PLAN VIVO

PV Climate

Project Idea Note

Empowering Ethiopian Coffee: A South-South Approach to Climate Finance and Carbon Credits project

Bita district, Kafa Zone, South West Ethiopia Peoples' Region, Ethiopia

Project PIN Version 1.2

PIN Template Version 1.2

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Overview

Project Title:	Empowering Ethiopian Coffee: A South-South Approach to Climate Finance and Carbon Credits Projects
Location:	Sheda Kebele, Bita district, Kafa Zone, South West Ethiopia Peoples' Region, Ethiopia
Project Coordinator:	Mr. Alemu Tesfaye, Regional Programs Manager, OSSREA Mobile Number: +251911250007 Email: alemu@ossrea.net; cyberalext@gmail.com
Project Area:	The project operates in Sheda and Gaweti Kebeles on land allocated by volunteer farmers for coffee-based agroforestry. Each participant allocates a minimum of 0.20 ha (subject to expansion). The initial 30 ha in Sheda is being expanded with additional areas in Gaweti.
Project Participants:	The pilot phase includes 118 volunteer farmers in Sheda, with additional voluntary members joining in Gaweti. Farmers are organized into cooperatives to support implementation and governance.
Project Intervention(s):	Establishment of coffee-based agroforestry systems using improved coffee seedlings, permanent shade trees (Albizia and Millettia), and banana as temporary shade. The project also promotes beekeeping (beehives) and organic soil management using vermicompost.
Expected Benefits:	Increased coffee productivity, diversified income, improved soil fertility and biodiversity, enhanced food security, and strengthened climate resilience. The integrated system enhances biomass and soil carbon stocks and is expected to generate carbon benefits significantly exceeding the initial estimate of 7,000–10,000 tCO_2e over time.
Methodology:	The project follows the PM001 Agriculture and Forestry Carbon Benefit Assessment Methodology (PM001).
PIN Version:	1.2
Date Approved:	

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1 General Information

1.1 Project Interventions

This pilot agroforestry carbon project, implemented by OSSREA, is now operating in Sheda and Gaweti Kebeles. Initially developed in Sheda with 118 women smallholder coffee farmers, the project has expanded to Gaweti Kebele, where the same interventions, institutional arrangements, and implementation approach are being applied. The project promotes an integrated agroforestry system combining shade-grown coffee with fruit trees and nitrogen-fixing intercrops such banana, Albizia and Mellittia. These species provide permanent and temporary shade, improve soil fertility, diversify household income, and enhance food security. Following community consultations in Gaweti, a farmers' cooperative has been established (open to new voluntary members), and a central nursery has been developed producing seedlings. These seedlings will be distributed to farmers in both Gaweti and Sheda, including those expanding their farms under the same project model. A similar cooperative structure will be formalized in Sheda.

Additional interventions include promotion of beekeeping through distribution of beehives and the use of vermicompost to support organic soil fertility management. Continuous hands-on training is provided on climate-smart agroforestry, soil management, organic practices, carbon stewardship, benefit-sharing mechanisms, and cooperative governance, with strong emphasis on women's leadership and equitable participation. Participatory approaches ensure locally appropriate knowledge transfer and sustained adoption. Overall, the project aims to increase coffee productivity and household income, strengthen soil fertility and biodiversity, improve climate resilience and food security, and generate carbon credits. With the inclusion of Gaweti Kebele and expanded planting areas, the expected carbon generation will significantly exceed the initial estimate of 7,000–10,000 tCO_2e over the crediting period.

Table 1.1 – Project Interventions

Intervention Type	Project Intervention	Expected Benefits
Improved Land Use Management	Improved coffee seedlings and intercropping with nitrogen-fixing species.	Increases income and resilience; enhances biomass and soil carbon stocks.
Improved Land Use Management	Planting permanent shade trees (Albizia, Millettia).	Provides microclimate and biodiversity benefits; long-term carbon storage in above- and below-ground biomass.

Improved Land Use Management	Distribution of beehives.	Diversifies income; supports pollination, productivity, and sustained tree cover.
Improved Land Use Management	Application of vermicompost.	Improves soil fertility and soil organic carbon; reduces synthetic fertilizer use and N_2O emissions.
Improved Land Use Management	Planting banana as temporary shade.	Provides early income and food; contributes to biomass production and soil organic carbon.

1.2 Project Boundaries

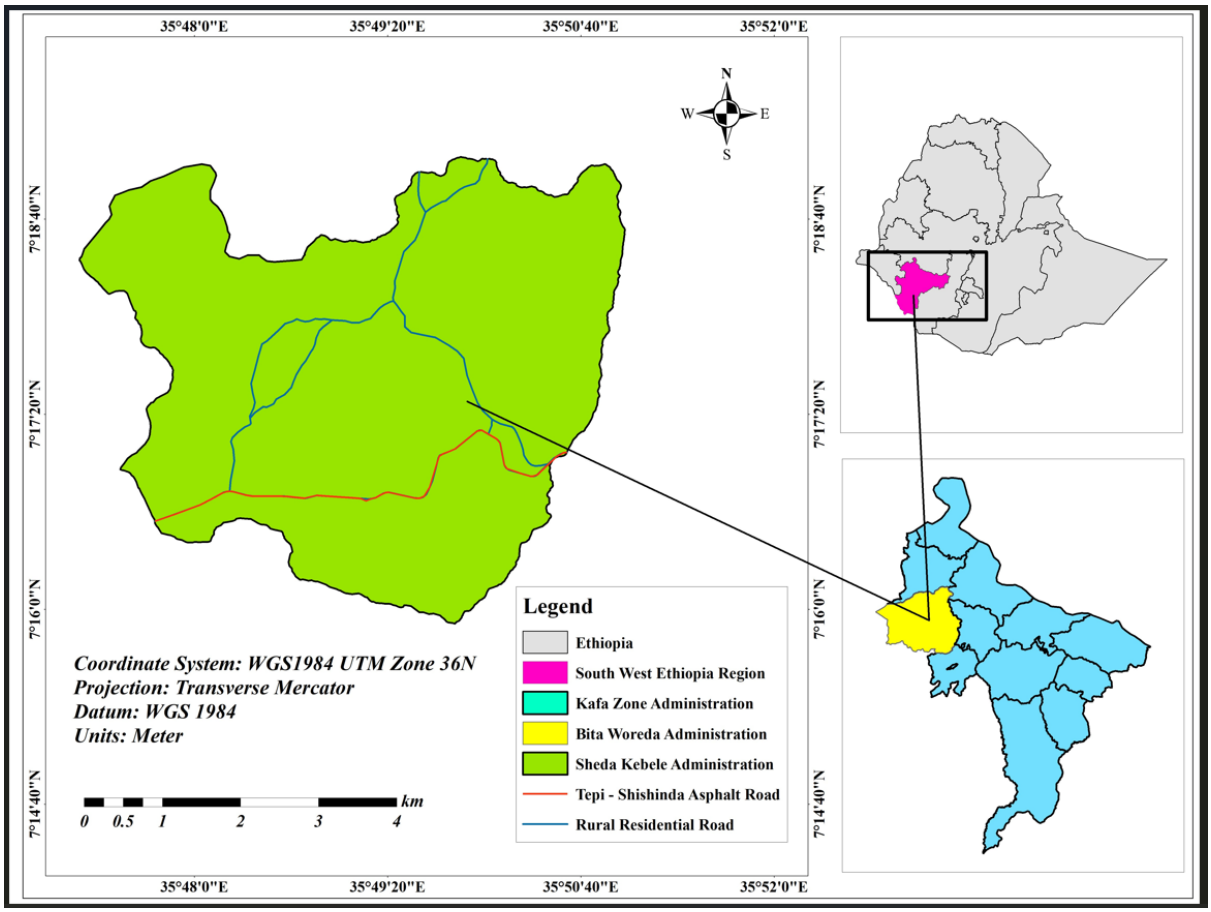

Figure 1: Map of Ethiopia showing regional boundaries and the pilot project site where the intervention is being implemented.

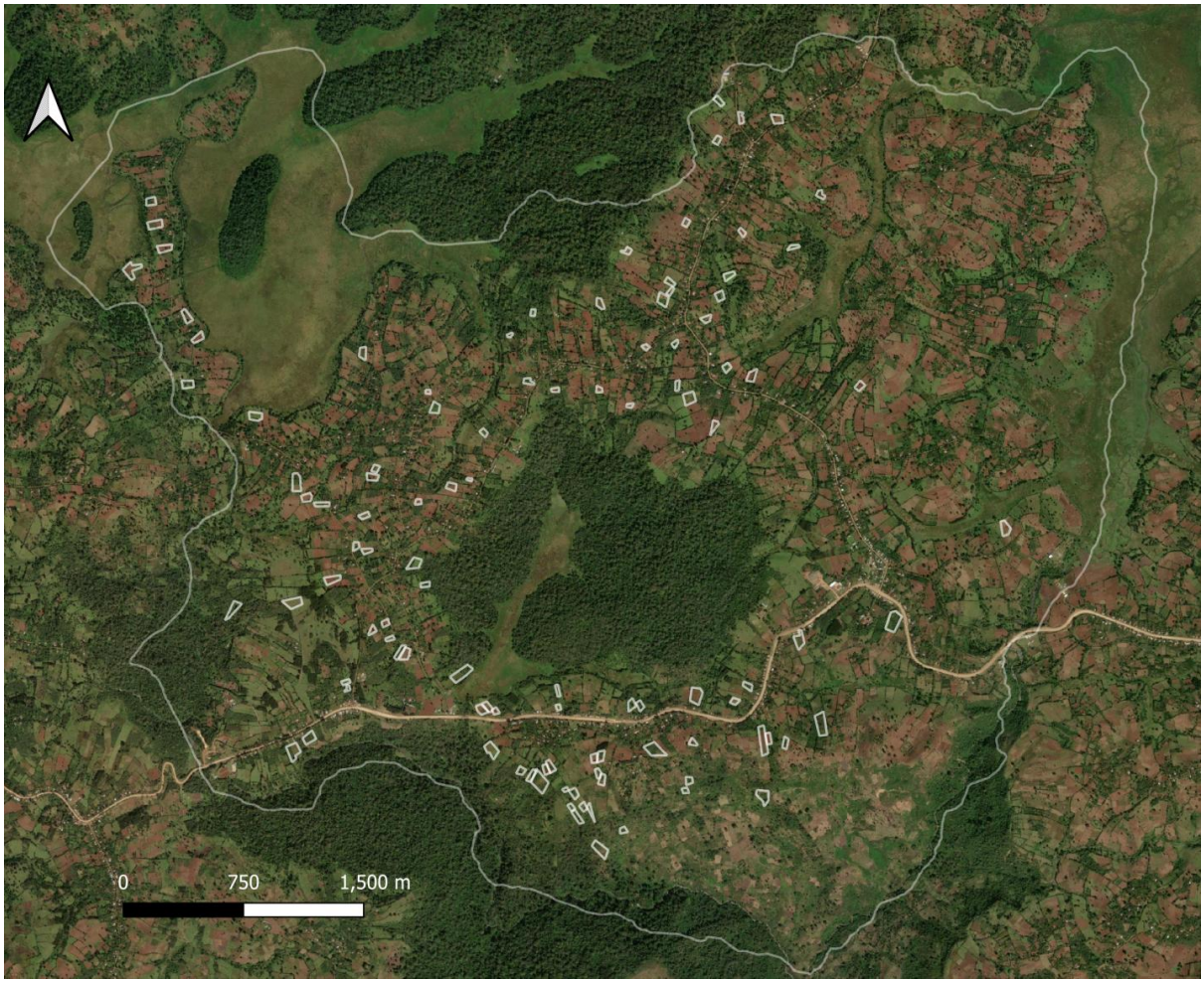

Figure 2: Map of the pilot project area in Sheda Kebele, showing the kebele boundary and the individual farm plots participating in the project. Each small plot represents a farm actively involved in the ongoing intervention efforts within the designated project area.

