



## TRAINING ON FARMER CARBON RIGHTS AGREEMENT FOR TREES FOR THE FUTURE

### LEAD FARMERS MEETING TALKING POINTS

#### INTRODUCTION

This will introduce the carbon project broadly. How it will be implemented and narrate the benefits of the FG then introduce the issue of carbon trading.

- TREES for the Future (**TREES**) provides sustainable agriculture, tree planting, and climate adaptation solutions for farmers by us of Forest Garden Model.
- TREES is assisting farmers to restore 15,000 hectares (in total) with each farmer working on their own land of less than 1.5 hectares (the **Project**).
- Currently, conservation activities such as agroforestry, tree planting, soil enrichment through compost, cover crops and soil erosion control generate carbon credits, which can be traded in the carbon market.
- TREES hence proposes to enter into agreements with individual farmers for the sale of carbon credits from this Project among other benefits (Name the benefits-Increased yield from a diversity of crops, increased nutrition from diverse crops, health soils, increased income.
- Aspiration is the funder of the project and will market and sell the credits.

#### LANDOWNER

This section introduces some terms used in the agreement and defines the role of the land owners

- The registered owner of the land (must be confirmed) and therefore has rights and control over the land to be used for the Project.
- The land and all crops grown on the land will remain the property of the land owner.
- The land owner will commit to undertake land restoration activities (agroforestry) as guided by TREES staff which will reduce carbon dioxide from the air. Carbon Dioxide causes global warming causing climate change-Mention some of the effects of climate

change as witnessed locally (Drought, Flooding, increased heat, pests and diseases) with all lead to poor crop yield. Mention some of the adaptation practices promoted through Forest Garden (Diversification, Soil erosion control by use of cover crops, use of agroforestry species for more benefits to farmers like fodder, firewood, compost material, enhanced biodiversity like pollinators mitigate against pest and diseases)

- The express consent of the landowner is therefore an important part of the Project. (Even where a different person implements the Project on behalf of the landowner).

## **LANDOWNER ACKNOWLEDGEMENT**

- Acknowledgement of voluntary participation in the project and Free Prior Informed Consent.
- Attesting that the person signing owns and manages the land.
- Ascertain that the Project activities do not lead to their involuntary removal or relocation and do not force them to relocate activities important to their culture or livelihood.
- The Landowner will confirm that they have been provided with the following information:
- Assessment of economic, social, cultural and environmental risks and benefits for the Project; and
- Any persons and procedures relating to the Project.

## **LANDOWNER'S OBLIGATIONS IN THE AGREEMENT**

- Raising, regrowing, and maintaining trees.
- Reducing activities that negatively impact the Project or create risks e.g. cutting down trees, making charcoal. fire, theft, or insect invasion and plant disease.
- Implementing sustainable agriculture and soil improvement practices as directed by TREES.
- Allowing TREES and its representatives to access the land to collect soil samples, assist in the tree planting, and assess carbon stored.
- Obtain consent of TREES before assigning rights or obligations
- Transfer to TREES or its representatives' rights to the carbon captured and removed from the environment because of the Project. With 22.5% of the profits from the sale of the carbon credits returned to the Landowner.

## **TREES OBLIGATIONS**

- Provide the landowner with the resources and technical assistance on sustainable agriculture.
- Advise the landowner on how to manage the farmland to reduce the risk of tree loss due to external factors such as fire, insects, theft or plant disease.
- Obtain consent of landowner before assigning rights or obligations
- Manage the process for obtaining verified carbon units for the Project activities, including bearing the costs related to that process and ensure that the profits from the verified carbon units are allocated in the proportion shown in the Variables.
- Transfer the credits to Aspiration who will market and sell the credits and TREES will send 22.5% of the money from the sale to the farmer.

