# NON-PERMANENCE RISK REPORT THE KASIGAU CORRIDOR REDD+ PROJECT PHASE I RUKINGA SANCTUARY 9TH MONITORING PERIOD ($M_9$)

Document Prepared By Wildlife Works Carbon

| | |
|---|---|
| Project Title | Kasigau Corridor REDD Project Phase I - Rukinga Sanctuary |
| Version | 2 |
| Date of Issue | 19-April-2023 |
| Project ID | 562 |
| Monitoring Period | 01-January-2022 to 31-December-2022 |
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# 1 INTERNAL RISK

| Project Management | | |
|---|---|---|
| **Risk Factor** | **Risk Factor and/or Mitigation Description** | **Risk Rating** |
| a) | Not applicable | |
| b) | Wildlife Works has ongoing enforcement of forest protection for 100% of the stocks | 2 |
| c) | Management team has extensive experience in all skills necessary | 0 |
| d) | Management team is located on the project site immediately adjacent to the project | 0 |
| e) | Management team includes individuals who have successfully managed projects through validation and verification and issuance of GHG credits | -2 |
| f) | Wildlife Works has implemented an elaborate adaptive management plan including a community feedback mechanism that is considered leading edge within the REDD community, detailed social and biodiversity impact monitoring, and many mitigation activities as spelled out in the Project Design | -2 |
| **Total Project Management (PM) [as applicable, (a + b + c + d + e + f)]**<br>Total may be less than zero. | | -2 |

| Financial Viability | | |
|---|---|---|
| **Risk Factor** | **Risk Factor and/or Mitigation Description** | **Risk Rating** |
| a) | Not Applicable | |
| b) | Not Applicable | |
| c) | Not Applicable | |
| d) | YES - Project reached breakeven at the end of the first full year based on up front investment by Wildlife Works and market sales of Carbon credits | 0 |
| e) | Not Applicable | |

| | | |
|---|---|---|
| f) | Not Applicable | |
| g) | Not Applicable | |
| h) | YES - Project has already reached breakeven | 0 |
| i) | Not Applicable | 0 |
| **Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)]**<br>Total may not be less than zero. | | 0 |

| Opportunity Cost | | |
|---|---|---|
| **Risk Factor** | **Risk Factor and/or Mitigation Description** | **Risk Rating** |
| a) | Not Applicable | |
| b) | Not Applicable | |
| c) | Not Applicable | |
| d) | Baseline is subsistence and project has demonstrated net positive community impacts | 0 |
| e) | Not Applicable | |
| f) | Not Applicable | |
| g) | Not Applicable | |
| h) | YES - all ranches are under Carbon Rights Agreements covering entire crediting period | -2 |
| i) | Not Applicable | |
| **Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g + h or i)]**<br>Total may be less than 0. | | -2 |

| Project Longevity | | |
|---|---|---|
| a) | Not Applicable | |

| | | |
|---|---|---|
| b) | Project Longevity contractually = 30 years | 15 |
| **Total Project Longevity (PL)**<br>May not be less than zero | | 15 |

| Internal Risk | |
|---|---|
| **Total Internal Risk (PM + FV + OC + PL)**<br>Total may not be less than zero. | 11 |

# 2 EXTERNAL RISKS

| Land Tenure and Resource Access/Impacts | | |
|---|---|---|
| **Risk Factor** | **Risk Factor and/or Mitigation Description** | **Risk Rating** |
| a) | Not Applicable | |
| b) | Land ownership is held by the Group Ranch Companies, however the resource rights have been transferred from the Group Ranch Companies to Wildlife Works Carbon through conservation easements. | 2 |
| c) | Not Applicable | |
| d) | Not Applicable | |
| e) | Not Applicable | |
| f) | YES - all ranches are under Carbon Rights Agreements covering entire crediting period | -2 |
| g) | YES - all ranches are under Carbon Rights Agreements covering entire crediting period | |
| **Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)]**<br>Total may not be less than zero. | | 0 |

| Community Engagement |
|---|

| Risk Factor | Risk Factor and/or Mitigation Description | Risk Rating |
|---|---|---|
| a) | Not Applicable | |
| b) | Not Applicable | |
| c) | Project received has received CCB validation/verification demonstrating exceptional community benefit. | -5 |
| **Total Community Engagement (CE) [where applicable, (a + b + c)]**<br>Total may be less than zero. | | **-5** |

| Political Risk | | |
|---|---|---|
| **Risk Factor** | **Risk Factor and/or Mitigation Description** | **Risk Rating** |
| a) | Not Applicable | |
| b) | Governance Score = -0.551 | 4 |
| c) | Not Applicable | |
| d) | Not Applicable | |
| e) | Not Applicable | |
| f) | Kenya is implementing REDD+ Readiness under the FCPF | -2 |
| **Total Political (PC) [as applicable ((a, b, c, d or e) + f)]**<br>Total may not be less than zero. | | **2** |

| External Risk | |
|---|---|
| Total External Risk (LT + CE + PC)<br>Total may not be less than zero. | 0 |

# 3 NATURAL RISKS

| Natural Risk - Fire | |
|---|---|
| Significance | Insignificant – grass fires recover biomass at next rain, e.g. annually |
| Likelihood | Less than every 10 years (Four times in 15 years) |
| Score (LS) | 2 |
| Mitigation | Project has purchased a wildfire fighting truck and invested in fire fighting equipment. |

| Natural Risk - Pest | |
|---|---|
| Significance | No Loss - natural ecosystem does not suffer from pest damage or disease |
| Likelihood | Not Applicable |
| Score (LS) | 0 |
| Mitigation | |

| Natural Risk – Extreme Weather | |
|---|---|
| Significance | No Loss - drought adapted species |
| Likelihood | Not Applicable |
| Score (LS) | 0 |
| Mitigation | |

| Natural Risk – Geological Risk | |
|---|---|
| Significance | No Loss |
| Likelihood | Not Applicable |
| Score (LS) | 0 |
| Mitigation | |

| Natural Risk – Other Risk | |
|---|---|
| Significance | No Loss |
| Likelihood | Not Applicable |
| Score (LS) | 0 |
| Mitigation | |

| Score for each natural risk applicable to the project (Determined by (LS × M) | |
|---|---|
| Fire (F) | 2 |
| Pest and Disease Outbreaks (PD) | 0 |
| Extreme Weather (W) | 0 |
| Geological Risk (G) | 0 |
| Other natural risk (ON) | 0 |
| **Total Natural Risk (as applicable, F + PD + W + G + ON)** | 2 |

# 4 OVERALL NON-PERMANENCE RISK RATING AND BUFFER DETERMINATION

## 4.1 Overall Risk Rating

| Risk Category | Rating |
|---|---|
| Internal Risk | 11 |
| External Risk | 0 |
| Natural Risk | 2 |
| **Overall Risk Rating (a + b + c)** | **13** |

## 4.2 Calculation of Total VCUs

| Component | 2022 Value (t CO2e) | Total Value (t CO2e) |
|---|---|---|
| Gross emissions reductions, $M_9$ | 225,194 | **225,194** |
| Emissions from Leakage, $M_9$ | 0 | **0** |
| Project Emission, $M_9$ | 0 | **0** |
| NERs to VCS pooled buffer account, $M_9$ (13%) | 29,276 | **29,276** |
| VCS pooled buffer account return, $M_9$ | 0 | **0** |
| Net emissions reductions NERs, $M_9$ | 195,918 | **195,918** |