Table 1.2 Project Boundaries

Location:	**Ethiopia, South West Ethiopia Peoples' Region, Kafa Zone, Bita district, Sheda Kebele.**
Project Region(s)	The project region covers part of the Kafa Biopshere Reserve, a predominantly highland region. It stretches over a total area of 760,000 hectares and forms part of the catchment area of three large rivers, the Gojeb, Dincha and Woshi. The area also spans the borders of seven neighbouring administrative sectors (known as "Woredas"): Adiyo, Gimbo, Telo, Gewata, Bita, Decha, and Chena. It is home to the last remaining cloud forests that harbour wild *Coffea arabica* trees, a globally renowned coffee species. It also contains over half of Ethiopia's remaining moist montane forests. Characterized by dense ancient

	woodlands, bamboo groves, grasslands, and wetlands, Kafa supports a rich array of ecosystems. This diverse landscape provides a unique habitat for approximately 250 plant species, 300 mammal species, and 300 bird species—some of which are endemic to the region. Due to this exceptional biodiversity, Kafa is recognized as one of the world's 34 global biodiversity hotspots. Any future expansion of the project will remain within the defined project region and will ensure that all new areas meet the applicability conditions outlined in Section 1.2 of the PV Climate project requirements.
Project Area(s)	Sheda kebele covers a total area of 27.31 km², while Gaweti kebele constitutes an adjacent project expansion area (area under assessment). The project is currently being implemented in both Kebeles following community consultations and voluntary farmer engagement. In Sheda, 118 volunteer farmers were initially selected for the pilot phase. These farmers use their land (transition zone) for sun-grown and shade-grown coffee, vegetables, annual crops (predominantly maize), grazing, and residential purposes. Collectively, they allocated approximately 30 hectares for project implementation. Following the same approach, volunteer farmers in Gaweti Kebele have organized under a newly established cooperative, and additional land is being allocated for agroforestry expansion using the same intervention model and planting design. The strategic selection and spacing of initial participants reflects the pilot nature of the project and ensures manageable oversight. The model is designed to serve as a demonstration site, encouraging neighbouring farmers in both Kebeles to join in subsequent implementation phases.
Protected Areas	UNESCO's Man and the Biosphere (MAB) Programme requires each biosphere reserve to include at least one core zone, which is strictly protected by law to preserve biodiversity and maintain ecological integrity. These core areas are free from significant human interference and are primarily designated for conservation, research, and ecological monitoring. Surrounding the core zone is a buffer zone, where limited activities compatible with conservation—such as education and eco-tourism—are allowed. The buffer zones are established to minimise the negative impact of human activities on the core zones. Because of this Kafa Biosphere Reserve is protected under regional by-laws with aim to

	conserve biodiversity in a minimally disturbed ecosystem. The last one is the transition zones. These have a central function in enabling sustainable development. In this zone, local communities, management agencies, scientists, non-governmental organisations, cultural groups, economic interest groups and other stakeholders work together to manage and sustainably develop the area's resources. Together, these zones create a balanced model that integrates environmental protection with sustainable use. The pilot project is being implemented in the transition zone, which constitutes the largest portion of the biosphere (Figure 3). Future expansion is planned within this same transition zone and will fully adhere to the applicability conditions defined in the project's technical specifications. Additionally, the expansion will align with the requirements of UNESCO's Man and the Biosphere (MAB) Programme to ensure ecological integrity and compliance with biosphere reserve zoning principles.

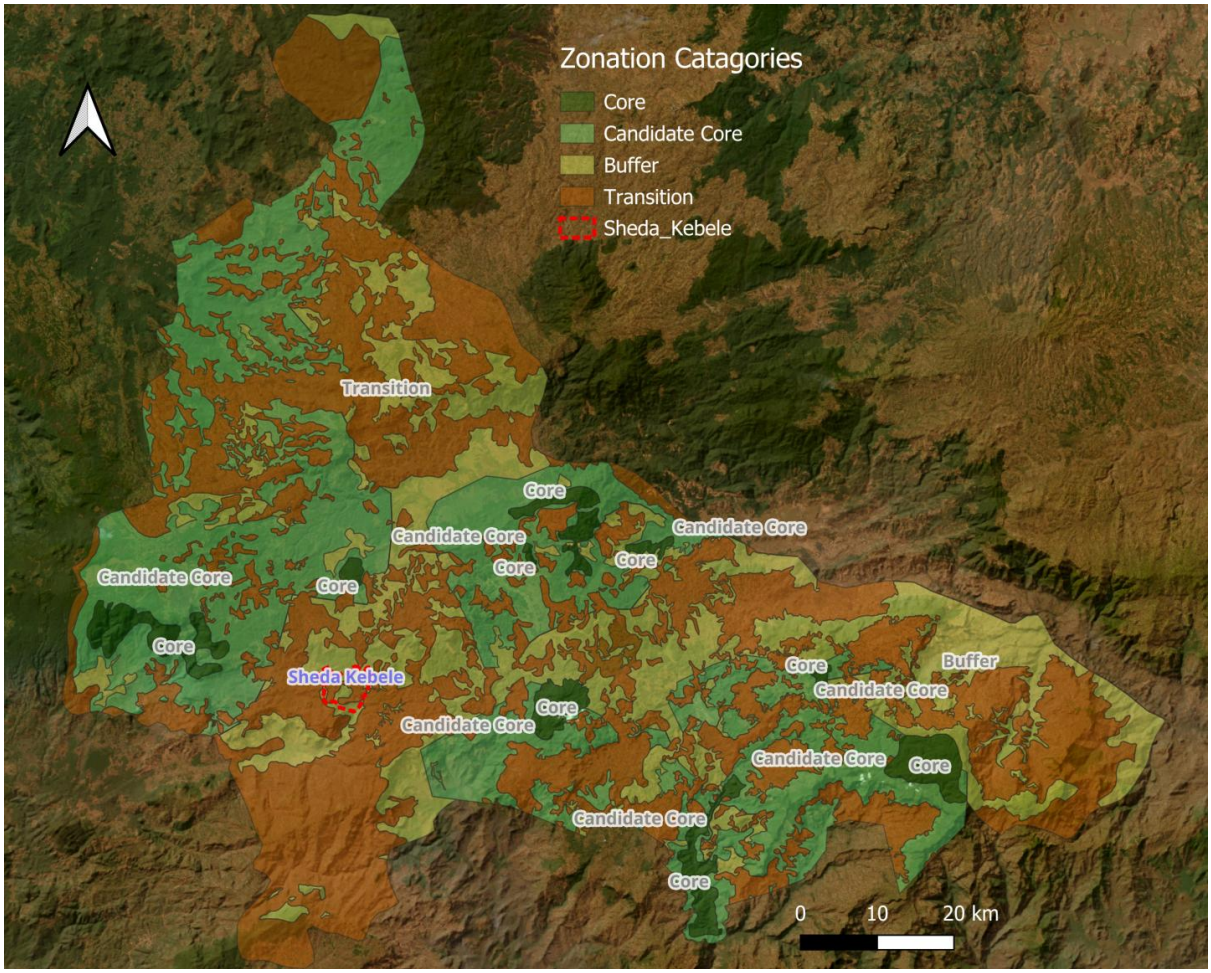

Figure 3: Map of the Kafa Biosphere Reserve showing the designated core, candidate core, buffer, and transition zones. The Sheda Kebele area, demarcated in red, is the site of an ongoing pilot project within the biosphere reserve. The map also highlights potential project intervention sites within the transition zone, where the pilot project is planned to be expanded to support broader ecosystem restoration and regeneration of the biosphere's original ecological integrity.

1.3 Land and Carbon Rights

In Ethiopia, all land is publicly owned by the state, as established by the Constitution of the Federal Democratic Republic of Ethiopia (1995). Citizens are granted to use the land for farming and other activities but cannot sell or mortgage it. This system defines Ethiopia's land tenure policy, where individuals and communities have the right to use land but not to own it. Land tenure rights are constitutionally vested in the federal government, which delegates land administration to regional and local authorities through a decentralized system. The district ('Woreda' the second lowest Ethiopian government administration structure), acting on behalf of zonal and regional governments, allocates land to local communities in accordance with federal and regional land laws, such as Proclamation No. 456/2005 on Rural Land Administration. This proclamation governs rural land use, granting land based on need and emphasizing improved agricultural productivity. Woreda land offices, supervised by zonal and regional bureaus, issue certified landholding documents (e.g., "kebele" land certificates) to farmers and communities, formalizing their use rights. These rights must comply with federal policies on equitable distribution, environmental protection, and agricultural development. Redistributing land or resolving land disputes requires approval from higher regional or federal authorities. Communal land is managed collectively by communities, with rights exercised through traditional systems and local administrations. The Forest Development, Conservation, and Utilization Proclamation No. 542/2007 and the National Forest Policy (2014) further support this framework. They provide legal backing for sustainable forest use and recognize community rights to manage forests, encouraging local participation in forest conservation, agroforestry, and the sustainable collection of non-timber forest products.

2 Stakeholder Engagement

2.1 Stakeholder Identification

In this pilot carbon credit project, stakeholder identification focused on recognizing the key parties that will have a direct influence on the project's success, with a particular emphasis on empowering volunteer farmers and incorporating their voices at every stage. The volunteer farmers are local

stakeholders and form the core of the project. Through their membership in the cooperative, they play a pivotal role in decision-making and project implementation. These farmers are provided with full power in shaping the project's activities, ensuring that their input directly impacts the overall strategy. Their involvement is not merely as implementers, but as key partners who actively shape the direction of the project. Furthermore, the volunteer farmers hold statutory or customary rights to the land within the project area, which enables their full and legitimate participation in land management and restoration activities. The cooperative, which is composed of and serves the farmers, is also a local stakeholder. It provides the organizational structure and resources necessary to support the farmers while ensuring that their voices remain central in guiding project operations and strategies. Local government bodies, such as the local administration and forestry department, are local stakeholders that play a supportive role in ensuring the project adheres to national policies, regulations, and assists with land allocation. Their involvement is intended to be complementary to the farmers' leadership and decision-making.

The Ministry of Planning and Development (MoPD) is identified as a local stakeholder. Its role is central to the project's legitimacy and long-term viability, as it oversees Ethiopia's national carbon credit registry. This oversight ensures that the project's methodologies, verified emission reductions, and associated carbon credits are formally registered and recognized at the federal level. Furthermore, MoPD's involvement ensures alignment with the country's broader Sustainable Development Goals (SDGs) and national development plans, strengthening regulatory compliance and providing institutional support for scaling the initiative. The non-governmental organizations (NGOs) operating in the area are considered secondary stakeholders. They provide technical expertise, funding, and support services, but are not part of the local community. Their role is to support and facilitate the community-led nature of the project while respecting the leadership of the farmers.

Bonga University serves as a secondary stakeholder with a limited advisory role. Its contributions focus on technical guidance, germplasm provision, and occasional support for field activities, rather than direct engagement with the local community. In contrast, the Federal Coffee and Tea Authority remains a secondary stakeholder with a broader national mandate, ensuring that the agroforestry practices promoted align with national standards for sustainable coffee production while adapting to the needs and preferences of participating farmers.

2.2 Coordination and Management

The project is now being implemented under a collaborative governance framework, ensuring efficient coordination between all stakeholders while maintaining accountability and transparency.

OSSREA serve as the overall project coordinator. OSSREA, as the funding and technical partner, retains an advisory and supervisory role, providing strategic guidance on carbon credit certification, financial management, and compliance verification. Technical support from Bonga University is limited to occasional guidance and advisory input. The university provided logistic support, germplasm for the first round of planting (coffee and banana) and may offer advice on field activities or material procurement as needed. Beyond this initial contribution, operational management, field implementation, and logistics remain the responsibility of the project team, with the university's involvement focused solely on technical consultation rather than day-to-day management.

Organizational Capacity and Relevant Experience:

- OSSREA brings over 40 years of experience in research and development across Eastern and Southern Africa, managing multi-stakeholder projects with communities, academia, and government. The team includes a Senior Climate Expert specialized in agroforestry systems, carbon accounting, and ecosystem dynamics, ensuring technical rigor and alignment with Plan Vivo standards. OSSREA also has strong capacity in financial management, gender-responsive programming, and participatory approaches that promote inclusive governance and equitable benefit-sharing.
- Bonga University has experience in agroforestry research, sustainable agriculture extension, and community-based climate resilience initiatives in Kafa Zone. Its local knowledge and technical expertise—in agronomy, environmental monitoring, and community development—are available for consultation, but the university's involvement is limited to advisory support rather than direct engagement or management of project activities.

Together, these institutions provide the technical, institutional, and community-level capacity required for effective and inclusive project implementation.

Table 2.2 Responsibility for Project Coordination and Management Functions

Project Coordination and Management Function	Responsible Party/Parties
I. Strategic Direction & Plan Vivo Compliance (PMU Level)	
Overall Project Ownership, Strategic Planning, and Coordination	OSSREA
Plan Vivo Registration, Documentation Submission, and Certification	OSSREA

Carbon Credit Strategy and Technical Guidance	OSSREA (Climate Advisor)
Management of Formal Grievance Mechanism	OSSREA
Financial and Administrative Cycle Management (including carbon credit sales)	OSSREA
Oversight of Financial Transparency and Benefit Allocation	OSSREA
II. Monitoring, Reporting, and Validation	
Leading Project Monitoring, Data Management, and MRV Framework	OSSREA
Routine Field Data Collection, Physical Verification, and Progress Reporting	Cooperatives and Local Government Authorities (Woreda/Kebele Experts)
Academic guidance for community-based monitoring and reporting when necessary	Bonga University
Independent Validation and Verification (every 2-3 years)	Third-Party Verifiers (Coordinated by OSSREA)
Contribution of Data on Land Use and Coffee Production	ECTA
III. Field Operations and Capacity Building (Decentralized)	
Direct Field Management, Hands-on Supervision, and Technical Guidance	Cooperatives and Local Government Authorities (Woreda/Kebele Experts)
Executing Primary Training and Extension Services (SLM, Coffee Quality, etc.)	Local Government Authorities (Woreda/Kebele Experts)
Supervision and Support to Local Coordinators (Light/Technical Role)	Bonga University
Community Mobilization, Capacity Building, and Gender Inclusion Assurance	NABU
Co-designing Interventions, Progress Review, and Outcome Monitoring	Cooperatives and Community Project Committees (CPCs)
IV. Institutional Alignment	
Ensuring Project Alignment with Regional Development Plans and Regulations	Local Government Authorities (Woreda/Kebele Officials)
Reviewing Interventions and Providing Administrative Permits/Logistical Support	Local Government Authorities (Woreda/Kebele Officials)
Aligning Project with National Coffee Sector Standards, Certification, and Traceability	ECTA

Ensuring Gender and Generational Equity in Community Governance	Cooperatives and Community Project Committees (CPCs)

2.3 Project Participants

The primary participants in this pilot carbon project are 118 volunteer smallholder women farmers from Sheda Kebele, where implementation began eight months ago. Sheda and Gaweti are neighbouring kebeles located within Kaffa Zone, South-West Ethiopia People's Regional State. All current participants reside within and around the designated project area and live within walking distance of their coffee plots, which are situated inside the defined project intervention area and broader project region. No participants reside outside the project boundary or fall outside Plan Vivo eligibility criteria. At the time of documentation, detailed socio-economic baseline data are available for Sheda Kebele participants. Gaweti Kebele represents the second cohort and is currently in the early implementation phase (cooperative establishment and nursery operation), with planting scheduled to begin in approximately five months. A dedicated socio-economic baseline survey for Gaweti will be conducted prior to full planting scale-up and carbon issuance to ensure methodological consistency and site-specific representation.