## BENEFIT SHARING

- The carbon credit benefit will be one among many other benefits-as detailed above.
- The total VCU's generated by the Project will be shared in proportions by the three parties (TREES, Aspiration and the Landowner) with the percentage allocation between them set out as follows:

Farmers 22.5%, Trees 12.5% and Aspiration 65%. The technicians will explain that the sharing model

- **Payment shall be made to the registered land owner. Here the technician will describe the Mpesa payment and be cautious not to mention the amounts and the payment frequencies until this is clear.**
- Carbon credit payments are complex and dependent on key variables. TREES is still working with experts on carbon measurement and its investor and will share information once it is available with farmers.
- Variables that the project is still working to finalize:
  - Prior to signing the contract TREES will provide more information on the farming practice and tree planting practices that will be measured to generate carbon credits.
  - In general, carbon credits will be based on the health and quality of the new practices implemented by farmers.
  - More information about the carbon credit potential estimates will be provided before contract signing.
  - Exact VCUs achieved will not be known until the first verification event.
  - The carbon credits generated by the farming practices and tree planting practices will be sold at terms negotiated with the investor, Aspiration.
  - In the voluntary carbon market currently, these credits could be sold at an open market rate - similar to how coffee and other commodity prices are set - or based on a direct deal with a buyer.
  - Both TREES and Aspiration are interested in receiving a premium price for the project credits.
  - TREES will be a part of setting terms in the contract that share the benefits and price premiums with farmers. TREES will work with farmer representatives and other stakeholders to make sure contract terms are fair and equitable.
- Payments shall be made after verification events that measure VCUs generated.

## LANDOWNER DETAILS

- Key land owner details to be captured in the carbon contract (A demonstration of the contract will be made by the Trees technician)

<b>Landowner</b>	Name of the Landowner(s) _____ National Identification Number _____ Gender _____ Age _____ Mobile number _____ Occupation _____ Marital Status _____
<b>Next of Kin</b> (where relevant)	Name of Next of Kin _____ National Identification Number _____ Relationship _____ Gender _____ Age _____ Occupation _____ Mobile number _____
<b>Project Area</b> (also referred to as the <u>Farm Land</u> )	Village _____ District (or county) _____ Land lot _____ Land Registration Number _____ Land use (hectares/acres): Crop land _____ GPS Coordinates _____ ( <u>which</u> area is outlined and contained within the Project Zone which is more particularly outlined in the map/description attached as Annexure 3)
<b>The Land Rights</b>	Legal land tenure status (tick): Freehold <input type="radio"/> Certificate of title/ lease issued (tick): Yes <input type="radio"/> No <input type="radio"/> Are there any lessees on the land on freehold land (tick): Yes <input type="radio"/> No <input type="radio"/> Who undertakes cultivation of the land: Landowner <input type="radio"/> Spouse <input type="radio"/> Other: _____

Ask if there are farmers that have other land tenure situations. Make note of these other situations so we can discuss with the legal team.

## SPOUSAL CONSENT

<b>SPOUSAL CONSENT AND EXECUTION FOR ENTRY INTO THE FARMER RIGHTS CARBON AGREEMENT</b>	
<b>REPUBLIC OF KENYA</b> <b>IN THE MATTER OF THE OATHS AND STATUTORY DECLARATIONS ACT</b> <b>(CHAPTER 15, LAWS OF KENYA)</b> <b>AFFIDAVIT</b>	
I, _____, being the holder of National Identity Card/Passport Number _____ and of P.O. Box _____, hereby acknowledge and declare that:	
1.	<b>THAT</b> I am the ___sole/___second spouse of _____, the Landowner herein.
2.	<b>THAT</b> I have full knowledge of the Farmer Carbon Rights Agreement.
3.	<b>THAT</b> the Landowner has not used any compulsion or threat or exercised undue influence on me to induce me to execute this affidavit of consent.

4. **THAT** I acknowledge that I have been advised to take and have taken independent legal advice regarding the nature, remedies and effect of the Farmer Carbon Rights Agreement and understand the nature of this commercial transaction.
5. **THAT** I hereby give my full consent to the Farmer Carbon Rights Agreement out of my own free will and volition.
6. **THAT** the facts deponed to herein are all true.

**SWORN** by the said ..... )

at ..... this .....day of..... 20.... )

)

**Before Me:**

)

)

)

**Commissioner For Oaths**

)

I ....., a duly appointed Commissioner for Oaths **CERTIFY** that the above-named deponent appeared before me on the ..... day of ..... 20.... and (being known to me/being identified by ..... ) acknowledged the above signature or mark to be his/hers and that he/she has freely and voluntarily executed this instrument and understood its contents.

.....

***Commissioner for Oaths signature***