

Soil Carbon Credits: Another Wave of Land Alienation in Northern Tanzania?

A research report by the **Maasai International Solidarity Alliance (MISA)** March 2025



Maasai International Solidarity Alliance (MISA) Calls for a 5-year Moratorium on all Soil Carbon Deals in Pastoralists' Rangelands in Northern Tanzania

KEY MESSAGES



- Land is life. Pastoralism and mobility are at the heart of Maasai culture and livelihoods. Pastoralism and extensive livestock production systems are deeply rooted in the rangelands and are often the most effective means to sustainably manage and restore rangelands. For these reasons, Maasai must maintain full control over their land and defend their communal land ownership and pastoralists' land use and management systems. We need more favourable policies, programs and climate mitigation strategies supporting pastoralism as the backbone of the Maasai community, especially in the face of climate change (invasive species, prolonged drought);
- The rapid development of the soil carbon credit business in Northern Tanzania is generating community misinformation, concerns and conflicts. It is encouraging corruption in the form of pre-payment (signing fee);
- The conditions are not in place to ensure Free, Prior and Informed Consent (FPIC);
- Soil carbon credits will likely create major disruptions in Maasai traditional grazing practices and land use and management systems;
- Carbon credits are not the solution to climate change. They legitimise environmental destruction and justify more CO2 emissions by industrialised countries and businesses;
- The voluntary carbon market is not properly regulated nationally and internationally. A Tanzanian carbon trading legal framework that adequately protects the human rights of Tanzanian citizens and communities should be adopted. At the international level, a rights-based framework for the voluntary carbon market also needs to be elaborated.
- All soil carbon business in pastoral rangelands should be paused at least until 2030.² The Tanzanian government should put on hold all soil carbon deals and discussions between pastoralist communities and carbon proponents until a) a full and proper FPIC process can be ensured and b) human rights-based international and national regulations protecting Indigenous Peoples' rights are in place and enforceable.

¹ See UN Convention to Combat Desertification (2024), Global Land Outlook Thematic Report on Rangelands and Pastoralists. Available at: <u>https://www.unccd.int/sites/default/files/2024-05/GLO%20rangelands%20full.pdf</u>

² This aligns with the call made in April 2024 by the UN Special Rapporteur on the rights of Indigenous Peoples for a moratorium on carbon markets to help halt violations of their human rights. See: UN Special Rapporteur on the rights of Indigenous Peoples calls for moratorium on carbon markets (29 April 2024). See: https://www.twn.my/title2/biotk/2024/btk240406.htm

EXECUTIVE SUMMARY

The Maasai International Solidarity Alliance (MISA) conducted an in-depth investigation into the emerging soil carbon credit schemes in Northern Tanzania, highlighting their potential for land alienation and adverse impacts on Maasai pastoralist communities. The report critically examines two major soil carbon projects — **The Longido and Monduli Rangelands Carbon Project** (LMRCP) by Soils for the Future Tanzania Ltd (SftFTZ) funded by Volkswagen ClimatePartners and **The Resilient Tarangire Ecosystem Project (RTEP)** by *The Nature Conservancy (TNC)* — targeting Longido, Monduli, and Simanjiro districts.

KEY FINDINGS

- Lack of Free, Prior, and Informed Consent (FPIC): The FPIC process is deeply flawed, with limited community participation, exclusion of women and youth, and non-transparent agreements. Community members often lack basic knowledge of carbon markets, contract terms, and their implications.
- Disruption to Pastoralism and Mobility: Carbon projects introduce rotational grazing practices that will restrict traditional Maasai grazing patterns, undermining pastoral mobility — a cornerstone of Maasai culture and rangeland sustainability. These changes risk compromising food security and adaptive strategies against climate change.
- **Regulatory Gaps and Corruption:** Tanzania's carbon trading regulations lack provisions to adequately protect our human rights as Indigenous Peoples in soil carbon projects. The absence of a binding and clear legal framework has led to community misinformation, corruption (e.g., pre-payments or "dowry money"), and legal ambiguities, especially regarding contract termination and benefit-sharing mechanisms.
- **Community Concerns:** Maasai communities are under strong pressure to enter into deals, because the two competing carbon project proponents are racing to submit their respective projects to validation by international standards. For this, they must sign with a minimum number villages, complete their project document and show evidence of consent. Communities fear long-term land use restrictions, loss of communal grazing areas, intra- and inter-community conflicts, and cultural erosion. The prospect of 40-year carbon contracts has raised alarms about locking future generations into potentially harmful agreements.
- Land Alienation Threats: Soil carbon projects risk repeating historical patterns of land dispossession for the Maasai, with community land being controlled by foreign investors and grazing areas being privatized for false climate solutions.

KEY RECOMMENDATIONS



1. Immediate 5-Year Moratorium:

MISA calls for a complete halt on all soil carbon projects in Maasai rangelands until 2030 to allow for comprehensive community education, adequate regulatory frameworks at both national and international levels. A 5-year moratorium is necessary to safeguard Maasai rights and pastoralist land use practices.



2. Strengthening Legal and Policy Frameworks:

- Development of a Tanzanian legal framework specific to soil carbon projects, ensuring the protection of Indigenous land rights and human rights.
- Internationally, there is a need for a rights-based legal framework governing voluntary carbon markets.



3. Ensuring Robust FPIC:

- Full community involvement in all decision-making processes, with dedicated efforts to include women, youth, and marginalized groups and engagement of all village residents.
- Access to independent legal counsel and impartial information about carbon credits and their implications.



4. Protecting Pastoralism and Mobility:

- Carbon projects must our respect traditional Maasai grazing practices and maintain community control over land use.
- Projects should not limit pastoralist mobility or enforce restrictive grazing practices that undermine resilience in the face of the climate crisis.
- Sharing of communal grazing areas should be encouraged as a strategy in case of drought, not undermined.



5. Transparent and Fair Agreements:

Contracts must be fair, publicly available, drafted in local language and not biased in the interest of carbon proponents and the state.



CONCLUSION

The soil carbon credit business in Northern Tanzania risks becoming yet another mechanism for land alienation, threatening our cultural heritage, livelihoods, and food security of Maasai pastoralists.

Without strong legal safeguards, transparent processes, and genuine community consent, these projects could exacerbate existing land conflicts, create community tensions and undermine climate justice. Further, there is no scientific evidence that the imposed changes in grazing practices will result in additional carbon storage, rendering the carbon projects worthless for buyers. MISA urges immediate action to protect Maasai rights and uphold the principles of environmental and social justice.



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"Whatever project comes to our villages, we need to be involved. We, the villagers need to be in the driving seat of a project and need to know what it is all about. We need to know the advantages and disadvantages and need to be able to decide on our own".

INTRODUCTION

A MAASAI CONSERVATION VISION

In July 2024, the Maasai International Solidarity Alliance (MISA) set out a pastoralist vision for the future of land, pastoralism, and co-existence with wildlife, which was called a Maasai conservation vision.³ The objective of this document is to promote an alternative to the colonial, fortress, violent and capitalistic conservation model that is imposed on our Maasai community, leading to the alienation of our land. The vision lays out key threats to Maasai land and human rights but also key demands in the area of communal land ownership and use, pastoralism, co-existence between people, livestock and wildlife, culture, health, food security and poverty elimination, education, gender and women's rights, hunting, tourism and carbon credits.

During the elaboration of the Maasai conservation vision, we found that many Maasai communities fear that the rapid development of the carbon credit business (see the box below for definitions) will lead to another form of land grabbing, adding to the existing multiplication of conservation areas, wildlife corridors, game reserves, game-controlled areas, hunting blocks and forest reserves. This led MISA to issue two major recommendations regarding carbon credits in July 2024: that carbon credit projects must respect and ensure Free, Prior and Informed Consent (FPIC), and that they do not interfere with pastoralism or Maasai land use management systems in any way.