Gender and Demographics

Participants are 100% women across both Sheda and Gaweti Kebeles. In Sheda Kebele, ages range from 18 to 60 years (average approximately 32 years). Household sizes average 4–5 members, and approximately 60% of households are female-headed. Education levels are generally low: 35% have no formal schooling, 45% completed primary school, and 20% completed secondary school. Only 8% of participants have held leadership positions in local cooperatives or committees. These demographic findings are drawn from a structured baseline survey of 83 women coffee producers in Sheda Kebele, complemented by focus group discussions (FGDs) to validate and expand survey responses. The FGDs captured nuanced insights into gender roles, labour allocation, livelihoods, and intra-household decision-making patterns.

A comparable socio-economic baseline assessment has not yet been completed in Gaweti Kebele. However, preliminary stakeholder consultations and cooperative registration records indicate similar demographic and livelihood characteristics. A full baseline survey will be undertaken in Gaweti to confirm demographic patterns, strengthen gender-responsive planning, and ensure equitable monitoring across both implementation sites. Until such data are collected, quantitative demographic statistics presented in this section refer specifically to Sheda Kebele participants.

Occupations and Livelihoods

All participants in both Sheda and Gaweti Kebeles are smallholder farmers managing their own plots without year-round hired labour. In Sheda Kebele, coffee is the main cash crop for 79% of participants, supplemented by small-scale livestock rearing (54%) and vegetable/food crop production (42%). Most households depend heavily on agriculture for income and food security, with limited off-farm income opportunities.

While detailed livelihood percentages are currently available for Sheda only, preliminary consultations in Gaweti indicate comparable dependence on coffee-based agroforestry systems, small livestock, and mixed subsistence farming. A site-specific livelihood profile will be confirmed through the planned Gaweti baseline survey to ensure accurate representation and monitoring.

Baseline Insight

Findings from the Sheda baseline socio-economic survey, complemented by focus group discussions (FGDs), indicate that while only 15% had prior awareness of climate finance, 98% expressed willingness to join a carbon cooperative once introduced to the concept. Women carry significant agricultural and household workloads yet often lack decision-making power over income and land use, with only 10% controlling coffee revenues independently. Over 90% practice shade-grown coffee agroforestry, providing a strong foundation for carbon sequestration interventions.

In Gaweti Kebele, awareness of carbon finance was similarly limited during initial community consultations; however, strong interest in cooperative-based participation and nursery management was observed. A formal baseline survey will be conducted to generate statistically robust socio-economic and gender-disaggregated data prior to credit issuance, ensuring that both kebeles are equally represented in the project's monitoring, reporting, and evaluation framework.

Table 2.3 Key Characteristics of Project Participants (*Baseline figures derived from the socio-economic survey of 83 women coffee producers in Sheda Kebele, complemented by focus group discussions (FGDs) to validate and expand individual survey responses).*

Indicator	Value
Total Participants	108 women farmers
Gender Distribution	100% female
Age Range	18–60 years (average ~32 years)
Average Household Size	4–5 members
Female-Headed Households	~60%
Land Tenure	85% hold land certificates; 11% use communal land; 4% rent
Education	35% no formal schooling; 45% primary; 20% secondary

Leadership Roles	8% have held cooperative/committee positions
Main Livelihoods	Coffee farming (79%), livestock rearing (54%), vegetable/food crop production (42%)
Agroforestry Practice	>90% manage shaded coffee systems
Climate Finance Awareness	15%
Willingness to Join Carbon Cooperative	~98%
Decision-Making Power Over Coffee Income	10% sole control, 45% joint, 43% male-controlled
Access to Extension Services	69% (mainly government extension)
Credit Access (Past Year-2024/25 Ethiopian fiscal year)	25% applied for loans (all approved)

2.4 Participatory Design

The project incorporated a structured, multi-phase stakeholder consultation process to ensure inclusivity, transparency, and alignment with local priorities across both Sheda and Gaweti Kebeles. Consultations began with scoping meetings involving Bonga University, NABU, local government offices, and representatives from women coffee grower groups to define project objectives, boundaries, cooperative structures, and potential risks (Figure 4). These initial discussions identified key concerns such as equitable benefit distribution, carbon rights aggregation through cooperatives, and capacity-building needs, while establishing a foundation for collaborative planning across both implementation sites.

Figure 4: Stakeholder engagement - Group photo with farmers, local authorities and cooperative leaders at Sheda Kebele

At the community level, a participatory selection process was implemented separately in Sheda Kebeles to identify eligible participants. Local leaders, kebele-level cooperatives, and Bonga University facilitated open community meetings to explain project goals, participation requirements, cooperative membership obligations, nursery management responsibilities, and Plan Vivo eligibility criteria (Figure 5).

Figure 5: Consultation with the community, local authorities, Bonga University, OSSREA, Cooperatives at Sheda Kebele

Priority was given to women with an interest in sustainable agroforestry, long-term land stewardship, and livelihood improvement through ecosystem services. The process emphasized inclusivity across age groups, household sizes, and both kebele locations to ensure equitable representation. Focus group discussions (FGDs), household surveys (conducted in Sheda), and seasonal calendars were used to gather input from women farmers on agroforestry species preferences, training formats, nursery operation, and livelihood priorities (Figure 6).

Figure 6: Group discussion with community members at Sheda Kebele

In Gaweti Kebele, participatory meetings guided cooperative formation, nursery establishment, phased planting plans, and carbon rights aggregation. Community members actively contributed to governance decisions and nursery management arrangements, ensuring the institutional setup reflected local priorities. Consultations and group discussions were conducted during cooperative establishment and nursery planning (Figures 7 and 8), with strong engagement in both decision-making and practical nursery activities, demonstrating local ownership. These discussions generated insights comparable to Sheda, and a full baseline survey is scheduled prior to large-scale planting. Focus group discussions, including gender-segregated sessions, validated findings and captured perspectives on gender roles, decision-making power, and resource constraints, ensuring women's voices were prioritized.

Figure 7. Community consultation meeting between the project team and women beneficiaries

Figure 8. Community members in Gaweti Kebele actively engaged in nursery establishment and management.

Local cooperatives and leaders in both kebeles were engaged to validate findings, confirm carbon rights arrangements, and mobilize broader community support. Cooperative representatives played a central role in communicating participation requirements, clarifying benefit-sharing mechanisms, and ensuring that enrolment decisions were voluntary and informed. Technical consultations with agricultural extension officers and the Bureau of Agriculture ensured alignment with national climate policies, carbon standards, and agroecological best practices. Workshops included input from Bonga University researchers, who provided technical guidance on scientific data (e.g., soil health metrics, carbon baselines, and agroforestry performance indicators). This advice was integrated with farmer feedback to refine site-specific interventions in both Sheda and Gaweti. A grievance mechanism, integrated within cooperative bylaws and community-level procedures, will be established and operationalized in both kebeles to address concerns during and after implementation. Consultation outcomes will be documented and shared back to stakeholders through public summaries and cooperative meetings, ensuring accountability and transparency across sites. This iterative and cooperative-centred participatory process fosters trust, minimizes conflicts, strengthens women's institutional leadership, and enhances the project's legitimacy and long-term adoption in both Sheda and Gaweti Kebeles.

2.5 FPIC Compliance Statement

The project follows Free, Prior, and Informed Consent (FPIC) principles to ensure women farmers in Sheda and Gaweti Kebeles participate voluntarily and understand the project objectives, cooperative governance, carbon rights, benefits, risks, and responsibilities.

Prior to enrolment, detailed discussions were held at community and cooperative levels to explain:

- Agroforestry interventions and planting commitments.
- Carbon credit generation and revenue-sharing mechanisms.
- Land tenure considerations and carbon ownership provisions under Ethiopian legislation.
- Monitoring requirements and cooperative obligations.
- Potential risks and grievance procedures.

Adequate time was provided for questions, internal deliberation, and voluntary decision-making. Participation was entirely voluntary, and no coercion or conditional incentives were applied. In Sheda Kebele, FPIC discussions were conducted and agreements drafted, which are now being revised to include husbands' signatures. In Gaweti Kebele, FPIC has been implemented through open consultations during cooperative formation and nursery planning, with written agreements yet to be completed. For non-literate participants, consent procedures included verbal explanation in the local language, witnessed confirmation, and recorded verbal agreement in accordance with culturally appropriate practices. Public assemblies were held to validate collective understanding and confirm community-level support, facilitated by trusted local intermediaries and cooperative leaders. Feedback mechanisms and cooperative-level grievance procedures are in place to maintain ethical participation, transparency, and community ownership throughout the pilot and future expansion.

3 Project Design

3.1 Baseline Scenario

The project area contains individual farmlands, which was historically covered by dense natural forests dominated by indigenous tree species. However, due to decades of unsustainable land use practices—including overgrazing, selective tree cutting, and agricultural expansion—the landscape has undergone degradation. Currently, most of the area under the transition zones retains less than 10 trees per hectare, a significant decline from its original forested state, resulting in diminished biodiversity, reduced carbon stocks, and weakened ecosystem resilience. The remaining trees are scattered and often stunted, providing limited shade or ecological benefits. The degradation has led to declining soil fertility to some extent, reduced water retention capacity, and increased vulnerability to climate shocks, such as flash floods. A portion of farmers have ceased active cultivation due to declining soil productivity, leaving their fields fallow. These plots are now overrun by invasive weeds and shrubs, with no natural tree regeneration due to compacted soils and

recurrent grazing pressure (Figure 9). Farmers in the area, particularly women smallholder coffee growers, struggle with low agricultural productivity due to poor soil health and lack of shade trees, which are essential for quality coffee production. Without intervention, continued land degradation threatens to further reduce carbon sequestration potential, exacerbate food insecurity, and diminish livelihoods, and will pose a threat on the adjacent buffer and core zones of the biosphere found in Bita district. This baseline scenario underscores the urgent need for alternative restoration strategies such as climate-smart agroforestry. By reintroducing indigenous shade trees, fruit trees, and temporary cover crops, the project aims to reverse degradation, enhance carbon storage, and improve land productivity while maintaining sustainable grazing practices where applicable. The degraded state of the land also ensures that the project meets additionality criteria under Plan Vivo, as the proposed interventions would not occur without targeted support.

Figure 9: Ground-level view showing invasive weed dominance in one of Sheda Kebele farm plot

3.2 Livelihood Baseline

The local communities depend on a diverse but declining livelihood portfolio, with income sources stratified in descending order of importance. Coffee sales dominate as the primary economic activity, contributing the largest share of household income, though productivity is constrained by degraded soils, sun-grown cultivation, and climate vulnerabilities. Cereal production—particularly maize and common beans—ranks as the second-most critical livelihood, serving as both a cash crop and staple food, but yields are low due to nutrient-depleted soils and unpredictable rainfall pattern. Vegetable farming provides supplementary income, though its scale is limited by water scarcity and pest pressures. Fruit trees, such as banana, offer additional nutritional and economic benefits, but their prevalence is minimal due to the lack of organized agroforestry systems. Beekeeping and poultry farming represent smaller-scale enterprises, with honey production hindered by deforestation-induced floral scarcity and poultry limited by disease and feed costs. Overall, livelihoods are highly susceptible to environmental and market shocks, with coffee price

fluctuations and climate extremes disproportionately affecting stability. The project's agroforestry interventions aim to diversify and strengthen this baseline by integrating shade trees with coffee, improving soil health for cereals, and expanding fruit/beekeeping opportunities—thereby reducing reliance on a single commodity while enhancing resilience.

Key Observations:

- Coffee dependence exposes to households to climate change and global price volatility.
- Low productivity in cereals/vegetables perpetuates food insecurity.
- Untapped potential in fruit trees and beekeeping due to ecological degradation.
- Intervention synergy: Agroforestry can simultaneously address carbon and livelihood gaps.

3.3 Ecosystem Baseline

The project area's degraded ecosystem reflects the cumulative impacts of deforestation, unsustainable farming, and overgrazing, with severe consequences for biodiversity, water resources, and soil health. Historically, the landscape supported diverse native forests, including the wild coffee gene pool, with high carbon stocks and habitat complexity. Current assessments reveal a system under stress:

- Biodiversity Loss: Severe biodiversity loss is evident, with native tree species like *Pouteria adolfi-friederici*, *Olea welwitschii*, and *Cordia africana* now rare (fewer than five trees per hectare), largely replaced by early successional species such as *Croton macrostachyus* and invasive plants like *Lantana camara*, which threaten the native ecosystem. Faunal diversity, particularly birds and essential pollinators like bees, is also in decline due to habitat fragmentation.

