols and reporting to project coordinator | <i>Food scarcity begins, greater nomadic movement by communities – increased dependency on use of maize and agricultural output</i> |
| September | Quality assurance trimester 3. | Monthly patrols and reporting to project coordinator | <i>Food scarcity - dependency on use of maize and agricultural output</i> |
| October | | Monthly patrols and reporting to project coordinator | <i>Undushibi berries become available – indigenous food begins end dry season (NB. This can vary)</i> |
| November | Bi-annual community/village government meetings | Bi-annual community/village government meetings | <i>Indigenous foods and grazing become more widely available reducing stress and increasing community cohesiveness. Revenue use is planned for the coming wet season</i> |
| December | | Monthly patrols and reporting to project coordinator | <i>Community planning toward next year including upcoming school fees</i> |

The main aim of these meetings is to discuss updates around the project and carbon sales and to inform the community of available revenue. They also provide an official forum for communities to voice any grievances. These gatherings involve community members and village government and allow for discussions on what money should be spent on and any problems arising from within the community (see section 5). These meetings are attended by Carbon Tanzania as observers.

Part I. Project operating costs

The direct costs for the implementation of the Yaeda-Eyasi REDD Project are presented in Table 13 below.

Carbon Tanzania implements the Yaeda-Eyasi REDD Project through its operational entity in the United Republic of Tanzania, CT Limited, which also develops and oversees other forest conservation projects. As a registered business, the company's costs are reported broadly according to standard accounting practice, with the Yaeda-Eyasi REDD Project representing one of the cost centres for the company. There was no community share of gross revenues as there was no issuance yet and therefore no sales of PVCs, as such there have been advance payments to the resource owners to ensure they can cover operation costs and undertake the project, specifically to pay and cover the scouts (forest protectors) costs and project related governance costs, this amounted to \$12,133 (shown below as "Community payments") is viewed as partly investments costs incurred and partly advance payment to the resource-owners, and therefore a **direct** cost to the business of implementing the project (this total in Table 13 is USD81,227, of which partly is sunk cost borne by the company and partly \$10,696, scout costs may be off against future PVCs sales depending on community desire).

In addition to this the company reports other **direct** costs of implementation that are borne by the company in order to ensure that MRV obligations and other management needs are met (in Table 13 this figure is USD28,582).

The remaining revenues are reported as income to the company, which are used for **indirect** business costs of running the business in Tanzania (shares of salaries, legal and financial / tax compliance, overheads and travel) during the development of the project itself, periodic validation and verification costs for the project, the development of the company and the sales and marketing costs associated with selling the PVCs into the voluntary carbon market. This balance in the reporting period is approximately USD40,532.

It should be noted that the Yaeda-Eyasi project has been validated and agreements are in place to sell PVCs upon issuance, this will result in a significant increase in community revenue ensuring significant

impacts and community benefits as well increased protection through the effectively and participatory use of revenue.

Table 13. Breakdown of Operational Costs 2021 (March 2021 – Feb 2022)

| Expense | Narrative | Cost (US\$) | Contribution from sales of Plan Vivo Certificates |
|--|--|---------------|---|
| Community payments (Scouts / benefits and services villages etc.) | | | |
| | Scouts | 10,696 | 0% |
| | Hadza Community benefits | 0 | 0% |
| | District, Ward and Villages | 0 | 0% |
| | Other Payments (health, education, training, governance) | 1,417 | 0% |
| | Total | 12,113 | |
| Office / admin and organizational Costs | | | |
| | Printing and communication | 0 | 0% |
| | Rent and utilities | 104 | 0% |
| | Yaeda Project Manager | 22,841 | 0% |
| | Field expenses (vehicle, fuel, etc..) | 4,917 | 0% |
| | Travel and accommodation | 720 | 0% |
| | Total | 28,582 | |
| Consultancy | Professional fees | 0 | |
| Audits | Validation costs (VV work) | 15,125 | 0% |
| | PIN | n/a | 0% |
| | PDD | 67 | 0% |
| | Tech Spec | n/a | 0% |
| | Issuance (2021) | 0 | 0% |
| | Project visit | 1,408 | 0% |
| | Total | 16,600 | |
| Marketing | Consultant fees / website development / conferences | 23,932 | 0% |
| Total project related costs | | 81,227 | |

Annex 1. Activity monitoring indicators for issuance of annual ex-post credits (results are shown in Part E.)