This research report seeks to address the many concerns raised by the Maasai in relation to the carbon credit business. While MISA includes many international actors who stand in solidarity with the Maasai facing eviction from their land, most members of the MISA movement are Maasai. For this reason, we made the choice to use "we" — our land, our rights, our culture — in this report.

³ See full Maasai Conservation Vision document at: <u>https://www.fian.de/wp-content/uploads/2024/09/masaai-conservation-vision_spread.pdf</u> and one page summary at: <u>https://afsafrica.org/wp-content/uploads/2024/09/masaai-land-conservation-mission-summary.pdf</u>

CARBON CREDITS: WHAT IS HAPPENING ON THE GROUND?

In January 2025, MISA visited 11 villages in Longido and Monduli districts targeted by carbon credit proponents. We discussed with community representatives on the development of carbon projects and their anticipated impacts. The objective of those meetings was to:

- 1. Evaluate if carbon proponents are respecting the requirements of Free, Prior and Informed Consent (FPIC);
- 2. Assess if the proposed carbon agreements interfere with or undermine pastoralism and mobility, access to natural resources and traditional knowledge and land-use practices;
- 3. Develop our collective understanding of soil carbon projects. Soil carbon projects are relatively new compared to forest carbon projects; they seek to capture carbon in the soil by increasing plant cover in rangelands. They are one type of so-called nature-based carbon projects, together with reforestation and forest conservation projects.

Two carbon proponents are currently active in the areas we visited:

• The Longido and Monduli Rangelands Carbon Project (LMRCP), Verra project #4924, by Soils for the Future Tanzania Ltd⁴ (SftF) in partnership with CarbonSolve LLC,⁵ Volkswagen ClimatePartner,⁶ Converge Analytics and Biodiversity Research Institute. The project will cover 970,000 hectares, and has a 40-year lifetime with a crediting period running from 1 Jan 2024 to 31 Dec 2063. It targets 49 villages in Longido district and 10 in Monduli district. It uses the VM0032 methodology that was developed by Soils for the Future.⁷ Volkswagen is a key funder and initiator of this project through its Joint Venture Volkswagen ClimatePartners. In this report, we refer to this project as the SftF project. It should be noted that Soils for the Future is also involved in three other similar projects in Kenya: a) the Northern Kenya Grassland Carbon Project (NKGCP, Verra project #1468) better known as the Northern Rangelands Trust (NRT) project in Kenya. The human rights concerns linked to this project have been well documented⁸. A court case has recently ruled that at least one of the conservancies involved was established illegally on communal lands;⁹ b) the Kajiado Rangeland Carbon Project (KRCP) which is under development on the other side of the Tanzanian border with Kenya and targets 1.5 million hectares;¹⁰ c) the Entooma Sida Maasai Mara project also on the Tanzanian border.

^{4 &}lt;u>https://www.sftftz.co.tz/</u>

⁵ CarbonSolve is a partnership between three investors: Mark Ritchie, founder and CEO of Soils for the Future LLC, a US-based for profit company, and author of the VM0032 methodology for soil carbon projects; Timoty Tear, African conservation specialist and Director of the Climate Change Program at the Biodiversity Research Institute (BRI), a non-profit conservation organization; and David Evers, Founder, Executive Director, and Chief Scientist of Biodiversity Research Institute (BRI). For more information, see: <u>https://www.carbonsolve.world/about-carbonsolve-1</u>

⁶ Volkswagen ClimatePartner is a joint venture founded in 2022 on the expertise and innovation of two partners with a common goal: ambitious carbon reduction and the development of high-quality projects – Volkswagen and ClimatePartner UK. See: <u>https://volkswagen-climatepartner.com</u>/

⁷ https://www.soilsfuture.com/welcome

⁸ https://assets.survivalinternational.org/documents/2466/Blood_Carbon_Report.pdf

⁹ https://www.survivalinternational.org/news/14121

¹⁰ https://www.carbonsolve.world/kenya

• The Resilient Tarangire Ecosystem Project (RTEP), Verra project #4742, by The Nature Conservancy in partnership with TerraCarbon and Tanzania People and Wildlife (TPW). The project will cover around 830,000 hectares (within a wider project zone seemingly of about 3.5 million hectares), and has a 20-year initial crediting period (from 1 October 2020 to 30 September 2040) with the option to renew for 20 years.¹¹ It targets 49 villages and 1 Wildlife Management Area (WMA) in Longido, Monduli and Simanjiro districts. It uses the VM0042 methodology, which is designed for agricultural lands and not rangelands. In this report, we refer to this project as the TNC project. This project builds upon the prior work of the Northern Tanzania Rangelands Initiative (NTRI), a collaborative effort between The Nature Conservancy (TNC)¹², Ujamaa Community Resource Team (UCRT), Tanzania People and Wildlife (TPW), Pathfinder, Honey Guide Foundation, Maliasili Initiative and Istituto Oikos. UCRT, as the only Indigenous organisation, has facilitated the process of acquiring 80 communal Certificates of customary rights of occupancy (CCROs) as the outcome of participatory land use management efforts. TNC is receiving funding from the UK Darwin Initiative to develop this carbon project, as part of a larger conservation project (DAREX004) in the Tarangire ecosystem. UCRT, as a partner in the Darwin Initiative project DAREX004,¹³ has collaborated in some trainings on carbon credits in villages, which were facilitated by TNC.

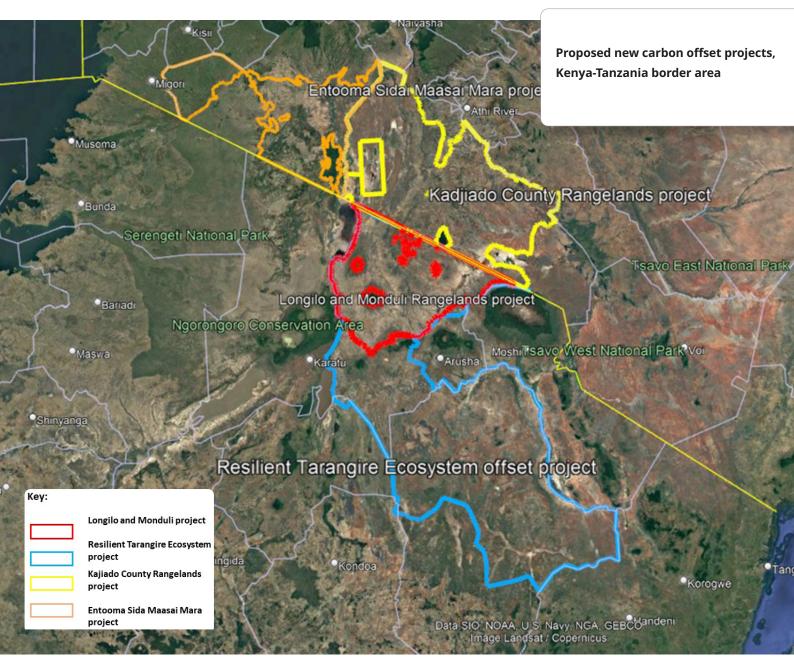


¹¹ The project was submitted to the Tanzanian Carbon Monitoring Center on 24 July 2023 and to Verra on 29 August 2023. This means the project start date has been backdated by 3 years.

¹² TNC is a US-based conservation organisation founded in 1951. It has partnered with the Africa Forest Carbon Catalyst to accelerate the growth of carbon projects on the African continent. It is committed to expanding its portfolio to include more soil and blue carbon projects, beyond forest carbon. See a map of all projects here: <u>https://www.nature.org/en-us/about-us/where-we-work/africa/forest-carbon-catalyst</u>/

¹³ https://www.darwininitiative.org.uk/project/DAREX004

The map below (Map 1) shows the TNC project in blue and the SftF project in red. The other two SftF projects on the Kenyan side of the border with Tanzania are in yellow and orange. The entire SftF project area is contained within the TNC project area. Neither of the methodologies require that the project areas are contiguous. This means that in practice there can be small patches of offset projects spread out across a larger landscape. This may create problems for project implementation especially if the livestock is expected to remain within project boundaries.