- Soil and Water Degradation: Widespread erosion and severe compaction from overgrazing are prevalent. Project studies confirm that while the soils retain natural potential, their physical structure is severely compromised, which significantly reduces water infiltration and retention capacity. This degradation—combined with the loss of forest cover—is leading to drying streams and springs, making farmers reliant on increasingly erratic rainfall. This also means that existing below-ground carbon stocks are highly vulnerable to eventual loss from further erosion and unsustainable land use.

- Microclimate and Carbon Stocks: The loss of protective tree cover has shifted local microclimates, raising temperatures and intensifying drought stress, while above-ground carbon stocks remain far below their potential.

These environmental challenges are tightly linked to livelihood decline—sun-grown coffee systems lack the protective benefits of shade, leading to increased water demand and pest issues, and grazing lands are suffering from poor forage quality due to bare soils and invasive species, thereby reinforcing cycles of poverty.

The project interventions are closely linked to ecological restoration and livelihood improvement. Agroforestry will help restore tree cover, stabilize eroding soils, and support the return of pollinators critical for ecosystem balance. The use of vermicompost will rebuild soil organic matter and improve soil structure, significantly enhancing fertility and water retention capacity and stabilizing existing soil carbon. Additionally, promoting shade-grown coffee systems will replicate the structure of natural forests, thereby boosting biodiversity, improving habitat quality, and increasing total carbon storage capacity toward the ecosystem's full potential.

3.4 Project Logic

This project is grounded in a cause-and-effect framework that links targeted interventions to tangible ecological, social, and economic outcomes. It articulates how restoring degraded lands through community-led agroforestry will generate climate mitigation benefits while improving livelihoods and biodiversity. Below is the detailed project logic:

Table 3.4 Initial Project Logic

Aim The project aims to address several critical issues: low agricultural productivity, poor soil fertility, limited access to sustainable farming practices, low-income generation opportunities for smallholder farmers, and deforestation due to unsustainable farming practices and overutilization of fuel wood.		
	Description	**Assumptions/Risks**
Outcomes – Intended overall project aim		
Carbon Benefit	Increased tree-cover through coffee agroforestry and shade crops will enhance above-ground biomass and soil carbon sequestration.	Assumes proper tree growth and survival rates.
Livelihood Benefit	Women gain diversified income from coffee, bananas, and honey production. Technical training improves yields.	Assumes markets are accessible for surplus products; training is retained and applied.
Ecosystem Benefit	Improved biodiversity through pollinator, support mixed cropping systems, and	Assumes sufficient adoption of sustainable practices; risks

	organic farming. Soil and water conservation via agroforestry and vermicompost use.	from invasive species or pests are manageable
Outputs		
Output 1	Provision of coffee seedlings and agroforestry species (Banana) to 108 women farmers	Risk: Poor seedling survival due to drought or mismanagement. Mitigation: Provide training on planting and watering techniques.
Output 2	Delivery of technical training on sustainable coffee management and agroforestry practices	Risk: Low participation or retention of knowledge. Mitigation: Use participatory training and follow-up visits.
Output 3	Technical training on vermicompost preparation and application to improve soil health	Risk: Misapplication or lack of understanding. Mitigation: Demonstration plots and continuous coaching.
Output 4	Provision of beehives and training on beekeeping to diversify income and support pollination	Risk: Beehive abandonment or bee loss. Mitigation: Train on hive management, monitor health, and link to buyers.

3.5 Additionality

The proposed coffee-based agroforestry carbon project involving 108 smallholder women farmers in Sheda and Gaweti Kebeles is considered additional because the planned interventions would not be implemented at scale without carbon finance and structured institutional support.

Although shade-grown coffee is traditionally practiced in the region, farmers typically manage their plots primarily for short-term productivity and household income. Systematic agroforestry enhancement, structured tree enrichment, nursery establishment, cooperative-based carbon rights aggregation, and formal carbon monitoring systems are not common practice in either kebele. These activities require coordinated planning, long-term commitments, and additional financial and technical resources that are currently unavailable to smallholder farmers.

Participating women farmers face significant financial constraints, including limited access to credit, low savings capacity, and heavy dependence on seasonal coffee income. Without carbon revenue, there would be insufficient incentive or capital to invest in expanded nursery operations,

structured planting programs, long-term carbon monitoring, and cooperative strengthening required for verified carbon market participation.

In addition, awareness and technical capacity related to carbon finance were found to be very limited during baseline assessments and community consultations. No existing mechanisms were in place in Sheda or Gaweti to aggregate carbon rights, access voluntary carbon markets, or manage long-term climate finance contracts. The project introduces new institutional arrangements, technical support systems, and cooperative governance structures that go beyond business-as-usual agricultural practice.

Carbon finance therefore plays a critical enabling role by:

- Providing financial incentives for long-term tree planting and stewardship;
- Supporting cooperative development and carbon rights aggregation;
- Covering transaction and monitoring costs associated with certification;
- Strengthening women's participation in climate finance mechanisms.

Without this project and its associated carbon revenue, the proposed structured agroforestry enhancement and verified carbon sequestration activities would not occur at the planned scale or with the required institutional framework. The project therefore demonstrates clear financial and institutional additionality.

Table 3.5 Initial Barrier Analysis

Project Intervention	Main Barrier	Activities to Overcome Barriers
Provision of coffee seedlings	Financial: Smallholder women lack funds to buy quality seedlings.	Project will supply seedlings free of charge and offer guidance on planting and care.
	Technical: Lack of knowledge on optimal planting and care.	On-site training and follow-up visits by local extension agents.
Planting of temporary shade trees (Banana)	Financial: Initial cost of planting material and labour.	Project provides banana suckers; promotes shared labour through women's groups.
	Cultural: Some farmers prioritize staple crops over agroforestry species.	Awareness sessions on multiple benefits of shade trees (food, income, shade, resilience).

Provision of technical training	Institutional: Limited local capacity to deliver consistent training.	Engage NGOs, extension services, and local experts to build a sustainable training-of-trainers (ToT) model.
	Social: Low literacy levels among some participants.	Use visual, hands-on, and peer-to-peer training methods suitable for non-literate farmers.
Providing vermicompost for organic farming	Technical: Limited experience with compost application and handling.	Establish demonstration plots and provide guided practice sessions.
	Financial: Farmers cannot initially produce or purchase compost at scale.	Provide starter vermicompost and training on how to produce it at household or community level.
Provision of beehives for beekeeping	Technical: Lack of beekeeping knowledge and experience.	Offer training and mentorship in hive management, honey harvesting, and marketing.
	Economic: Lack of equipment for honey processing and storage.	Facilitate group procurement of processing kits and link women to cooperatives or honey buyers.
Organizing women into project groups/cooperatives	Institutional: Weak women's groups or lack of formal organization.	Facilitate group formation, leadership training, and formal registration where possible.
	Social: Limited decision-making power for women in some households or communities.	Engage men and community leaders to foster inclusive support; highlight women's role in economic development.

3.6 Exclusion List

See Annex table showing exclusion list

3.7 Environmental and Social Screening

See Annex 4 table showing environmental and social screening

3.8 Double Counting

There are currently no registered or on-going greenhouse gas emission reduction projects, carbon credit initiatives, or similar programmes operating within the proposed project area. The project focuses on on-farm lands in Bita district and based on consultations with local authorities and available national registries, there is no overlap with any existing carbon finance projects or initiatives, including those linked to Ethiopia's Nationally Determined Contributions (NDCs) under the Paris Agreement.

Table 3.8 National Level Legislation, Policies and Instruments

	Yes/No/Unsure	Details
Is there a national registry for land-based carbon projects?	No	Ethiopia does not yet have a fully operational centralized national carbon registry, but steps are being taken to establish one. The government has announced plans to develop a domestic carbon registry to track and manage credits, ensuring transparency and state oversight. A pilot national registry could emerge by 2025–2026, potentially with support from the World Bank or UNDP. The Environmental Protection Authority is expected to oversee this system, but technical implementation (e.g., digital infrastructure) is still in development. Ethiopia's Climate Resilient Green Economy (CRGE) strategy emphasizes the need for a registry to align with national climate goals.
Are carbon rights defined in national legislation?	Yes	Yes, carbon rights are partially defined in Ethiopia's national legislation, particularly under the Ethiopian Carbon Market Regulation (Proclamation No. 1287/2023). However, the framework is still evolving, and key details remain under development.
Are there any carbon pricing regulations existing or in development (e.g. emissions trading scheme or carbon tax)	No	Ethiopia does not yet have an operational carbon pricing system (e.g., carbon tax or emissions trading scheme), but it is laying the groundwork for future mechanisms.
Does the country receive or plan to receive results-based climate finance through	Yes	Yes, Ethiopia actively receives and plans to expand results-based climate finance (RBCF) through bilateral and multilateral programs, primarily for forest conservation,

bilateral or multilateral programs?		renewable energy, and climate resilience in line with the achievement of NDC targets.
Are there any other relevant regulations, policies or instruments?	Yes	Yes, Ethiopia has several additional regulations, policies, and instruments related to carbon trading and climate finance, complementing the Carbon Market Regulation (Proclamation No. 1287/2023) such as Ethiopia's Forest Development, Conservation, and Utilization Proclamation (No. 1065/2018). Proclamation 1065/2018 lays the groundwork, but Proclamation 1287/2023 explicitly regulates carbon trading.

4 Governance and Administration

4.1 Governance Structure

The governance structure of the coffee-based agroforestry carbon project is built on a vertically accountable and community-centred institutional framework that integrates certification oversight, national regulatory alignment, technical backstopping, cooperative-based aggregation, and farmer-led implementation.

At the apex of the structure is the Plan Vivo Foundation, which provides certification and compliance oversight under the Plan Vivo Standard (Figure 10). The Foundation reviews and registers project documentation authorizes issuance of Plan Vivo Certificates and conducts periodic validation and verification to ensure environmental integrity, social safeguards, and adherence to approved methodologies. This external oversight guarantees credibility in the voluntary carbon market and safeguards both environmental and community interests.

Directly accountable to the certification body is OSSREA, the Project Owner and designated Plan Vivo Project Coordinator. OSSREA holds overarching responsibility for strategic coordination, compliance, financial management, and carbon market engagement. It manages project registration, reporting, verification coordination, and carbon credit commercialization. In addition, OSSREA ensures that cooperative-level aggregation and benefit-sharing arrangements are

implemented transparently and in accordance with community-approved agreements. Its expanded operational responsibilities include:

- Registration of project activities and submission of required documentation;
- Coordination of third-party validation and verification processes;
- Negotiation and formalization of carbon credit sales agreements;
- Consolidated carbon accounting and monitoring oversight;
- Financial management and transparent reporting;
- Oversight of benefit-sharing in line with cooperative bylaws and signed farmer agreements.

While OSSREA provides central coordination, the kebele-level cooperatives (Sheda and Gaweti) serve as the institutional backbone of implementation. Their role is critical and operationally central. The cooperatives function as the formal carbon rights aggregators and financial managers at community level, ensuring collective governance and reducing transaction costs for individual farmers. Rather than acting as passive intermediaries, they are the core economic and governance engines of the project. Their expanded operational involvement includes:

- Aggregation of individual farmer carbon rights in compliance with Ethiopian carbon legislation;
- Management and transparent distribution of carbon revenues to members;
- Operation and supervision of seedling nurseries and input distribution systems, including the nursery established and managed by Gaweti farmers;
- Maintenance of member records and coordination of monitoring activities;
- Representation of farmers in contractual and commercial engagements;
- First-level grievance handling and internal dispute resolution.

Through this structure, cooperatives institutionalize collective bargaining power, strengthen democratic governance, and ensure that carbon finance remains community-owned and locally managed. At the national level, regulatory and sectoral alignment is ensured through collaboration with the Ethiopian Coffee and Tea Authority (ECTA) and the Ministry of Planning and Development (MoPD). ECTA supports alignment with national coffee sustainability standards, quality frameworks, and traceability systems, ensuring that agroforestry interventions strengthen Ethiopia's coffee sector strategy. MoPD provides guidance on national project registry requirements and regulatory compliance within Ethiopia's broader climate policy framework, ensuring that the project is consistent with national development and carbon market regulations.

Technical support from Bonga University is limited to occasional guidance and advisory input. The university provides expertise for germplasm provision (coffee and banana), consultation on field

activities, and some assistance with material procurement. While their involvement offers scientific advice and occasional supervision, operational management, field implementation, and logistics remain the responsibility of the project team.

Community mobilization and inclusive engagement were initially supported by NABU, which played a foundational role in site identification and early project setup. Currently, NABU provides limited facilitation and advisory support to ensure participatory processes, promote environmental awareness, and support gender inclusion within governance structures, while operational management is led by the project team.

At sub-national level, Zonal, Woreda, and Kebele administrations provide regulatory oversight and operational support. Local government authorities ensure that activities comply with land administration regulations and local development priorities. In particular, Woreda and Kebele administrations assign technical experts who bridge institutional coordination and field implementation. Their expanded operational involvement includes:

- Direct field supervision and extension support;
- Verification of land tenure and compliance with administrative requirements;
- Routine monitoring and field-level data validation across both Sheda and Gaweti sites;
- Support for cooperative capacity building and training delivery;
- Facilitation of policy alignment and logistical coordination.