Green: Indicates that the project is on track to achieve the expected climate benefits and issuance continues as per the performance targets and contractual agreements with the communities.

Orange: Indicates some project activities are not on track to deliver the expected climate benefits. If one or more of these indicators are orange, then corrective actions are needed and are to be reported in the annual report to Plan Vivo. Issuance is withheld from Carbon Tanzania and revenue may be withheld from communities until evidence is shown of a corrective action being taken and having an impact.

Red: Indicates that project activities are not on track to deliver the expected climate benefits. If the project has one or more red indicators, corrective actions are required, and issuance is withheld from Carbon Tanzania and payments are withheld from communities until evidence is shown of corrective action being taken.

| Activity-based indicators | | | | | |
|---|--|---|--|--|--|
| Indicator | Thresholds | | | Means of verification | Corrective action |
| | Green | Orange | Red | | |
| Community user rights over forest-based resources | User rights over forest-based resources are enacted through national laws and acts governing natural resource use. Knowledge of these laws and acts is understood by participating communities. | User rights over forest-based resources are enacted through national laws and acts governing natural resource use. These laws and acts are not fully understood by participating communities. | New acts governing resource use are proposed by the government removing ownership rights from participating communities that directly impact the legal basis of this project. | <ol style="list-style-type: none"> 1. CT and UCRT closely engaged and follow policy development with local and national government. 2. Training is continually being conducted on user rights with participating communities. 3. Records of process kept as well as all relevant legal documentation. | Project coordinator works with communities on a plan to resolve any issues and secure rights are protected and understood. |
| Community tenure and ownership over land | Land use plan and associated by laws are documented and implemented. Boundaries are clear and well understood. Community rights over land are secure through Community Customary Rights of Occupancy (CCRO). | Conflict over land use zones, the land use plan or changes to village land planning laws create unplanned changes to the current land use plan and associated Community Customary Rights of Occupancy (CCRO). | Conflict over land use zones, the land use plan or changes to village land planning laws create unplanned changes resulting in voiding of current land use plan, management regime and CCRO. | <ol style="list-style-type: none"> 1. CT and UCRT and closely engaged and follow policy development with local and national government. 2. Boundary markers are in place and accompanied by clearly marked signs. 3. UCRT work to manage any potential land use conflicts. 4. Records of process kept as well as all relevant legal documentation. | Project coordinator works with communities on a plan resolve any issues and secure rights are protected and understood. |

| | | | | | |
|---|---|---|--|--|---|
| Management Institutions | UCRT, CT, village government and tribal leaders continue to work towards the common goal of improved land management. Project equipment is functioning, and meetings and reports are continuing as normal. | Either UCRT, CT, village government or tribal leaders decide to opt out of the goals of improved land management resulting in a restructuring of contractual agreements. Some project equipment is not functioning, and some meetings or reports are not continuing as normal. | Management institutions collapse leading to lack of cohesion within local government or tribal leadership. CT or UCRT cease to operate resulting in a failure of project operations. Project equipment is not functioning meetings or reports are not continuing as normal. | Reports from village government and tribal leadership. Monthly monitoring indicates discourse between parties. CT and UCRT work closely with local, regional, and national government agencies. equipment checks and review of meeting and reports by project coordinator. | Fix or provide any missing or broken equipment. Schedule missed meeting or address reason for failure to meet/report. Address any issues to arise in meetings. |
| Effort spent on conflict resolution by UCRT | UCRT spend <=14 days a year dedicated to land conflict in the project area. No grievances are logged through CT official grievance mechanism | UCRT spend <= 1 month a year dedicated to land conflict in the project area and/or a grievance is logged through CT official grievance mechanism and not addressed | UCRT spend >=2months a year dedicated to land use conflict in the project area and/or multiple grievances are logged through CT official grievance mechanism and not addressed | UCRT report activities to Carbon Tanzania through scheduled communication meetings. Carbon Tanzania policies allow for official grievance reporting and redress. | Address any specific grievance logged directly with CT through relevant company and contract mechanisms. Work to understand any land conflict and how it may affect the project, support UCRT and the community to resolve conflict fairly. |
| Coverage by Village Game Scouts (VGS) | VGS have patrolled and reported on >=50% of project area | VGS fail to cover or report on >=20% of project | VGS fail to patrol, collect data or report on project area | Smart / cybertracker provide quantitative data on movement by VGS. | Work with community to ensure VGS are patrolling sufficiently, including supporting the VGS in whatever may be holding them back from achieving proper level of coverage. |
| Land use change | VGS reporting through the monthly monitoring system indicate no significant land use change | VGS reporting through the monthly monitoring system indicate significant farming or land clearance within the project area. The village government immediately acts on | VGS reporting through the monthly monitoring system indicate significant farming or land clearance within the project area. village government | Monitoring by VGS is continuous SMART / Cybertracker provides evidence of land use change which is reported to village and district government. By-laws enacted through the land use plan make it illegal | Review land use change and causes with community. Make sure support is available to remove barriers to community action. May effect PES payments if no |