Map 1: Project boundaries as per documentation submitted to Verra by both project proponents. ©Survival International

What is a carbon credit?

A carbon credit represents **one ton of carbon dioxide** (CO2) (or an equivalent amount of another greenhouse gas) that is claimed to be removed from the atmosphere (or not emitted as compared to the baseline). One way to think of a carbon credit is as a piece of paper that symbolises the removal of CO2. Carbon credits can be bought and sold for money on Voluntary Carbon Markets (VCM).

The **Voluntary Carbon Markets (VCM)** function outside of the compliance markets (where carbon emissions are capped) regulated by national or regional carbon reduction regimes like the EU Emissions Trading System (ETS). Companies participating in voluntary carbon markets do not need to reduce their emissions; it's entirely voluntary. They do so to be socially responsible or because they think it is good for their PR. Project developers can sell credits directly to buyers, through a broker or an exchange, or sell to a retailer, who then resells to a buyer.¹⁴

There are **many types of carbon projects**, **including:** technology-based carbon capture/removal, renewable energy or energy efficiency (e.g. clean cookstoves), industrial processes, and nature-based carbon sequestration. Nature-based carbon projects have been the largest segment to date, and include reforestation, forest conservation and soil carbon storage. Soil carbon projects are relatively new compared to forest carbon projects; they seek to capture carbon in the soil by increasing plant cover in rangelands.

The **price of carbon** on the Voluntary Carbon Market is lower than on the compliance market and highly variable. It depends on the type of project, its size, location, age (known as vintage), quality and co-benefits for local communities. The current (live) price of carbon can be accessed <u>here</u>. On 9 February 2025, an indicator price for nature-based carbon was 0,47 USD on voluntary markets. The average price of a carbon credit in 2024 was 4.80 USD, a 20% decline compared to 2023.¹⁵

Carbon credit projects are **verified through a third party certification body** like Verra (VCS) or Gold Standard which are responsible for setting standards and overseeing the validation and verification of carbon emission reductions, using different methodologies. They also run the registries through which carbon credit transactions take place. VM0032 is an approved Verra methodology for the "Adoption of Sustainable Grasslands through Adjustment of Fire and Grazing". It was developed by Soils for the Future in partnership with The Nature Conservancy (TNC) and Fauna and Flora International. VM0042 is an alternative methodology developed for agricultural land.

Carbon credit projects have been heavily criticised in the last two years. A study published in the Guardian in January 2023 revealed that over 90% of Verra's avoided deforestation offset credits do not represent real carbon emission reductions and identified serious human rights concerns in at least one of the offsetting projects.¹⁶

All carbon projects to be developed in Tanzania must be submitted to the Tanzania Carbon Monitoring Center and are accessible here: <u>https://www.ncmc.sua.ac.tz/application-of-projects?</u>

¹⁴ https://carboncredits.com/what-is-the-voluntary-carbon-market/#what-is-the-size-of-the-voluntary-carbon-market

¹⁵ https://carboncredits.com/carbon-credits-in-2024-what-to-expect-in-2025-and-beyond-250b-by-2050/

¹⁶ https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe



RESEARCH METHODOLOGY

A team of 20 MISA representatives visited a diversity of villages targeted by the two carbon proponents in Longido and Monduli districts, including: villages that have signed contracts or letters of intent, villages that are in discussions with one or two proponents, villages that have received training and decided not to go forward, and villages that have signed but later on initiated the process to terminate the contract. In each of the 11 villages, MISA had separate meetings with a) village council representatives, b) women and youth, c) elders, representatives of the grazing committee and traditional leaders.

The main findings of our desk research and engagement with community members in the 11 villages are presented below.

STRUCTURE OF THE REPORT

The present report is organised into four sections: 1) key findings; 2) lack of free, prior and informed consent (FPIC); 3) anticipated impacts on pastoralism and mobility; and 4) recommendations. Table 1 in annex provides an overview of the villages visited, their land status and their engagement with carbon proponents. Annex 2 provides a critical legal analysis of the soil carbon contracts we were able to access.

KEY FINDINGS

Yet another form of land alienation?

- Soil carbon projects have very different implications on local communities than forest carbon projects; the full range of consequences of soil carbon projects on Maasai pastoralists are not yet fully understood and anticipated, including on pastoralism, land rights and mobility.
- Soil carbon projects are primarily targeting villages that have, in addition to village land certificates, communal Certificates of customary rights of occupancy (CCROs) and village land use plans. The reason soil carbon proponents target villages that have communal CCROs and land use plans is that these villages have already mapped their grazing areas. This greatly facilitates the development of a carbon project in the village since the carbon project takes places on grazing areas. Many villages in Longido and Monduli districts have such land use plans in place, although not all. The existence of a communal CCROs, which technically increases land tenure security, therefore puts the village at the risk of losing community control over their land, as land management will be dictated by the carbon proponent.
- The Maasai have faced land alienation since colonial times. The creation of national parks and protected areas, including Game Reserves, Game Control Areas, Wildlife Management Areas (WMAs), wildlife corridors, and forest reserves, has deprived the Maasai community of a huge portion of their land, limiting their access to grazing areas. They include Serengeti/ Moru, Western and Southern Loliondo/ Pololeti, Taraenger/Tarangire, Alaililai le Mwasuni/ Mkomazi, Mkungunero, Entim Oolturot, Mikumi, Sikirari/KIA international airport, and Manyara and the Kisongo plains taken by the military in Monduli. Across Maasai land, people are worried about any activity that may result in further land alienation. These concerns are exacerbated by the very close links between soil carbon proponents and the conservation industry. The Nature Conservancy (TNC) is a US-based conservation organisation, while Soils for the Future has close partnerships with conservation organisations such as the Biodiversity Research Institute (BRI) and historically TNC.
- The areas under carbon credit agreements are likely to be also targeted for biodiversity credits at a later stage as the case might likely be made that they contribute to wildlife/flora conservation in some way. This may potentially bring more revenues to the village but also bring further restrictions to life on the land. In addition, biodiversity credits should not be seen as an extension of carbon markets as they use distinct methodologies and metrics and require separate interventions to support ecosystem restoration.

Competition between carbon proponents

- The two soil carbon projects have target areas which overlap (see map 1), with the entire SftF area contained within the TNC project area. The three targeted districts are Longido, Monduli and Simanjiro (the last district only being targeted by TNC). The SftF project was submitted to the Tanzanian Carbon Monitoring Center on 5 Jully 2023 and to Verra on 12 January 2024. In turn, the TNC project was submitted to the Tanzanian Carbon Monitoring Center on 24 July 2023 (19 days after the SftF one) and to Verra on 29 August 2023 (some 6 months earlier than its competitor). This situation leads to fierce competition between the two proponents and to villages being targeted by both.
- Villages are under a lot of pressure to sign because the two competing proponents are racing to submit their project for validation by international standards (in this case Verra/ VCS), which is a precondition for them to start selling carbon credits from these projects. To complete their project development, they must sign with a minimum number of villages and demonstrate evidence of consent, all within a certain timeframe. This situation creates stress and community confusion as the conditions likely to apply under the projects differ from one proponent to the other. It further encourages corruption in the form of pre-payment (signing fee or dowry money) by SftF.
- As of January 2025, less than 10 villages have signed contracts with SftF. TNC has signed letters of intent with over 10 villages and a WMA (Wildlife Management Area, formed by eight villages). We provide a preliminary analysis of these legal documents below.



"I do not know about any carbon project coming to our village. Actually I am not even aware of what you are talking about. I have heard about carbon in school, but do not know at all what a carbon project is supposed to be".