These experts serve as the operational link between OSSREA and community institutions, ensuring that implementation reflects both national policy and local realities.

At the foundation of the governance system are the 118 volunteer smallholder women farmers in Sheda Kebele and the participating women farmers in Gewati Kebele, who are landholders, nursery managers, implementers of agroforestry systems, cooperative members, and primary beneficiaries. They manage coffee and shade tree systems, establish and operate nurseries (including the Gewati nursery), maintain compliance with project protocols, participate in cooperative decision-making, and contribute to monitoring processes. Their role is both operational and governance-based, particularly through their membership and voting power within the cooperatives.

Together, this governance structure ensures vertical accountability (from farmers to cooperative to OSSREA to certification body), horizontal coordination across institutions, regulatory compliance at multiple levels, and strong cooperative-centred economic empowerment across both project sites. The integration of certification oversight, cooperative aggregation, transparent financial

management, and participatory governance provides a robust institutional foundation for environmental integrity, social inclusion, and long-term sustainability over the project's 30-year crediting period.

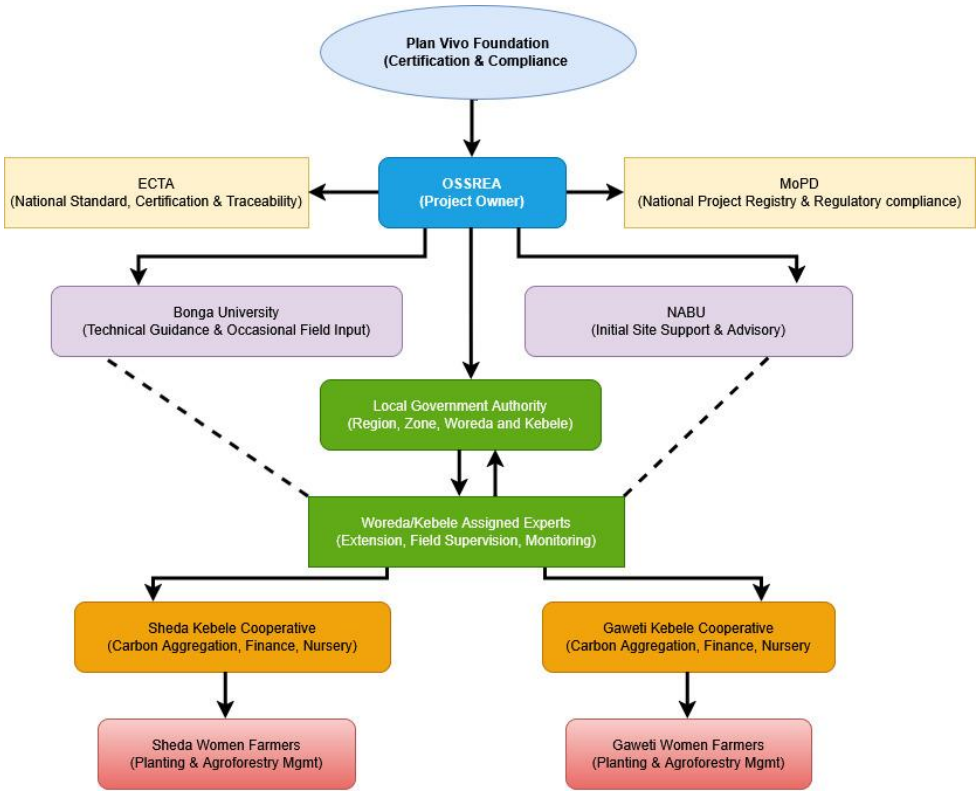

Figure 10: Schematic summary of the governance structure

4.2 Legal and Regulatory Compliance

Ethiopia's legal and institutional framework for land administration and carbon market governance plays a central role in the implementation of carbon credit projects. All land in Ethiopia is publicly owned, with the federal government holding ultimate ownership and devolving land administration responsibilities to regional and local authorities through a decentralized governance structure. Under this system, district (woreda) administrations allocate land to communities based on federal laws such as Proclamation No. 456/2005 and accompanying regional proclamations. Woreda land offices, under the oversight of zonal and regional bureaus, issue certified landholding certificates that confer usufruct rights—use rights without private ownership. These certificates provide legal recognition of land use but do not allow communities to sell or mortgage land. Redistribution of land or resolution of disputes must be approved by higher regional or federal authorities.

The recently launched National Carbon Market Strategy (NCMS 2025–2035) provides a critical strategic direction for Ethiopia's participation in international and domestic carbon markets. The NCMS outlines the institutional architecture, legal alignment, and safeguards necessary to operationalize Article 6 of the Paris Agreement, while supporting Ethiopia's broader climate goals under the Climate-Resilient Green Economy (CRGE) strategy and its Nationally Determined Contributions (NDCs). The strategy emphasizes the importance of nested carbon market systems, harmonized monitoring, reporting and verification (MRV) processes, benefit-sharing frameworks, and regulatory coordination across federal, regional, and local levels.

At the national level, the Ministry of Planning and Development (MoPD) serves as the lead institution for coordinating climate change actions, including the oversight of greenhouse gas (GHG) emissions reductions, carbon trading initiatives, and implementation of adaptation and mitigation policies. The Ministry is mandated to ensure that carbon credit projects align with national development priorities and comply with the NCMS framework, including integration into national registries and MRV systems. The Environmental Protection Authority (EPA) at the federal level provides regulatory oversight of environmental matters, including the assessment and verification of GHG emissions. It sets national standards for emissions measurement, reporting protocols, and environmental permitting. The EPA also ensures that carbon projects comply with social and environmental safeguards in line with national legislation and international commitments.

Recent legal developments have further clarified the regulatory landscape. Proclamation No. 1065/2018 on Forest Development, Conservation, and Utilization establishes the legal foundation for forest carbon initiatives and enables community and association-based forest management. Building on this, Regulation No. 544/2024 provides detailed guidance on forest carbon trading, including definitions of carbon rights, registration procedures, benefit-sharing arrangements, and obligations for forest carbon developers. The regulation mandates that carbon revenues be distributed among the federal government, regional states, and participating local communities, ensuring equitable financial flows. In parallel, a forthcoming directive on forest carbon credit ownership rights is expected to offer additional legal clarity regarding the entitlement and transfer of carbon credits generated through afforestation, reforestation, and forest protection activities.

At the subnational level, within the South West Ethiopian Peoples' Regional State, particularly in Kefa Zone, the Regional, Zonal, and Woreda Bureaus of Agriculture and Land Administration and Use are responsible for land management, including land allocation, certification, and monitoring. These offices play a crucial role in verifying land use claims, ensuring compliance with land use laws, and supporting project implementation in alignment with sustainable development objectives. Regional

environmental authorities, such as the Regional EPA, collaborate with the federal EPA and the MoPD in monitoring emissions, evaluating baselines, and ensuring project adherence to national environmental standards. These bodies have been engaged in the early stages of the project through consultations and formal communications initiated by the project owner, OSSREA. Their continued involvement will be institutionalized through stakeholder agreements, joint verification exercises, data-sharing protocols, and periodic project reviews to ensure alignment with national and regional climate and carbon market priorities.

Although Ethiopia does not have a national law explicitly titled Free, Prior and Informed Consent (FPIC), its legal framework contains several elements aligned with FPIC principles. For example, the Federal Constitution (Article 40) guarantees land use rights and protection from arbitrary displacement. The recently enacted Rural Land Administration and Use Proclamation No. 1324/2024 recognizes customary land use and management by farmers, pastoralists, and semi-pastoralists, including community-based land rights. Additionally, the Access to Genetic Resources and Community Knowledge Proclamation No. 482/2006 requires prior informed consent from local communities before access to genetic resources or traditional knowledge is granted. While not termed FPIC, these laws ensure that land users are meaningfully consulted, their rights are protected, and consent is obtained in relevant contexts.

Importantly, the project also commits to respecting and observing all human rights as defined by the Universal Declaration of Human Rights (UDHR). It also adheres to international instruments such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the International Labour Organization's Convention No. 169 concerning Indigenous and Tribal Peoples. These frameworks reinforce the project's dedication to safeguarding the rights, cultural heritage, and self-determination of indigenous and vulnerable peoples. The integration of these international standards complements Ethiopia's national legal requirements and underpins the social and environmental safeguards embedded in the project's design and implementation.

4.3 Financial Plan

Start-up costs for the carbon-credit pilot are being met from a €200 000 grant already awarded to OSSREA by the Spanish Cooperation (AECID) for the wider "Empowering Ethiopian Coffee: A South-South Approach to Climate Finance and Carbon Credits" programme. Within this umbrella grant, a ring-fenced budget line has been set aside for the pilot's preparatory work, allowing the project team to finance all development-phase requirements—community sensitisation and gender-responsive trainings, baseline and carbon-stock surveys, detailed technical-specification

drafting, procurement of coffee-agroforestry seedlings and inputs, and the associated staff time, travel, and external consulting fees. In addition, national partners (like NABU, Bonga University, Ethiopian Coffee and Tea Authority) have committed in-kind support such as venues, germplasm provision, logistic and technical support. This blended package ensures that sufficient working capital is available well before Plan Vivo registration is finalised, eliminating the common funding bottleneck that many new projects face during the start-up phase.

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Annexes

Annex 1 – Project Boundaries

The geospatial data files for the project region and project area boundaries (in Shapefile and KML format) will be provided at the Project Design Document (PDD) stage.

Annex 2 –Registration Certificate

See annexed file 2

Annex 3 – Exclusion List

Activities	Included in Project ('Yes' or 'No')
Any project activities leading to or requiring the destruction [1] of critical habitat [2] or any forestry project which does not implement a plan for improvement and/or sustainable management.	No
Any activity which could be associated with the significant impairment of areas particularly worthy of protection of cultural heritage (without adequate compensation in accordance with international standards).	No
Trade in animals, plants or any natural products not complying with the provisions of the CITES/Washington convention [3].	No
Illegal, harvesting or trading in any wildlife resources.	No
Destructive fishing methods or drift net fishing with a net more than 2.5 km in length, explosives and/or poison.	No
Large-scale commercial logging operations for use in primary tropical moist forest.	No
Production or trade in wood or other forestry products other than from sustainably managed forests [4].	No

Exploitation of diamond mines and marketing of diamonds where the host country has not adhered to the Kimberley Process, and exploitation of other conflict minerals [5]	No
Activities involving harmful or exploitative forms of forced labour, [6] harmful child labour [7], modern slavery and human trafficking [8].	No
Projects that include involuntary physical displacement and/or forced eviction.	No
Production or activities that encroach on lands owned, or claimed or occupied by Indigenous Peoples, without full documented Free, Prior and Informed Consent (FPIC) of such peoples [9].	No
Harmful and unsafe production, use, sale or trade of pharmaceuticals, ozone layer depleting substances [10], and other toxic [11] or dangerous materials such as asbestos or products containing PCB's [12], wildlife or products regulated under CITES, including all products that are banned or are being progressively phased out internationally	No
Production or trade of arms, ammunition, weaponry, controversial weapons, or components thereof (e.g., nuclear weapons and radioactive ammunition, biological and chemical weapons of mass destruction, cluster bombs, anti -personnel mines, enriched uranium).	No
Procurement and use of firearms.	No
Provision of finances to military institutions involved in conservation or security activities.	No
Production or trade of strong alcohol intended for human consumption or other alcoholic beverages (excluding beer and wine).	No
Production or trade of tobacco and other drugs	No
Gambling, gaming establishments, casinos or any equivalent enterprises and undertaking [13].	No
Any trade related to pornography, prostitution or sexual exploitation of any form.	No

Production or trade in radioactive material. This does not apply to the procurement of medical equipment, quality control equipment or other application for which the radioactive source is insignificant and/or adequately shielded	No
Production or trade in unbound asbestos. This does not apply to the purchase or use of cement linings with bound asbestos and an asbestos content of less than 20%.	No
Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.	No
Transboundary trade in wastes, except for those accepted by the Basel Convention and its underlying regulations [14].	No
Any activity leading to an irreversible modification or significant displacement of an element of culturally critical heritage [15].	No
Production and distribution, or investment in, media that are racist, antidemocratic or that advocate discrimination against a part of the population.	No
Projects involving the planting or introduction of invasive species	No
Projects that increase the dependency of primary participants and other stakeholders on fossil fuels.	No

Notes:

[1] Destruction means (1) the elimination or severe reduction in the integrity of a habitat/area caused by a major and long-term/prolonged change in land-use or water resources or (2) the modification of a habitat such that this habitat's ability to fulfil its function/ role is lost.

[2] The term critical habitat encompasses natural and modified habitats that deserve particular attention. This term includes (1) spaces with high biodiversity value as defined in the IUCN's classification criteria, including, in particular, habitats required for the survival of endangered species as defined by the IUCN's red list of threatened species or by any national legislation; (2)

spaces with a particular importance for endemic species or whose geographical range is limited; (3) critical sites for the survival of migratory species; (4) spaces welcoming a significant number of individuals from congregatory species; (5) spaces presenting unique assemblages of species or containing species which are associated according to key evolution processes or which fulfil key ecosystem services; (6) and territories with socially, economically or culturally significant biodiversity for local communities. Primary forests or high conservation value forests must also be considered as critical habitats

[3] https://cites.org/eng/disc/text.php

[4] Sustainably managed forests are forests managed in a way that balances ecological, economic and socio-cultural needs.