| | | | | | |
|---|---|---|--|---|--|
| | occurred within the project area. | information and reports to CT and UCRT. | fails to act on information and report to CT and UCRT. | to farm or clear land in the project area. CT receives regular reports on land use changes. | action is taken and performance targets not met. |
| Payments to the VGS, communities and local government | Monthly payments to the VGS provide the incentive to carry out project activities and community payments are realized to ensure all community members and local government parties benefit from carbon revenue. | Monthly payments to the patrol teams provide the incentive to carry out project activities however revenue to communities and local government parties is not paid. | No payments are made to patrol teams, communities, or local government and no benefits are realized from carbon revenue. | CT conducts its own sales and marketing to ensure revenue is available from sales of carbon offsets and is able to predict and manage payments to communities, village and district government. Payment records kept are kept by CT. | If payments are not being made, follow up and resolve specific barrier to completing payments. Potentially review and augment process of VGS/Community payments if the systems aren't working or communities aren't satisfied. |

Annex 2. Payment structure to communities

(This represents an example of how spending will be reported on and potential categories)

CARBON TANZANIA

Community Payments
Nov-20

Total Funds available
(Based on sales, May 2020 to Nov 2020) 80,714,600.00

| Domanga | | | Mwaga wa Mwaga | | | Yaada Chini | | |
|---------------------------------------|------|----------------------|---------------------------------------|-------|----------------------|---------------------------------------|------|----------------------|
| | % | 27,600,000.00 | | % | 27,600,000.00 | | % | 31,514,600.00 |
| Hadaza – Community | 57% | 14,610,000.00 | Hadaza – Community | 49.0% | 12,520,000.00 | Community | 67% | 21,267,610.00 |
| Less - Scout payment previous 6 month | 22% | 6,090,000.00 | Less - Scout payment previous 6 month | 26.0% | 7,170,000.00 | Less - Scout payment previous 6 month | 18% | 5,520,000.00 |
| Less Haydon fuel Clinic | 0% | - | Less Haydon fuel Clinic Costs | 0.0% | - | Less Clinic Costs | 0% | - |
| Domanga Village | 10% | 2,760,000.00 | Mwaga Village | 10.0% | 2,760,000.00 | Village Government | 0% | - |
| Mbulu District | 10% | 2,760,000.00 | Mbulu District | 10.0% | 2,760,000.00 | Mbulu District | 10% | 3,151,400.00 |
| TB/TRA clinic | 0.0% | - | TB/TRA clinic | 0.0% | - | TB/TRA clinic | 0.0% | - |
| Eshkesh Ward | 5% | 1,380,000.00 | Yaada Ward | 5.0% | 1,380,000.00 | Yaada Ward | 5% | 1,575,730.00 |
| Total | | 27,600,000.00 | Total | | 27,600,000.00 | Total | | 31,514,600.00 |

Annex 3. Retirements and transfers Markit registry March 2021 – Feb 2022

(This represents an example of how retirements and transfers will be reported on)

Retirements 2021

| Vintage | Qty | Serial Number | Retirement Date | Retirement Remarks |
|---------|-----|---------------|-----------------|--------------------|
| - | - | - | - | - |

Transfers 2021

| Source Account ID | Source Account Name | Destination Account ID | Destination Account Name | Vintage | Qty |
|-------------------|---------------------|------------------------|--------------------------|---------|-----|
| - | Carbon Tanzania | 0 | 0 | - | - |

Annex 4. Historical Sales Record

(This represents an example of how historical sales will be reported on)

| Reporting period 1 (start to Feb 2022) | | | | |
|--|--------|-------|---------|------------|
| Buyer | Tonnes | Price | Vintage | Total sale |
| - | - | - | - | - |
| Totals | - | - | - | - |