Tensions and confusion on the ground

- All villages are being offered what they call engagement or dowry money of 2 USD/ha by SftF. This amounted to a single payment of 40-130 million Tsh (15,000 to 50,000 USD) in the villages we visited. In most places, 50% of this money was used for removing invasive species in the rangelands, and 50% was set aside for building a school or health centre or village government facility. Handing out money outside of the contract interferes negatively with the FPIC process as it influences people's judgement.
- According to Tanzanian law, villages are supposed to participate in formulating the contracts. Village councils are the competent authority to formulate, sign and supervise the carbon contracts. However, we found that they are excluded from the drafting process beyond determining the size of the pasture land to be included in the contract.
- Some villages have been targeted and have signed a letter of intent with SftF even though they **do not have a valid village land certificate** (see Annex 1). This is contrary to the Environmental Management (Control and Management of Carbon Trading) Regulations, 2022, amended in 2023, and global certification requirements because these villages don't have the legal right to sign contracts and sell carbon.
- The village visited, which wishes to revoke its carbon agreement with SftF, is facing a very complex and uncertain situation because the mediation and grievance mechanisms and termination mechanisms are not clear.
- In many villages, a grazing coordinator has been hired by SftF and provided with a motorbike and phone; this person works as an employee of SftF. The hiring process was not clear to the people we spoke to; the link between the grazing coordinator and the village grazing committee is also unclear. Grazing coordinators are expected to visit rangelands daily, monitor livestock movements and report to the company. In the case of TNC, a group of grazing coordinators is to be selected and endorsed by the village general assembly. This group will be in charge of enforcing rotational grazing practices, including community compliance to seasonal grazing plans, and periodically collecting rangeland health data, including data on forage availability.¹⁷ The intention is also to establish a new village institution in charge of grazing.¹⁸ How these measures will impact traditional grazing governance structures is unclear.

¹⁷ See TNC project submitted to Verra, page 6.

¹⁸ The proposal is to restructure grazing/CCROs committees to create the Village Rangelands Management Committee (VRMC) consisting of 11 members, including the Ward Livestock Officer, the VLUM chairperson, a traditional leader, and at least five women. The VRMC will assume the role of an independent institution at the village level overseeing governance and management of communal grazing resources as well as the soil carbon project at the village level. VRMC will report to the village government. Source: project reports submitted to the Darwin Initiative, see https://www.darwininitiative.org.uk/project/DAREX004.

- Community members (even from villages who have received training and some who have entered into agreements) are extremely confused and have lacking and contradictory information on the terms and implications of the contracts including contract duration, benefit sharing arrangements (%), anticipated payments, contract termination and modalities to use the money that will be paid to the village government. They lack basic information on the price of carbon on the global market, the baseline amount of carbon on their land, how soil samples are taken and analysed, when and how they will have access to their soil carbon content results, and the number of tons of carbon that are anticipated to be captured/ removed every year once the project is introduced. Further, they were not properly informed about all the expected changes in grazing practices and their implications (introduction of blocks, rotation, bunching of animals,...).
- The contracts for the transfer of carbon rights have an expected total duration of 40 years. SftZ contracts have an initial contracting period of 30 years renewable for 10 while TNC letters of intent mention 20 years renewable for 20 years. It is clear from documents submitted to Verra that both probjects are built on a total expected duration of 40 years. Many community members are extremely worried about getting into an agreement that will place obligations on their children and grandchildren. The long-term duration of carbon credit contracts may lock villages into a situation where they cannot revise and review their land use plan, which has a validity of 10 years (see below).

Lack of adequate regulatory framework

- In October 2022, the Minister of State, Vice President's Office, Union and Environment published the Environmental Management (Control and Management of Carbon Trading) Regulations, 2022, under Government Notice (GN) No. 636, signalling Tanzania's formal participation in the global carbon trading industry. Amendments were introduced in October 2023 under GN 721. The regulations establish the institutional framework for carbon trading, requirements and steps for carbon project registration (from concept note to project document to international validation), stakeholders' involvement¹⁹, and the introduction of a costs and benefit sharing scheme. In addition, National Carbon Trading Guidelines²⁰ were published in October 2022, which are not binding.
- The regulations were not initially designed for non-forest projects and remain very elusive regarding soil carbon projects. It is unclear, for example, if and how the benefit-sharing percentage provided in the guidelines applies to soil carbon. In addition, the Regulations prioritise conservation²¹ and profit over land and human rights.
- One of the main changes introduced by the 2023 amendment to the regulations is that, in the case of non-REDD+ projects²² (like soil carbon), the distribution of benefits is to be negotiated directly between the project proponent and the Managing Authority. This means that the

¹⁹ However, Regulation 9(c) and 16 outline stakeholder involvement but primarily focus on government bodies, leaving communities with a limited role in decision-making.

²⁰ https://www.vpo.go.tz/uploads/publications/sw-1715925778-en-1674038035-National%20Carbon%20Trade%20Guidelines-2.pdf

²¹ For example, Regulation 19(2) mandates that revenues from carbon trading projects prioritize environmental conservation activities, ensuring that financial gains support sustainable practices. This will limit villages'ability to use the financial revenues from carbon for their own priorities or development. Regulation 15 and 17 mandate that carbon projects align with national conservation priorities and undergo Environmental Impact Assessments (EIAs).

²² For an overview and definition of REDD+ projects: https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd

benefit sharing agreement depends entirely on the ability of villages to negotiate with TNC and SftF. This does not adequately protect local communities.

Abusive contracts

- A preliminary analysis of some SftF contracts that we were able to access reveals that villages are asked to sign two separate contracts: one for the transfer of carbon rights, the other concerning the sharing of benefits. We were also able to access the letters of intent that TNC has signed with villages. MISA lawyers analysed all the clauses in these agreements between proponents and villages and found serious issues (see Annex 2).
- Key concerns in the SftF contracts include: a) unsatisfactory FPIC process; b) unclear and detrimental termination clauses; c) inadequate dispute resolution mechanism involving the district despite the existence of a clear conflict of interest since the district receives a share of the carbon credits sold and may not wish to see the contracts terminated; d) involvement of the district legal officer as witness and facilitator leading to a lack of independent process; e) confidentiality clause impeding the FPIC process; f) restrictions on the use of the land for any other uses during the duration of the contract.
- Key concerns in the TNC letters of intent include: a) the agreement remains in place until a full contract is signed, locking the village in legal limbo for an indefinite period during which they are unable to pursue other opportunities; b) unclear termination process; c) mediation process in the hands of the district with full powers to the District Commissioner to settle any issues, thereby avoiding the due court process.



LACK OF FREE, PRIOR AND INFORMED CONSENT (FPIC)

Under international human rights law,²³ Free, Prior and Informed Consent (FPIC) must be ensured at all stages, from project identification to formulation, implementation and closure. FPIC should be obtained before communities enter into any carbon contracts, and all members of the community should be involved. The Tanzanian Environmental Management (Control and Management of Carbon Trading) Regulations, 2022 as amended in 2023, also state (Regulation 18) that projects must obtain free, prior, and informed consent (FPIC) from local communities.

We found that the conditions are not in place to ensure FPIC as indicated by:

- **Limited public participation** in the process of training, awareness raising, elaboration, and monitoring of the carbon contracts;
- A concentration of power and information on the carbon credit business and contract implications is in the hands of the village council while the rest of the community has very limited or no awareness, especially women. The village council is by law composed of 25 members (out of which only 7-8 need to be women) and is the legal entity with the power to enter into a carbon credit contract on behalf of the village. However, the proposal must be validated by the Village General Assembly. We found that most trainings and discussions only involve the village council and some traditional leaders or influential people in the village; attendance in the village assembly meetings was overall very low and involved only a small proportion of the village population;
- Women and youth are systematically left out of the carbon training and decision-making processes; their participation in the village council and village assembly meetings is limited and not adequately encouraged and guaranteed; properly involving women, youth, and other marginalised people requires putting in place a dedicated process to ensure their proper involvement;
- No involvement of other Maasai communities (outside the village) impacted by the carbon project in the FPIC process, despite the anticipated impacts of the project clearly extending outside the village boundaries (see the section below on pastoralism and mobility);
- A clear knowledge gap on how the voluntary carbon market operates, the global context in which it has developed and the lack of a regulatory framework governing it, and the implications of entering into a carbon contract. This knowledge gap is observed in all villages except for the few members of the village government who have more information. CSOs and other stakeholders, including decision-makers, were also found to have very little knowledge and capacity on soil carbon business;
- A total lack of transparency as the signed contracts with SftF are kept secret (confidentiality clause); it appears that the clauses of the contracts are presented to the village council and the few people attending the village assembly; however, community members are unable to explain what clauses are contained in the contracts signed by their village;

²³ Key documents covering FPIC requirements include ILO Convention 169 and the UN Declaration on the Rights of Indigenous Peoples.