[5] Conflict minerals, including tin, tungsten, tantalum and gold, can be used to finance armed groups, fuel forced labour and other human rights abuses, and support corruption and money laundering. See the EU Regulation on conflict minerals: https://policy.trade.ec.europa.eu/development-and-sustainability/conflict-minerals-regulation/regulation-explained_en

[6] Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

[7] Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development. Employees must be at least 14 years of age, as defined in the ILO's Declaration on the Fundamental Principles and Rights at Work (C138 – Minimum Age Convention, Article 2), unless local laws require compulsory school attendance or a minimum working age. In such circumstances, the highest age requirement must be used.

[8] Modern slavery is comprised two key components: forced labour and forced marriage. These refer to situations of exploitation that a person cannot leave or refuse due to threats, violence, deception or coercion. (https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf)

[9] https://www.fao.org/indigenous-peoples/our-pillars/fpic/en/

[10] Any chemical component which reacts with, and destroys, the stratospheric ozone layer leading to the formation of holes in this layer. The Montreal Protocol lists Ozone Depleting Substances (ODS), their reduction targets and deadlines for phasing them out.

[11] Including substances included under the Rotterdam Convention, Stockholm Convention and WHO "Pharmaceuticals: Restrictions in Use and Availability".

[12] PCBs (polychlorinated biphenyls) are a group of highly toxic chemical products that may be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985.

[13] Any direct financing of these projects or activities involving them (for example, a hotel including a casino). Urban improvement plans which could subsequently incorporate such projects are not affected.

[14] Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their disposal (1989).

[15] "Critical cultural heritage" is considered as any heritage element recognised internationally or nationally as being of historical, social and/or cultural interest.

Annex 4 - Environmental and Social Screening

Guidance on use

Background

- The questionnaire includes questions aligned with the Plan Vivo Cabron Standard (PV Climate) Environmental and Social Safeguards (Section 3.9, V5.0) and other Safeguard Provisions that are embedded in PV Climate (namely Stakeholder Engagement, Stakeholder Consultation, Free Prior and Informed Consent, Grievance Mechanism).
- The questionnaire also draws from the Plan Vivo Environmental and Social Policy Framework (ESPF).
- The questionnaire is structured around the IUCN ESMS Questionnaire, which itself is designed to be aligned with the IUCN ESMS (2016), and the World Bank Environmental and Social Framework (2017), including World Bank Standards 1-10.
- The number of questions has been limited in this version of the questionnaire to ensure that it is practical and user-friendly.
- The purpose of the questionnaire is to establish: 1) the project risk rating; 2) the significance of risks and impacts; 3) alignment with safeguard provisions; 4) the need for further E&S assessment during project design; 5) the likely safeguard plans that should be developed.
- Due to the early stage in project design, the questionnaire is not designed to assess alignment with PV Climate requirements, but rather prompt projects as to what will be expected regarding those requirements that relate to E&S safeguards.
- Any social and environmental risks must inform the design of the *Project*.

Requirement

- As per PV Climate V5.0 every project must conduct a screening of environmental and social risks and impacts at the PIN stage of project design. The questionnaire and screening report are to be submitted alongside the PIN to the Plan Vivo Foundation.

Process for use of the E&S questionnaire

- The Project Coordinator is to fill in the "Project coordinator response" section of the questionnaire. This is the column shaded light grey.
- Once completed by the Project Coordinator, the Plan Vivo Foundation Project Officer and E&S reviewer is to fill in the "E&S reviewer comments" section of the questionnaire. This includes filling in the "E&S reviewer conclusions".

- The screening report is then completed at the end by the Plan Vivo Foundation E&S reviewer, and the results are shared and discussed with the Project Coordinator.

Establishing significance of risks and impacts

Table 1 illustrates how risk significance can be established based on an estimate of likelihood of something happening, and the impact should it occur. This likelihood-magnitude matrix can be used by the Project Officer and the E&S reviewer to estimate the risk and impact significance of the E&S risk areas indicated in the E&S questionnaire **Section B**, below. Note that while the questionnaire focuses on key topics and issues that are common to natural resource management projects, the project coordinator should include other known E&S risks and impacts associated with the planned project.

Likelihood represents the possibility that a given risk event is expected to occur. The likelihood should be established using the following five ratings:

Very unlikely to occur (1)
Not expected to occur (2)
Likely – could occur (3)
Known to occur - almost certain (4)
Common occurrence (5)

Impact (or consequence) refers to the extent to which a risk event might negatively affect environmental or social receptors – see below criteria distinguishing five levels of impacts:

Severe (5)	Adverse impacts on people and/or environment of **very high magnitude**, including **very large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), cumulative, **long-term (permanent and irreversible**); **receptors** are considered **highly sensitive**; examples are severe adverse impacts on areas with high biodiversity value; severe adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or

	resettlement with long-term consequences on peoples' livelihood; impacts give rise to severe and cumulative social conflicts with long-term consequences.
Major (4)	Adverse impacts on people and/or environment of **high magnitude**, including **large scale** and/or spatial extent (large geographic area, large number of people, transboundary impacts), of certain duration **but still reversible** if sufficient effort is provided for mitigation; receptors are considered sensitive; examples are adverse impacts on areas with high biodiversity value; adverse impacts to lands, resources and territories of indigenous peoples; significant levels of displacement or resettlement with temporary consequences on peoples' livelihood; impacts give rise to social conflicts which are expected to be of limited duration.
Medium (3)	Adverse impacts of **medium magnitude**, **limited in scale** (small area and low number of people affected), **limited in duration** (temporary), impacts are relatively predictable and can be avoided, managed and/or mitigated with known solutions and straight forward measures.
Minor (2)	Adverse impacts of **minor magnitude, very small scale** (e.g. very small, affected area, very low number of people affected) and only short duration, may be easily avoided, managed, mitigated.
Negligible (1)	Negligible or no adverse impacts on communities, individuals, and/or on the environment.

Table 1: Rating significance of a risk area (Source: IUCN ESMS questionnaire, 2020)

		Likelihood of occurrence				
		Very unlikely to occur (1)	*Not expected to occur (2)*	*Likely – could occur (3)*	*Known to occur - almost certain (4)*	*Common occurrence (5)*
Magnitude	*Severe (5)*	Moderate	Substantial	High	High	High
	Major (4)	Low	Moderate	Substantial	Substantial	High

	Medium (3)	Low	Moderate	Moderate	Moderate	Substantial
	Minor (2)	Low	Low	Moderate	Moderate	Moderate
	Negligible (1)	Low	Low	Low	Low	Low

Establishing project risk category

The project risk category will be determined based on an understanding of the types of potential E&S risks and impacts associated with the project, and the availability of appropriate and known mitigation measures. Most Plan Vivo projects are thought to be of either low or moderate risk. If high risk projects are identified, the E&S impact assessment would look to understand the alternative project designs available to reduce the potential risks and impacts.

Table 2: Rating significance of a risk area (Source: IUCN ESMS questionnaire, 2020)

Risk Category	**Definition**
Low	Insignificant or low potential environmental and social risks and impacts have been identified. No additional management measures are required; no Environmental and Social Management Plan (ESMP) section of the PDD required.
Moderate	Moderate and/or substantial potential adverse risks and impacts have been identified, in one or more risk areas. These risks and impacts can be

	mitigated through known mitigation measures, such as a Stakeholder Engagement Plan, livelihood restoration plan, or through the project's ESMP.
High	High risks and impacts that are potentially diverse and irreversible, and for which standard solutions are not sufficient to manage, and for which specialist safeguard plans and expertise is required.

Alignment with safeguard provisions

Section C of the questionnaire refers to PV Climate safeguard provisions which are integrated into the Standard. These include:

- *Stakeholder engagement and consultation*
- *Free, Prior and Informed Consent*
- *Grievance Redress Mechanism*

The project coordinator will answer the questions related to these provisions and clarify the project's intentions to meet these Standard requirements during the project design phase.

Environmental and Social Assessment

The E&S questionnaire should determine what E&S assessment is required during the project design phase (PDD development). For low and moderate risk projects, a tailored E&S assessment is required. For high-risk projects, an Environmental and Social Impact Assessment (ESIA) is required. The project coordinator should consider in responses what further assessment of risks and impacts is required, and the E&S reviewer will comment on this and include a summary in the Screening Report section.

Safeguard Plans

The E&S questionnaire should determine which Safeguard Plans are required by the project. For low risk projects, it is unlikely that an ESMP will be required. For moderate risk projects, and ESMP will be required. Projects will, according to the Standard, also require a mandatory Stakeholder Engagement Plan and a Grievance Redress Mechanism. *Some projects might require specialist plans, such as an Indigenous Peoples Plan (IPP) or a Livelihood Restoration Plan.*

SECTION A: PROJECT INFORMATION	
Project title:	Empowering Ethiopian Coffee: A South-South Approach to Climate Finance and Carbon Credits" project
Project coordinator:	**Mr. Alemu Tesfaye**
Country:	**Ethiopia**
Geography/ landscape:	*Mostly scattered trees mountainous terrain, with most areas cleared for agriculture*
Project summary:	This project aims to support 108 smallholder women farmers through a coffee-based carbon credit initiative that enhances climate resilience, restores degraded ecosystems, and improves livelihoods. Key activities include the distribution of coffee seedlings and temporary (Banana) and permanent shade trees (Albizia, Milletia), provision of vermicompost for organic farming, installation of beehives, and delivery of technical training. The project is expected to increase carbon storage, improve soil health, boost biodiversity, and empower women through diversified income sources. It will be implemented in selected rural communities in Kafa Zone, South West Ethiopia Peoples' Regional State, in partnership with the local government, with Bonga University and NABU providing limited technical guidance and advisory support rather than direct operational involvement.
Name and role of project coordinator staff member filling this questionnaire:	**Mr. Alemu Tesfaye he is responsible for overseeing the planning, implementation, and monitoring of all project activities, ensuring effective coordination among partners and timely achievement of project goals and Dr. Yonas Yohannes who is responsible for technical matters of the project.**

PLAN VIVO

Confirm that the Plan Vivo Exclusion List is appended to this E&S questionnaire:	*Yes*

SECTION B: POTENTIAL E&S RISKS AND IMPACTS			
Topic	**Question**	**Project coordinator response**	**E&S reviewer comments**
E&S Risks and Impacts			
Vulnerable Groups	Are there vulnerable or disadvantaged groups or individuals, including people with disabilities (consider also landless groups, lower income groups less able to cope with livelihood shocks/ stresses) in the project area, and are their livelihood conditions well understood by the project?	The project area includes vulnerable groups such as low-income women who, while having equal rights to land, often face challenges in decision-making and access to resources. The project recognizes these constraints and is designed to empower women through inclusive activities that strengthen their role in household and community-level decisions, improve livelihoods, and enhance resilience.	OK. Further details on how decision-making processes and accessibility to relevant resources are developed within the project to best empower these women should be included at PDD stage.
	Is there a risk that project activities disproportionately affect vulnerable groups, due to their vulnerability status?	There is no significant risk that project activities will disproportionately affect vulnerable groups. On the	OK. More details, particularly on how the project addresses decision-making barriers are expected at PDD stage.

		contrary, the project is intentionally designed to benefit vulnerable groups—particularly low-income women—by addressing decision-making barriers, enhancing their access to resources, and actively involving them in all stages of the project to ensure equitable outcomes	
	Is there a risk that the project discriminates against vulnerable groups, for example regarding access to project services or benefits and decision-making?	No, there is no risk that the project will discriminate against vulnerable groups. The project is specifically designed to be inclusive, with a strong focus on empowering low-income women by ensuring equal access to services, benefits, and participation in decision-making processes throughout the project cycle.	OK.
E&S reviewer conclusions			

Estimated likelihood of risks (1-5) & justification: 3, this risk could occur due to the project working with a vulnerable group (all participants are women), though the project developer/coordinator has demonstrated awareness of the impact the project could have on them and identified mitigation strategies. *Estimated magnitude of risks (1-5) & justification: 3, if this risk were to occur it would have adverse impacts of medium magnitude that could be limited in scale and duration and can be avoided and mitigated by strategies already identified by the project developers/coordinators at PIN stage.* *Risk significance:* ***Moderate***			
Gender equality	Is there a risk of adverse gender impacts due to the project/ project activities, including for example discrimination or creation/exacerbation or perpetuation of gender-related inequalities?	No, there is no risk of adverse gender impacts due to the project activities. In fact, the project is designed to reduce gender-related inequalities by promoting women's active participation, improving their decision-making power, and providing them with access to income-generating opportunities, training, and resources. Special attention is given to ensuring that project interventions support gender equity and empowerment.	OK.

	Is there a risk that project activities will result in adverse impacts on the situation of women or girls, including their rights and livelihoods? Consider for example where access restrictions disproportionately affect women and girls due to their roles and positions in accessing environmental goods and services?	No, there is no risk that project activities will result in adverse impacts on the situation of women or girls. The project is specifically designed to improve the rights, livelihoods, and well-being of women by enhancing their access to environmental goods and services, agroforestry resources, and income-generating opportunities. It actively addresses existing gender disparities and ensures that women and girls benefit equitably from all project interventions	OK.
	Is there a risk that project activities could cause or contribute to gender- based violence, including risks of sexual exploitation, sexual abuse or sexual harassment (SEAH)? Consider partner and collaborating partner organizations and policies they have in place. Please describe.	There is minimal risk that project activities could cause or contribute to gender-based violence, including sexual exploitation, abuse, or harassment (SEAH). The project will be implemented by the local government, with Bonga	OK. Please provide more details on how the project will incorporate awareness-raising on gender-based violence, promote safe working environments, and establish confidential reporting mechanisms to prevent and

		University and NABU providing limited advisory and technical guidance rather than direct operational involvement. All partners are expected to uphold strong ethical standards and adhere to clear safeguarding policies. Additionally, the project will incorporate awareness-raising on gender-based violence, promote safe working environments, and establish confidential reporting mechanisms to prevent and address any SEAH risks.	address any SEAH risks at PDD stage. Particularly focussing on the engagement and inclusion of women within the project-design process.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 3, due to the project's design focused on women and the project context with regards to gender in the project area as described by the project developer/coordinator, this risk could occur.

Estimated magnitude of risks (1-5) & justification: 3, if this risk were to occur it would have adverse impacts of medium magnitude that could be limited in scale and duration and can be avoided and mitigated by strategies already identified by the project developers/coordinators at PIN stage. Project coordinator to ensure the continued and thorough inclusion of participants in the project design process to best mitigate these risks (to be reviewed at PDD stage).

Risk significance: ***Moderate***			
Human Rights	Is there a risk that the project prevents peoples from fulfilling their economic or social rights, such as the right to life, the right to self-determination, cultural survival, health, work, water and adequate standard of living?	No, there is no risk that the project will prevent people from fulfilling their economic or social rights. On the contrary, the project is designed to enhance these rights by improving access to sustainable livelihoods, supporting food and income security with agroforestry and beekeeping, and strengthening community resilience. It fully respects the rights to self-determination, cultural practices, and an adequate standard of living.	OK.
	Is there a risk that the project prevents peoples from enjoying their procedural rights, for example through exclusion of individuals or groups from participating in decisions affecting them?	No, there is no risk that the project will prevent people from enjoying their procedural rights. The project is designed to be participatory and inclusive, ensuring that all stakeholders—especially women and their	OK.

		husbands who are male champions—are actively involved in decision-making processes. Mechanisms for community consultation, feedback, and transparency will be integrated throughout the project to guarantee that everyone has a voice in decisions that affect them.	
	Are you aware of any severe human rights violations linked to project partners in the last 5 years?	No	OK.
E&S reviewer conclusions *Estimated likelihood of risks (1-5) & justification: 1, given the project context and design, this risk is very unlikely to occur.* *Estimated magnitude of risks (1-5) & justification: 3, if this risk were to occur it would be of medium magnitude with impact that is relatively predictable and can be avoided, managed and/or mitigated with known solutions.* *Risk significance: **Low***			
Community, Health, Safety & Security	Is there a risk of exacerbating existing social and stakeholder conflicts through the implementation of project activities? Consider for example existing conflicts over land or natural resources, between communities and the state.	No, there is minimal risk of exacerbating existing social or stakeholder conflicts through the implementation of project	OK. Details of this resource sharing and participatory decision-making should be included at PDD stage.

		activities. The project is designed to work within existing land use rights, which are clearly defined, and to build on community consensus. It promotes equitable resource sharing and participatory decision-making. Additionally, collaboration with trusted local institutions like Bonga University, local government, and NABU NGO helps ensure that activities are sensitive to local dynamics and potential tensions, with conflict resolution mechanisms in place if needed.	
	Does the project provide support (technical, material, financial) to law enforcement activities? Consider support to government agencies and to Community Rangers or members conducting monitoring and patrolling. If so, is there a risk that these activities will harm communities or personnel involved in monitoring and patrolling?	No, the project does not provide direct support to law enforcement activities or to monitoring and patrolling by government agencies or community members. Its focus is on community-led, inclusive, and capacity-building interventions	OK.

		such as agroforestry, organic farming, and women's empowerment. Therefore, there is no associated risk of harm to communities or personnel from law enforcement-related activities.	
	Are there any other activities that could adversely affect community health and safety? Consider for example exacerbating human-wildlife conflict, affecting provisioning ecosystem services, and transmission of diseases.	No, the project's activities are designed to enhance community health and safety and do not pose risks such as exacerbating human-wildlife conflict, disrupting ecosystem services, or increasing disease transmission. By promoting sustainable agroforestry, and beekeeping, the project aims to support a healthier environment and reduce health risks related to indoor air pollution and environmental degradation.	OK.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 1, given the project context and design, this risk is very unlikely to occur.

Estimated magnitude of risks (1-5) & justification: 3, if this risk were to occur it would be of medium magnitude with impact that is relatively predictable and can be avoided, managed and/or mitigated with known solutions. *Risk significance:* ***Low***			
Labour and working conditions	Is there a risk that the project, including project partners, would lead to working conditions for project workers that are not aligned with national labour laws or the International Labor Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work (discriminatory working conditions, lack of equal opportunity, lack of clear employment terms, failure to prevent harassment or exploitation, failure to ensure freedom of association etc.)?	No, there is no risk that the project or its partners will create working conditions that violate national labour laws or ILO standards. All partners—including Bonga University, local government, and NABU NGO—are committed to upholding fair, non-discriminatory employment practices, clear terms of employment, and safe working environments that respect workers' rights, prevent harassment and exploitation, and support freedom of association.	OK.
	Is there an occupational health and safety risk to project workers while completing project activities?	There is a low occupational health and safety risk to project workers, as activities involve	OK. Details on how this risk is minimised should be provided at PDD stage.

		mainly agricultural and training tasks. However, the project will implement safety measures and provide necessary training and protective equipment to minimize any potential risks during fieldwork and handling of materials like vermicompost.	
	Is there a risk that the project support or be linked to forced labour, harmful child labour, or any other damaging forms of labour?	No! The project and its partners strictly adhere to ethical labour practices and comply with national laws and international standards to ensure all work is voluntary, fair, and safe.	OK.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 2, based on the project developer's observation and project context, there is a small chance this risk might occur – though this is not expected.

Estimated magnitude of risks (1-5) & justification: 2, if this risk were to occur it would affect a small amount of people and can be easily avoided and mitigated by solutions identified by the project developers/coordinators, with participants expected to receive training and protective equipment minimise occupational safety risks.

Risk significance: ***Low***

Resource efficiency, pollution, wastes, chemicals and GHG emissions	Is there a risk that project activities might lead to releasing pollutants to the environment, cause significant amounts of waste or hazardous waste or materials?	No, the project focuses on sustainable practices such as organic farming, agroforestry, which reduce environmental pollution and waste compared to conventional methods.	OK.
	Is there a risk that the project will lead to significant consumption of energy, water or other resources, or lead to significant increases of greenhouse gases?	No, the project is designed to minimize resource consumption and reduce greenhouse gas emissions. By promoting agroforestry, organic farming, it aims to enhance resource efficiency, conserve water, and lower emissions, contributing positively to environmental sustainability	OK.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 1, given the project context and design, this risk is not likely to occur.

Estimated magnitude of risks (1-5) & justification: 2, if this risk were to occur it would have minor impact on the environment, and that impact is predictable and can be avoided.

Risk significance: ***Low***

Access restrictions and livelihoods	Will the project include activities that could restrict peoples' access to land or natural resources where they have recognised rights (customary, and legal)? Consider projects that introduce new access restrictions (e.g. creation of a community forest), reinforce existing access restrictions (e.g. improve management effectiveness and patrolling of a community forest), or alter the way that land and natural resource access restrictions are decided (e.g. through introducing formal management such as co-management).	No, the project will not include activities that restrict people's access to land or natural resources where they have recognized customary or legal rights. Instead, it focuses on enhancing sustainable use of resources within existing access frameworks, ensuring that local communities retain their rights and continue to benefit from the land and natural resources.	OK.
	Is there a risk that the access restrictions introduced /reinforced/altered by the project will negatively affect peoples' livelihoods?	No, there is no risk that access restrictions introduced, reinforced, or altered by the project will negatively affect people's livelihoods. The project does not implement new restrictions but works within existing access rights and promotes sustainable resource management that supports and enhances local livelihoods	OK.

		without limiting access to essential resources.	
	Have strategies to avoid, minimise and compensate for these negative impacts been identified and planned?	Yes, strategies to avoid, minimize, and compensate for any potential negative impacts have been identified and planned. The project emphasizes community engagement, equitable resource use, and sustainable practices, ensuring that any risks to livelihoods or access rights are addressed proactively through inclusive decision-making, capacity building, and support measures to strengthen local resilience	OK. More details on the strategies in place to minimise this risk/compensate for any potential negative impacts are expected at PDD stage.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 2, given the project context and design, this risk is not likely to occur.

Estimated magnitude of risks (1-5) & justification: 2, if this risk were to occur it would have minor impact on the participants, and that impact is predictable and can be avoided through strategies already identified by the project developer/coordinator.

Risk significance: ***Low***

Cultural heritage	Is the Project Area officially designated or proposed as a cultural site, including international and national designations?	The Project Area is located within the Kafa UNESCO Biosphere Reserve; however, the project is implemented specifically in the transition zone—a designated area where local communities are permitted to carry out sustainable farming and livelihood activities. While the broader biosphere reserve holds international recognition for its ecological and cultural significance, the transition zone is not subject to the same strict protection as the core or buffer zones and is not officially designated as a cultural site under national or international law. Therefore, the project does not take place in an area officially designated or proposed as a cultural site.	OK.
	Does the project site potentially include important physical cultural resources, including burial sites and monuments, or	No	OK.

	natural features or resources of cultural significance (e.g. sacred sites and species, ceremonial areas) and is there risk that the project will negatively impact this cultural heritage?		
	Is there a risk that the project will negatively impact intangible cultural heritage? Consider for example cultural practices, social and cultural norms in relation to land and natural resources.	No, there is no risk that the project will negatively impact intangible cultural heritage. The project respects and integrates local cultural practices, social norms, and traditional knowledge related to land and natural resource use. By involving the community and promoting culturally appropriate interventions, it supports the preservation of intangible cultural heritage while enhancing sustainable livelihoods.	OK. This community involvement should be described and evidenced at PDD stage.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 1, the project design and interventions make this risk very unlikely to occur.

Estimated magnitude of risks (1-5) & justification: 2, if this risk were to occur it would be of minor magnitude and may be easily avoided, managed, mitigated through ongoing consultations with relevant local stakeholders and the participating community.

Risk significance: ***Low***			
Indigenous Peoples	Are there Indigenous Peoples living within the Project Area, using the land or natural resources within the project area, or with claims to land or territory within the Project Area?	No	OK.
	Is there a risk that the project negatively affects Indigenous Peoples through economic displacement, negatively affects their rights (including right to FPIC), their self- determination, or any other social or cultural impacts?	NA	OK.
	Is there a risk that there is inadequate consultation of Indigenous Peoples, and/or that the project does not seek the FPIC of Indigenous Peoples, for example leading to lack of benefits or inappropriate activities?	NA	OK.
E&S reviewer conclusions *Estimated likelihood of risks (1-5) & justification: 1, given the project context, this risk very unlikely to occur.* *Estimated magnitude of risks (1-5) & justification: 1, if this risk should occur it would have no impact as no Indigenous Peoples have been identified in the project area/region.* *Risk significance:* ***Low***			
Biodiversity and	Is there a risk that project activities will cause adverse impacts on biodiversity (both in areas of high biodiversity	No, the project activities are designed to have positive or	OK.

sustainable use of natural resources	value, and outside of these areas) or the functioning of ecosystems? Consider issues such as use of pesticides, construction, fencing, disturbance etc.	neutral impacts on biodiversity and ecosystem functioning. The interventions focus on sustainable agroforestry, organic farming without synthetic pesticides, and restoration of native tree cover, which support biodiversity conservation. There is minimal risk from construction or fencing, and all activities will be carefully managed to avoid disturbance to sensitive habitats.	
	Is there a risk that the project will introduce non-native species or invasive species?	No	OK.
	Is there a risk that the project will lead to the unsustainable use of natural resources? Consider for example projects promoting value chains and natural resource-based livelihoods.	No, the project promotes sustainable use of natural resources by encouraging agroforestry, organic farming, and alternative livelihoods that enhance resource conservation. All activities are designed to avoid overexploitation, support	OK.

		ecosystem health, and maintain long-term productivity, thereby minimizing the risk of unsustainable resource use	
E&S reviewer conclusions *Estimated likelihood of risks (1-5) & justification: 1, the project is designed to include interventions that have positive or neutral impacts on biodiversity through sustainable agroforestry, organic farming without synthetic pesticides, and restoration of native tree cover; thus, this risk is very unlikely to occur.* *Estimated magnitude of risks (1-5) & justification: 2, if this risk were to occur it would have minor impact on people and on the environment, and that impact is predictable and can be avoided based on the project design as well as the expertise of the developer and coordinator on the subject.* *Risk significance:* ***Low***			
Land tenure conflicts	Has the land tenure and use rights in the project area been assessed and understood?	Yes, the land tenure and use rights in the project area have been assessed and are well understood. The project recognizes and respects existing national and regional customary and legal rights, ensuring that interventions align with local land use practices and do not infringe upon community rights.	OK. The land tenure and user rights should be described at PDD stage.