- A lack of access to independent legal advice as the only legal opinion community members have access to is that of the district legal officer, a government employee. This might create a conflict of interest since the district is also a beneficiary of the profit-sharing scheme of the carbon project;
- A lack of access to independent and neutral information, as community members only receive training by carbon proponents which is not impartial. As a result, communities do **not** have sufficient bargaining power and are not in a position to co-design the contracts;
- A lack of independence as the district government is party to signature of the agreement and mediation processes. This creates a **conflict of interest** reinforced by the fact that the benefit-sharing agreement allocates 8 % of the carbon revenues to the district;
- In the **case of Wildlife Management Areas (WMAs)**, the letter of intent is signed between the carbon proponent (in this case TNC) and the WMA; decision-making power is taken away from the village council and vested in the hands of the Authorized Association (AA) which involves only five representatives from each of the villages included in the WMA. There is no mechanism for ensuring the consent of the communities to the project that it entered into;
- Carbon proponents do **not adequately communicate their FPIC policy** and are not documenting and making their efforts to implement and guarantee it publicly available.

"The problem is that these carbon proponents come with Maasai like us so we trust them".

66 "Cows see no limitations. Will money not make us to fight?"



ANTICIPATED IMPACTS ON PASTORALISM AND MOBILITY

Maasai know no borders. Mobility is key for pastoralism to function and cope with variable climatic conditions. Mobility is guided by the availability of pasture, water, and salt licks, and is a mechanism to ensure disease control. Traditional Maasai grazing management is organised according to three main areas: grazing areas for the dry season, grazing areas for the wet season, and olokeri (areas for calves, sick, old and weak animals). In addition, the Maasai communities share grazing areas beyond village boundaries through traditional arrangements. Over recent years, pastoralist mobility has been curtailed by the expansion of conservation and hunting areas, tourism, agriculture, towns and individual land titling programs. Guaranteeing mobility is key to the future of pastoralism.

The Village Land Act establishes a mechanism for securing and protecting village lands through Village Land Certificates and communal Certificates of Customary Rights of Occupancy (CCROs). Villages can elaborate land use plans for 10 years, determining the grazing areas, settlement areas and, if applicable, WMAs. Once in place, the land use plan has to be revised every 10 years. After acquiring communal CCROs, gazettment (GN) can grant additional village land protection.

The two soil carbon projects discussed in this report exclusively target grazing areas/ rangelands, not forests. Carbon projects introduce a number of changes to how grazing areas are traditionally managed, so as to generate additionality. Additionality means that the project is supposed to bring some carbon benefits that would not have happened if the project did not exist. The underlying narrative of the soil carbon projects in Tanzania is that traditional grazing practices have degraded the levels of carbon stored in the soil, and that carbon levels can be increased again by implementing new forms of planned or rapid rotational grazing. It is also argued that the projects will protect grazing areas from conversion to other uses such as agriculture. **However, no comprehensive assessment of soil health** is available for the districts concerned.

While the practices may slightly differ, the overall approach of both carbon proponents is to **introduce rotational grazing** with intensively managed blocks and associated rest/fallow periods. They claim that moving away from "continuous and extensive grazing" will increase vegetation cover and diversity and facilitate the recovery of grasses. It should be noted here that this **contradicts the scientific literature** on the topic, which establishes that a) there is no significant effect of rotational grazing on plant basal cover, plant biomass and soil carbon sequestration and b) that rotational grazing is more suited to areas with moderate to high rainfall, meaning it is not necessarily appropriate to arid and semi-arid climates, typically found in the areas targeted by the two soil carbon projects.²⁴

²⁴ Heidi-Jayne Hawkins (2017) A global assessment of Holistic Planned GrazingTM compared with season-long, continuous grazing: meta-analysis findings, African Journal of Range & Forage Science, 34:2, 65-75, DOI: 10.2989/10220119.2017.1358213; Heidi-Jayne Hawkins, Alan Short & Kevin P Kirkman (2017) Does Holistic Planned GrazingTM work on native rangelands?, African Journal of Range & Forage Science, 34:2, 59-63, DOI: 10.2989/10220119.2017.1367328; Richard Teague & Matt Barnes (2017) Grazing management that regenerates ecosystem function and grazingland livelihoods, African Journal of Range & Forage Science, 34:2, 77-86, DOI: 10.2989/10220119.2017.1334706

What is rotational grazing all about?

The key tenets of (rapid) rotational grazing are:

- creating blocks and shifting the livestock regularly from block to block (every 14 days);
- ensuring livestock does not graze in the same place more than once in each dry season and once in each wet season;
- ensuring livestock keeps the grass to levels of minimum 5-10 cm tall and ensuring there is no bare land;
- creating mixed herds of 50-200 animals to move together (not less and not more which would either not create enough dung/urine or would destroy grass);
- hiring and paying people to ensure the livestock moves especially long distances;
- ensuring that cattle, sheep and goats are all moving; this means it is not allowed to keep sheep and goats near the bomas (settlements) for milk, as this leads to degradation of the grass near the bomas;
- encouraging a gradual shift to commercial livestock keeping; in the case of TNC, this includes destocking and using a "behavioural change mechanism" to "change Maasai pastoralist culture from keeping large herds for prestige towards a more pro-conservation (...) pastoralism" while creating a "more balanced pasture access between wildlife and livestock"²⁵
- keeping livestock within the carbon project area and enforcing the project boundaries to minimise leakage (i.e. the displacement of livestock to other grazing lands in which grazing would result in loss of soil carbon). According to Verra methodology VM0032 used by SftF, leakage occurs if livestock moves more than 2km away from the project area boundary;²⁶
- hiring grazing coordinators or assistants to monitor livestock movements and report monthly to the carbon project proponent;
- recording and reporting any changes to the grazing plan, for example in the case of fire or drought.

While some of these elements were explicitly mentioned by community representatives (creating blocks, shifting livestock every 14 days, keeping the grass to a minimum level of 10 cm), others are found in the project documentation submitted by the SftF and TNC to Verra or are detailed in Verra methodology VM0032. It should be noted here that SftF and TNC use distinct methodologies (VM0032 for SftF and VM0042 for TNC) and may introduce slightly different measures regarding restrictions or developing and monitoring grazing plans. However, the overall approaches are similar.

²⁵ Partnering for a biodiverse, prosperous, and resilient Tarangire Ecosystem landscape, led by TNC (2022-2026), DAREX004 AR2 extra annual report (2023-2024), p.6.

²⁶ VM0032, Adoption of Sustainable Grasslands through Adjustment of Fire and Grazing. See section 8.3.1.1 Leakage Emissions From Displaced Livestock on page 36. See: <u>https://verra.org/methodologies/vm0032-methodology-for-the-adoption-of-sustainable-grasslands-through-adjustment-of-fire-and-grazing-v1-0/</u>



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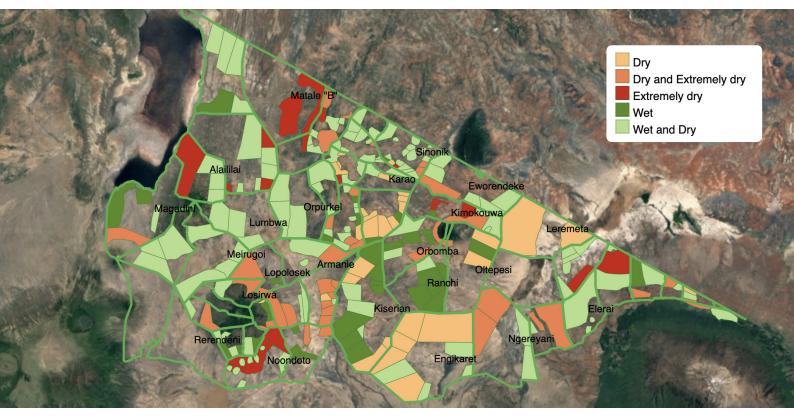
"We have heard that in Europe due to the industries they have very bad air, with the carbon project we sell our good air to the poor people in Europe who can hardly breath."