		Members with land management rights are also regulated by decrees issued by the local government.	
	Is there a risk that project activities will exacerbate any existing land tenure conflicts, or lead to land tenure or use right conflicts?	There is no risk that project activities will exacerbate existing land tenure conflicts or lead to new land tenure or use rights conflicts. The intervention sites are located on clearly defined, individually managed farmlands with no history of disputes. Landholders have secure, recognized use rights, and all activities are designed to be implemented with full consent and participation of the landowners.	OK.

E&S reviewer conclusions

Estimated likelihood of risks (1-5) & justification: 2, due to the project context and the project developer/coordinator's understanding of land tenure and land management rights in the project area, this is not expected to occur.

Estimated magnitude of risks (1-5) & justification: 2, impacts of this risk would be of small magnitude but can be avoided and mitigated through ensuring that participants have secure land management rights before joining the project. *Risk significance:* ***Low***			
Risk of not accounting for climate change	Have trends in climate variability in the project areas been assessed and understood?	Yes, trends in climate variability in the project have been assessed and understood through various studies and research. These studies have revealed significant changes in rainfall patterns and temperature, particularly concerning the Belg (spring) season rainfall, which has shown a decreasing trend. Additionally, the main rainy season (June to August) has also experienced a downward trend in rainfall in many locations.	OK.
	Has the climate vulnerability of communities and particular social groups been assessed and understood?	Yes, the climate vulnerability of communities and specific social groups in the overall Kafa zone	OK.

		including the project area has been assessed and well understood. The assessment integrates scientific data with local knowledge to identify how climate change impacts sectors like agriculture, water, and health, and to develop targeted adaptation strategies that address the needs of different groups within the community.	
	Is there a risk that climate variability and changes might influence the effectiveness of project activities (e.g. undermine project-supported livelihood activities) or increase community exposure to climate variation and hazards? Consider floods, droughts, wildfires, landslides, cyclones, etc.	Yes, climate variability and changes—such as droughts and unpredictable rainfall—could influence the effectiveness of some project activities and increase community exposure to climate-related hazards. However, the project incorporates adaptive strategies like agroforestry, water conservation, and diversified livelihoods to build resilience and help mitigate these risks.	OK.

E&S reviewer conclusions *Estimated likelihood of risks (1-5) & justification: 3, given the project context and the history of the region as noted by the project developer/coordinator, this risk is likely to occur.* *Estimated magnitude of risks (1-5) & justification: 3, if this risk were to occur, it would have adverse impacts of medium magnitude as the project interventions depend on incorporating adaptive strategies to combat climate variability that might negatively impact project outputs. However, the project developer/coordinator has already identified these strategies like sustainable agroforestry, water conservation, and diversified livelihoods which will mitigate this risk.* *Risk significance:* ***Moderate***			
Other – e.g. cumulative impacts	Is there a risk that the project will contribute cumulatively to existing environmental or social risks or impacts, for example through introducing new access restrictions in a landscape with existing restrictions and limited land availability?	No, the project is designed to be implemented within current access rights and land use frameworks, focusing on sustainable resource management and community empowerment without introducing new restrictions or exacerbating land scarcity.	OK.
	Are there any other environmental and social risks worthy of note that are not covered by the topics and questions above?	No, based on current assessments, there are no additional significant environmental or social risks.	OK.

		The project's design and mitigation measures comprehensively cover potential impacts to ensure sustainable and equitable outcomes.	
E&S reviewer conclusions *Estimated likelihood of risks (1-5) & justification: 1, no other cumulative risks have been identified.* *Estimated magnitude of risks (1-5) & justification: 1, no other cumulative risks have been identified.* *Risk significance:* ***Low***			
SECTION C: SAFEGUARD PROVISIONS			
Stakeholder engagement: requirements 2.1.1-2.1.3	Has a stakeholder analysis been conducted that has identified all stakeholders that could influence or be affected by the project, or is this still to be completed? Please describe.	Yes, a comprehensive stakeholder analysis has been conducted, identifying all key stakeholders who could influence or be affected by the project. This includes local communities, women farmers, government bodies, NGOs, and other relevant groups to ensure inclusive participation and	OK.

		effective project implementation	
	Are the local community and indigenous peoples statutory or customary rights to land or resources within the project area already clear and documented, or is further assessment required? Please describe.	The local communities' statutory and customary rights to land and resources within the project area are clear and recognized under the constitution. These rights are well documented, and no further assessment is currently required to clarify land use entitlements.	OK.
	Are local governance structures and decision-making processes described and understood (including details of the involvement of women and marginalized or vulnerable groups), or is further assessment required? Please describe.	Local governance structures and decision-making processes are described and well understood, with confirmed support from the local government, which has given approval to proceed with the project. The involvement of women and marginalized groups has been considered, ensuring their participation, though ongoing engagement will help maintain inclusive decision-making throughout the project	OK.

	Are past or ongoing disputes over land or resources in the project area known and documented, or is there need for further assessment? Please describe.	There is no dispute	OK.
Stakeholder consultation: requirements 2.5.1 and 2.5.2	Does the project have a Stakeholder Engagement Plan with clear measures to engage Vulnerable Groups, or is this plan still to be developed? Please describe.	The project does not yet have a finalized Stakeholder Engagement Plan; however, initial stakeholder consultations have been conducted, and a comprehensive plan is currently being developed. The forthcoming SEP will include clear measures to actively and continuously engage vulnerable groups—particularly low-income women—and ensure their meaningful participation throughout the project lifecycle.	OK. Finalised stakeholder engagement plan expected at PDD stage.
	Has the Project Coordinator informed all stakeholders of the project, through providing relevant project information in an accessible format, or does this still need to be completed? Please describe.	The Project Coordinator has informed all stakeholders about the project by providing relevant information in accessible formats, ensuring that all parties are well aware of the project's	OK.

		goals, activities, and expected outcomes.	
Free, Prior and Informed Consent: requirements 2.6.1-2.6.4	Has the project analysed and understood national and international requirements for Free Prior and Informed Consent (FPIC)? Please describe.	The project has thoroughly analysed and understood national and international requirements for Free Prior and Informed Consent (FPIC). A comprehensive FPIC process has been developed, and consent will be obtained from women participants and their husbands to ensure full awareness and voluntary participation.	OK. More details on the full FPIC process and consultation process are expected at PDD stage.
	Has the project identified potential FPIC rightsholders and potential representatives in local communities and among indigenous peoples, or is this still to be completed? Please describe.	The project has identified potential FPIC rightsholders, including women participants and their husbands, as well as relevant representatives within the local communities. This ensures that consent processes are inclusive and respectful of all stakeholders' rights and perspectives.	OK.

	Has the project worked with rightsholders and representatives of local communities and indigenous peoples to understand the local decision-making process and timeline (ensuring involvement of women and vulnerable groups), or is this still to be completed? Please describe.	The project has actively engaged with rightsholders and representatives of local communities, including women husbands, to understand the local decision-making processes and timelines. This collaborative approach ensures that project activities align with community practices and promote inclusive participation	OK.
	Has the project sought consent from communities to 'consider the proposed Project', and if so, where is this in principle consent documented? Please describe.	The project has initiated the process of seeking consent from communities to consider the proposed project. While the final consent is still being finalized, preliminary agreements and positive feedback have been documented through meeting minutes and stakeholder communications, reflecting in-principle support from the communities involved.	OK. Evidence is expected at PDD stage, including finalised consent and agreements.

Grievance Redress Mechanism: requirements 3.16.1	Does the project already have a Grievance Redress Mechanism (GRM), or is this still to be established? Please describe.	The project is in the process of establishing a Grievance Redress Mechanism (GRM). A bylaw for grievance handling is being developed to ensure that community members and stakeholders have a clear, accessible, and transparent process to raise concerns and seek resolution during project implementation.	OK. A fully developed grievance mechanism is expected at PDD stage.
	For projects with a GRM, is this accessible to project affected people? Please describe.	The Grievance Redress Mechanism (GRM) is being designed to be fully accessible to all project-affected people. This includes clear communication of the process in local languages (Kaffigna, also known as Kafi noono or Kafa), multiple channels for submitting grievances (such as in-person, phone, or written forms), and special consideration to ensure women can easily use the	OK.

		system without fear of discrimination or retaliation.	

E&S reviewer conclusions for safeguard provisions

Are the project Safeguard Provisions adequately addressed, or to be adequately addressed during the project design phase? YES

What additional actions need to be conducted during the project design phase?

Based on the screening comments above, these are the risk factors that require further actions/information at PDD stage:

- Vulnerable Groups – details on how the project is designed to benefit vulnerable groups, particularly women, and how the project addresses decision making barriers.
- Gender equality – details on how the project will incorporate awareness-raising on gender-based violence, promote safe working environments, and establish confidential reporting mechanisms to prevent and address any SEAH risks
- Labour and working conditions – details on how occupational risk to participants from agricultural work is reduced through training and which protective equipment will be provided to minimise this risk.
- Access restrictions and livelihoods – details on the strategies in place to minimise risks to livelihoods and access restrictions and on how the project will compensate for any potential negative impacts.
- Stakeholder identification and mapping – finalised stakeholder engagement plan.
- Free, Prior and Informed Consent – details on the full FPIC process followed and the full consultation process with regards to FPIC with evidence of how consent was sought and any agreements signed.
- Grievance Redress Mechanism – a fully developed and finalised grievance redress mechanism.

Any other comments

The E&S screening had enough detail to assess the risk at this stage of the project, but any updates or changes to any of the risk factors should be reported to us either at PDD stage or through annual reports.

SECTION D: SCREENING REPORT (NOT TO BE COMPLETED BY PROJECT: FOR USE OF PV E&S REVIEWER)

Name of E&S reviewer	***Charlegne Rambanapasi***
Date of E&S screening:	***13/03/2026***
Project risk rating:	*Low risk. The project has assessed all the risk factors and shows comprehensive understanding on the environmental and social risks the project may pose on the project area/region. The responses are also consistent with the information provided in the rest of the PIN, with more details/evidence expected at PDD stage.*
Principle risks and impacts	*<Include summary of key project risks & impacts>* *<Populate summary table with risk significance>*

E&S topic/ risk area	Likelihood (1-5)	Magnitude (1-5)	Significance (low, moderate, severe, high)
Vulnerable Groups	3	3	Moderate
Gender equality	3	3	Moderate
Human Rights	1	3	Low
Community, Health, Safety & Security	1	3	Low
Labour and working conditions	2	2	Low
Resource efficiency, pollution, wastes, chemicals and GHG emissions	1	2	Low
Access restrictions and livelihoods	2	2	Low
Cultural heritage	1	2	Low

Indigenous Peoples	1	1	Low
Biodiversity and sustainable use of natural resources	1	2	Low
Land tenure conflicts	2	2	
Risk of not accounting for climate change	3	3	Moderate
Other – e.g. cumulative impacts	1	1	Low

E&S assessment required

The project developers should conduct a field-based E&S risk assessment alongside the development of the PDD and overall project design. Focus should be on the risks assigned as 'moderate' in the above table. Primary focus on:

- ***Vulnerable groups*** *– Due to the project design and the project context, this risk requires continuous monitoring. Currently, all project participants are women, and they have been identified as a vulnerable group by the project developer/coordinator. While the project developer has demonstrated comprehensive understanding of the social impact the project could have on this vulnerable group, it is imperative that this risk is monitored to avoid and mitigate any unintended negative impacts to the women on this project.*
- ***Gender equality*** *– The project developer/coordinator has demonstrated a gender-transformative approach to project design focused on empowering the women who are participants on this project. However, the PIN states that they lack decision-making power over income and land-use, and that in some cases the women's husbands will need to consent to their participation on the project. This is important context that may exacerbate risks to women who are participants on the project, and thus this risk must be continuously monitored with*

	commensurate mitigation measures put in place to minimise it. This includes strategies to incorporate awareness-raising on gender-based violence, promote safe working environments, and establish confidential reporting mechanisms to prevent and address any SEAH risks as the project has stated it will work on. • ***Risks of not accounting for climate change*** *– While the project interventions are focused on sustainable agroforestry, it is still vulnerable to climate variability which may influence the success of project interventions and activities e.g. drought and unpredictable rainfall. To ensure the success of the project and positive project outcomes, this risk should be continuously monitored, and effective mitigation strategies should be put in place.*

Likely safeguard plans required	*The following safeguard measures should be included in the PDD:* • ***Stakeholder engagement plan*** *– details on the stakeholder engagement plan, how stakeholder identification was carried out with the participants, and how the stakeholder engagement plan will address or mitigate some of the social risk to vulnerable groups and gender equality outlined above.* • ***Grievance redressal mechanism*** *– details on the grievance mechanism that is currently in development, how that is made accessible for all participants, and channels for anonymous and accessible feedback.* • *An Environmental and Social Assessment (ESA), resulting in the production of an Environmental and Social Risk Management Plan (ESMP), focussing on the mitigation and management of the risks assigned as 'moderate' above which are risks to* ***vulnerable groups****,* ***gender equality*** *and* ***risks of not accounting for climate change****. The PDD template and our safeguards page on the Plan Vivo website has more guidance on both the ESA and ESMP and the details expected in each.*

Annex 5 – Notification of Relevant Authorities

Please see annexed file.