What are Maasai communities most concerned about?

The main concerns and fears raised by Maasai pastoralist communities about carbon credit contracts are the following:

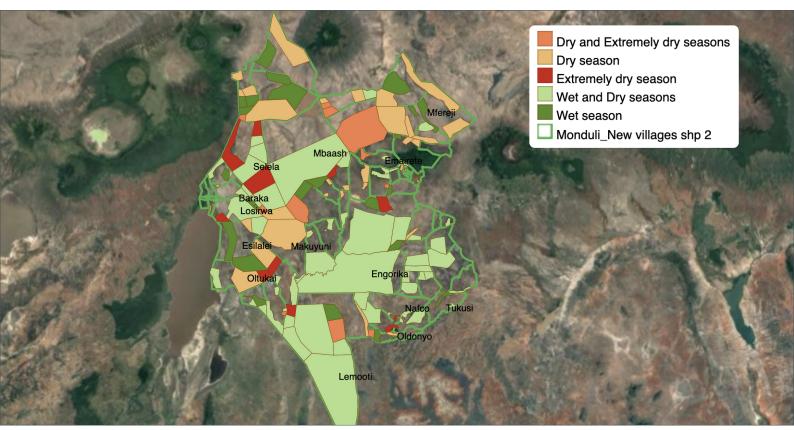
- Carbon projects will severely restrict **land use and mobility** and disrupt traditional grazing practices.
- Carbon projects will **displace traditional land use practices** and take the land out of the community's control to place it in the hands of an outsider using Western science, dismissing Indigenous knowledge.
- Carbon projects will introduce rigidity in land use and prevent communities from responding to climate variability in a flexible way. Community members pointed out that their current grazing practices and mobility allow them to maximise access to water, salt licks or grass. In the context of the ongoing climate crisis, protecting and ensuring full mobility will be more important than ever, they argued. Some also indicated that the very dry Longido climate makes it unrealistic to keep grasses at levels above 10 cm.
- Carbon projects will prevent Maasai pastoralists from sharing grazing areas with other Maasai. In our meetings, we asked participants to identify and list all the communal grazing areas they rely on at different times of the year and share with other Maasai. All the people we interviewed were able to designate these areas in detail as well as their arrangements with other communities. Beyond sharing grazing areas with neighbouring villages, we found that most communities go long distances to graze in common areas they share with other Maasai – especially in times of severe drought – or welcome other communities into their areas. They are concerned that these grazing areas will be incorporated into one of the two soil carbon projects projects and hence reduce or block their availability for grazers not within that project.
- Carbon projects will bring intra- and inter- community conflicts and tensions. A typical example that was given was the following case. If village A shares a grazing area with village B and village A enters into a carbon agreement, then allowing access to livestock from village B or taking livestock outside the project boundaries will result in financial loss. In the process of implementing (rapid) rotational grazing, livestock movements will be monitored to ensure that a) there is no *encroachment* (livestock from other areas coming in) and b) there is no leakage (livestock leaving the project boundaries). While this will not be strictly prohibited, it will lead to fewer carbon credits sold, hence less financial revenues. There seems to be no clauses in place in neither of the two projects to address such concerns.

Carbon projects will restrict access to refuge areas in times of drought. Maasai community • members explained to us that they keep aside some refuge areas that are mostly used in case of severe drought. Despite the fact that these places are within the village land (Engaruka, Magadini, Loondolwo, Ngarasero) they always welcome and accommodate pastoralists from outside those particular villages to use these strategic areas. For instance, the plain between Gilai mountain to Oldonyo Lengai to the outskirts of Kerimasi mountain are communally shared by three districts such as Ngorongoro, Longido and Monduli. The community representatives also explained to us that they welcomed pastoralists from Ndinyika and Sanjan in Malambo from Sale Division of Ngorongoro following the 2022 eviction where the great plain of Sanjan was turned into a Game Reserve and the people were left without alternative rangeland. Our meetings also showed that pastoralists from outside the villages had to construct temporary/ seasonal bomas (Ronjoi) in the pasture land until the drought ended, when they returned to their villages. People in Ketumbeine Division (Olopolosek, Orkeju Loongishu, Engushai, Armanie) fear that if the villages surrounding Ngarasero, Oldonyo Lengai and Engaruka enter into carbon credit contracts, it will be the end of pastoralism. The maps of Longido (map 2) and Monduli (map 3) below show the grazing areas used for the different seasons.²⁷ The grazing areas are communal and extend beyond village boundaries. Map 4 shows livestock routes in Longido. While long-distance migration is observed among pastoralist herds in all districts, the longest distances are observed in Longido because it is the driest district in the country.²⁸

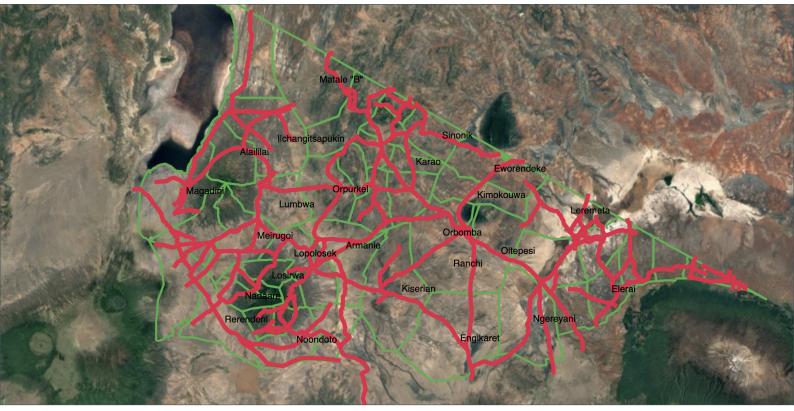


Map 2: Longido grazing areas used in the different seasons DLTP

²⁷ Gladness, M., Divine, E., Shirima, G.M., Mizeck, C., (2023). Decision Support Tool for Community-led Land Use Plans. <u>https://dtlp.nottech.co.tz/index.html</u> 28 Ibid.



Map 3: Monduli grazing areas used in the different seasons © DLTP



Map 4: Longido livestock routes $\ensuremath{\mathbb{C}}$ DLTP

Other concerns raised included:

- Carbon projects will gradually destroy brotherhood (Osutwa) and lead to the privatisation
 of grazing areas. Maasai will stop sharing, deny access to others and start claiming: "This is
 my grass, this is your grass", as one respondent put it. While the implications of these changes
 are likely to be far-reaching, there is currently no process to ensure that a village discussing
 the possibility of entering in a carbon agreement involves and consults all the other villages
 who will be impacted by the carbon deals as they currently share grazing areas.
- Carbon projects will introduce a money and capitalistic mindset that will negatively impact Maasai communities and culture by creating desincentives to sharing grazing areas.
- Carbon projects **may restrict the building of temporary bomas (Ronjoi)** within the rangeland areas or access to traditional or sacred plants.
- Carbon projects will limit their livestock's access to grass while wildlife will be free to access grass with no restrictions. Communities are worried they will lose twice: there will be less carbon generated meaning less financial revenues, and less grass to eat for cows, sheeps and goats. The full implications of soil carbon projects are not communicated to local communities, including when it comes to potential increase in wildlife numbers or in humanwildlife conflicts. The TNC project document submitted to Verra asserts that it "will help to reduce use of conservation and wildlife management areas by cattle. It will also support increased rangeland productivity, allowing wildlife in the Tarangire region to also use grazing range on their annual migrations".²⁹ This means more wildlife is expected to eat vegetation available on grazing areas while less livestock will be accessing WMAs and conservation areas.
- Communities will be expected to develop a grazing plan that will then be reviewed and approved by the district. While the process for designing the grazing plans and the level of community involvement is unclear, it is feared that the necessary district approval will reinforce government control and restrictions over grazing areas, possibly leading to land alienation for other uses in the future.

²⁹ Verra project #4742 (TNC project) document submitted to Verra, page 12.



"We are worried about future land conflicts which might arise from the carbon project. It has happened so often with other projects already where in the end we have lost our land to conservation, hunting or investors".

RECOMMENDATIONS

Carbon credits are not a solution to climate change. Carbon offsets and credits should not act as a substitute for reducing carbon emissions in the Global North.

In order to ensure that carbon credits do not negatively impact Maasai communities, we recommend that:

1. The Tanzanian government should put on hold all soil carbon deals and discussions between communities and carbon proponents until a proper FPIC process can be ensured. For that purpose:

- a. All soil carbon business in pastoralists' rangelands should be paused at least until 2030 to allow our communities to access full information and understanding on soil carbon and ensure carbon does not compromise pastoralists' future. As general elections will take place in 2025, the current context is particularly prone to politics and possibly corruption.
- b. A Tanzanian legal framework on soil carbon projects should be developed that adequately protects pastoralists' human and land rights.
- c. On the international level, clear regulations with adequate and strong human rights safeguards for voluntary carbon markets need to be elaborated and enforced, to ensure that the human rights of Indigenous Peoples and local communities are respected.

2. Free, Prior and Informed Consent (FPIC) should be guaranteed at all stages, from project identification to formulation, implementation and closure. FPIC should be obtained before communities enter into any carbon contracts. For that purpose:

- a. No agreement on carbon projects should be concluded without full involvement of all members of the community and access to independent training, information and legal advice;
- b. FPIC should not be limited to the village council and influential individuals; a valid FPIC process should entail the following three dimensions: first, specific efforts must be made to actively involve women, youth and marginalised groups in the community; second, a village assembly that does not have a quorum of at least 2/3 of the village population and is not gender balanced cannot be considered valid. All adults in the village must be actively involved and consulted; third, the FPIC process should include all Maasai communities potentially affected by the carbon agreement, such as other Maasai sharing the same grazing area, even if they are not residents of that village;

- c. Neutral, transparent and independent information should be provided, allowing communities to assess the advantages and pitfalls of the proposed contracts. This includes proper training, communication and independent and credible legal advice to all community members, with an emphasis on women and youth. By extension, the FPIC process should not be conducted by the carbon proponent or affiliated actors;
- d. Clarity and transparency on the contracts, financial flows, complaint mechanisms, and roles and responsibilities of parties and individuals involved should be provided; Contracts should not be confidential and should be shared in Swahili and English but also explained to community members in Maa language;
- e. Independent, accessible and culturally appropriate monitoring, feedback, grievance, appeal and redress mechanisms should be mutually agreed upon by the community including through its village assemblies and should not involve political actors;
- f. Carbon proponents should have a public and detailed FPIC policy that respects human rights and can be monitored by communities and civil society organisations;
- g. Carbon proponents should provide detailed benefit-sharing schemes and put in place environmental & social safeguards to ensure carbon projects do not affect the pastoral land-use system, community culture and traditional land-use practices. They should disclose all relevant information on the carbon credit buyer to ensure accountability.

3. Carbon credit projects should neither interfere with nor undermine in any way pastoralism, access to natural resources such as water, grazing areas, firewood, access to sacred sites, traditional knowledge and land-use practices. For that purpose:

- a. Carbon credit projects should not limit pastoralist mobility in any way and should enable Maasai communities to maintain full control over their land and be the ones fully making decisions on where to graze and when;
- b. Carbon credit projects should respect and not interfere with the land use plans that are in place. They should align with the already-set principles of a participatory land use plan;
- c. Carbon credit projects should fully guarantee and protect land tenure security; carbon credits should not pave the way for further alienation of Maasai land for protected areas, hunting areas and any other use than pastoralism or livelihood options decided upon by Maasai communities themselves;
- d. Carbon credit projects should not lock communities into long-term contracts that do not allow for easy termination and regular reviews and interfere with the existing or future land use plans;
- e. Communities should be able to develop their own baseline surveys including the amount of soil carbon on their land; they have the right to full and transparent access to information collected on their land (baseline protocol).



"We fear that with the carbon credit project there will be more restrictions on the grazing arrangements and on building houses, we have experienced this already with the wildlife corridors and the Wildlife management areas. Every time we loose land".

ANNEXES

ANNEX 1: LAND AND CARBON STATUS OF THE 11 VILLAGES

Table 1: villages visited, land status and status of engagement with carbon proponents

VILLAGE	STATUS	CARBON STATUS
Eluai	Have communal CCRO, certificate of village land and land use plan (done by UCRT (2021-2031).	 Have signed a contract with Soils for the Future. Had three general village assemblies. Two agreed to enter a contract, the third decided to terminate the contract. Dowry money (51 Mio Tsh, roughly 20,000 USD) on the village bank account, village bank account frozen because of the Carbon project. Village government voted out because of the carbon issue. Termination procedure started following a demonstration by villagers, the community is not happy with the carbon contract though it is still pending because the DC/DED office does not follow up. Mediation proceed.
Ngoswak	Have communal CCRO, certificate of village land, land use plan (2019-2029).	 Have signed a contract with Soils for the Future. Have received engagement money (40 Mio Tsh).
Simonik	Have communal CCRO, certificate of village land, land use plan (2019-2029).	 Have signed a contract with Soils for the Future. Have received engagement money (52 Mio Tsh).
Lepruko	Have communal CCRO, certificate of village land and land use plan (2019-2029).	 Not part of any carbon credit project but bordering 2 villages which have been approached by proponents (Mbaashi and Eng'arooji). Their grazing area overlaps with those villages.

VILLAGE	STATUS	CARBON STATUS
Engushai	Have no communal CCRO, land use plan nor certificate of village land. Engushai was newly formed after Orkeju Longishu village got sub-divided. Engushai's village has not yet been demarcated.	 Engushai (which shares CCRO with OrkejuLoongishu) has signed a letter of intent with Soils for the future. Orkeju has signed a letter of intent with TNC. Engushai does not want to continue their work with Soils For The Future and they wrote a letter to TNC expressing their interest to work with them in soil carbon project.
Armanie	Have a communal CCRO, land use plan and certificate of village land which is no longer valid. Armanie was sub-divided to form another new village known as Olopolosek village. Armanie village vs Olopolosek village has not yet been demarcated to show new boundaries since new subdivion.	 Have signed a letter of intent with Soils for the future. But the said letter of intent has expired. The village does not want to continue the project with Soils For The Future and they wrote a letter to TNC expressing their interest to work with them in soil carbon project.
Losirwa	Have communal CCRO and land use plan (2017-2027) and certificate of village land.	• Have signed a letter of intent with TNC.
Mswakini	Have communal CCRO, land use plan (2019-2029) and certificate of village land. WMA does not have CCRO.	 Have WMA on the village land. Have boundary conflict with Tarangire National Park. Authorised Authority (WMA) has signed a letter of intent with TNC.
Loondolwo	Have communal CCRO, land use plan (2015-2025) and certificate of village land.	 Have signed a contract with Soils for the Future. Have received engagement money (70 Mio Tsh).
Magadini	Have communal CCRO, land use plan (2021-2031) and certificate of village land.	Had discussions with Soils for the Future.Now also in negotiations with TNC.
Engaruka Juu	Have communal CCRO, land use plan (2019-2029) and certificate of village land.	• Have signed a contract with Soils for the Future.

ANNEX 2: CRITICAL LEGAL ANALYSIS OF CARBON AGREEMENTS

Some problematic clauses in the SftF sale of soil carbon contracts include:

- **1. Duration of the contract:** Article 4.1 provides for a 30 year period and 4.2 gives the option of renewal for an extra 10 years. This long duration may conflict with villages' land use plans which are subject to review every ten years. It will limit the village's decision to use the land for other purposes as doing so will amount to breach of contract and the consequences are obvious as per Article 17.
- **2. FPIC clause:** Article 7.1.3 requires the evidence of FPIC i.e minutes of the Village General Assembly. However, it does not ensure a full and proper FPIC process (see our discussion on FPIC above).
- **3. Termination clauses:** Article 17.1 allows termination by either party after giving 6 months' notice. However, the termination consequences are one sided. Article 17. 2 provides relief only to the carbon proponent and leaves out the village. In case the village terminates the contract, the proponent will be able to use the land for 3 years (i.e. continue selling carbon credits from this land) to indemnify the loss/expenses incurred. Furthermore, there is no reference to the compensation that will be provided to the village in case the proponent terminates the contract. Article 17.3 provides another relief to the proponent in the form of a qualified valuer who will be brought to evaluate all the losses and expenses incurred by the proponent, to be paid by the villages. This is a very problematic part of the contract because it will include all costs incurred from the beginning to the time of termination. Who will pay the proponent after evaluation? Do the villages have money to pay? If they fail to reimburse the proponent, what will be the implication on the land security? Finally, are the provisions contained in Articles 17.2 and 17.3 consistent? Article 17.2 gives the proponent the right to use the land for 3 years after termination while Article 17.3 talks of compensation of the incurred loss and costs after valuation. Do these provisions apply simultaneously? How transparent will the process be especially in terms of cost evaluation?
- **4. Role of the district legal officer:** The involvement of the government lawyer as the witness ³⁰and as the lawyer facilitating the entering into agreement is problematic, because of conflict of interest (since the district receives a share of the carbon credits sold).
- **5. Dispute resolution mechanism:** The district commissioner is given a mandate under article 19.2 to mediate between the parties within 30 days. The district commissioner, as a civil servant (or government appointee), acts in the interest of the state. Since the district (as well as other government institutions and ministries) is a direct beneficiary of the carbon project (currently 8 % of the revenues are supposed to go to the district), the district might not have an interest in terminating a carbon contract.
- **6. Confidentiality clause:** The existence of a confidentiality clause does not support a transparent and participatory FPIC process.

³⁰ In practice, the process leading to signing carbon agreements is facilitated by a District Legal Officer. No village has lawyers of their own so it depends on legal services from the District Council. The Office of the solicitor General in Tanzania is often used by State and private entities to take away land from the village.

Some problematic clauses in the SftF benefit-sharing contracts include:

- **1. Use of the land:** In the foreword of the contract, paragraph C expressively prohibits in strict terms the use of land for any other uses during the duration of the contract.
- **2.** Role of the district council: The contract recognises in Article 3.1. the district council as part of the contract while the land belongs to the village. The village is a corporate legal entity to do its own dues autonomously.
- **3. Uncertainty:** It is not clear when the village starts to receive an income. It is left for the carbon company to decide when to sell carbon credits and share benefits. While uncertainty is inherent to the voluntary carbon credit markets, it is unfair to place all the burden of that uncertainty on the community.
- **4. Project implementation:** The villages are required to keep receipts and financial reports intact and accessible to the Carbon Company during project implementation. But the clause is silent on the Carbon Company's responsibilities. See Article 5.2.3 and 5.2.4. The contract also allows the carbon company to enter and inspect the buildings and other projects which were built through the money paid. That is to say, the carbon company is given very much power to follow up on the use of the money paid while not creating conditions for accountability on the company's side. See article 5.3.
- **5. Termination:** Article 10.1 (a) allows the village to terminate the contract in case the company "fails to pay the village when it is due". What does "when it is due" mean? Further to that, this clause allows termination upon giving a six months notice and the same is not resolved in three months (90 days) it will make a total of nine months before terminating the contract. This is too much time which tends to benefit the carbon company and exploit the village. In addition, Article 10.2 talks of three years of using the land after termination. This should be reviewed and equivocal terms be cleared.
- **6. Mediation:** As already discussed above, Article 13.2 allows the office of the district commissioner to mediate parties. This is not appropriate because the said office is the appointee of the executive hence not a people's representative.



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"We have signed the carbon contract but now want to terminate it. We do not want to have conflicts with our neighbouring villages which are using our grazing land in times of drought. We have had this agreement for many years and with the carbon project they would not be allowed to enter anymore".



Some problematic clauses in the TNC Letters of Intent include:

- 1. Nature of the document: The agreement is called a Letter of Intent but seems more like a contract. The duration clause (Term F) creates a serious disadvantage for the village. By stating that the Letter of Intent will remain in force until both parties enter into the full contract, it effectively binds the village indefinitely without clear timelines. This means that if the carbon project contract takes years, or even a decade to be finalised, the village is legally tied to this agreement and unable to pursue other opportunities. This indefinite waiting period puts the village at a huge disadvantage, as it prevents them from negotiating better deals with other partners or engaging in other beneficial projects. The absence of a clear termination date means that the community remains in a legal limbo, with no control over when the agreement will end.
- **2. Legal limbo:** One of the Letters of Intent we examined was signed in March 2024 and supposed to kick off in June 2024. The village still has not entered into a full contract and the time has passed. The Letter of Intent is also silent on the consequences for not signing until now and the responsibilities and restrictions for the village.
- **3. Contract duration:** The duration of the expected full contract is 20 years and the letter of intent is silent on renewal while the TNC project submitted in Verra makes it clear that the expected contract duration is 40 years.
- **4. On termination:** Both parties can terminate the agreement to enter into a carbon contract by issuing a 60 days notice. The Letter of Intent is silent on the consequences of termination.
- **5. On grievance mechanism:** The Letter of Intent requires the dispute to be settled amicably. If the reconciliation fails to materialise, then the matter shall be taken to the District Executive Director. If it fails then the matter shall go to the District Commissioner and his decision will be final and conclusive. The two last appellate bodies are government employees and experience shows that they always side with investors. The court process is avoided.
- **6. On the role of the district legal officer:** The involvement of the government lawyer as the witness and as the lawyer facilitating the entering into agreement is problematic, as seen above in the case of SftF.



THE MAASAI INTERNATIONAL SOLIDARITY ALLIANCE (MISA)

The Maasai International Solidarity Alliance (MISA) is an international alliance standing in solidarity with the Maasai of Northern Tanzania. We bring together international faith-based organisations, human rights organisations, international aid and development organisations, as well as grassroots organisations, individual activists, researchers and lawyers representing the Maasai in several land cases.

Our alliance includes, among others, the Africa Europe Faith Justice Network (AEFJN), Agrecol Association for AgriCulture & Ecology, Coalition of European Lobbies for Eastern African Pastoralism (CELEP), Center for Agroecology, Water and Resilience (CAWR) at Coventry University (UK), CIDSE - International family of Catholic social justice organisations (International), Indigenous Movement for Peace Advancement and Conflict Transformation (IMPACT), FIAN International, FINAL GOVERNANCE, KOO (Koordinierungsstelle der Österreichischen Bischofskonferenz - Coordinating Office of the Austrian Bishops' Conference), Gesellschaft für bedrohte Völker (Society for Threatened Peoples), DINGO - Integrated Development Initiatives in Ngorongoro, Misereor, PALISEP, PINGO's Forum (Pastoralists Indigenous Non-Governmental Organisations), PWC (Pastoral Women's Council), TEST (Traditional Ecosystems Survival Tanzania), UCRT (Ujamaa Community Resource Team) and Welthaus Graz. Our main objective is to put an end to the human rights violations facing the Maasai of northern Tanzania.

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"We need more training and have awareness – and really need to have a good understanding before we reach into any agreement".





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