PROJECT DESIGN DOCUMENT FOR THE TREES OF HOPE PLAN VIVO PROJECT

Submitted by:

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The Plan Vivo Foundation

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LIST OF ACRONYMS

ACU	Area Control Unit.
CDI	Clinton Development Initiative.
CHDI	Clinton Hunter Development Initiative.
DADO	District Agricultural Development Office(r).
DFO	District Forestry Office(r).
DSI	Dispersed Systematic Inter-planting.
EAD	Environmental Affairs Department.
EPA	Extension Planning Area.
GHG	Green House Gases.
LPM	Local Program Monitor.
MNLP	Malawi National Land Policy.
MoU	Memorandum of Understanding.
NTFPs	Non Timber Forest Products.
PES	Payment for Ecosystem Services.
PHC	Population and Housing Census.
PIA	Participatory Impact Assessment.
UNFCCC	United Nations Framework Convention on Climate Change.

1.0 EXECUTIVE SUMMARY

Climate change is now widely recognized as a defining human development issue of our generation that not only undermines world economies but also threatens to consign people, especially the poorest, to a future of diminished opportunities. Build-up of Green House Gases (GHGs) including carbon dioxide in the atmosphere, largely due to human activity, is being blamed for climate change. Global efforts have since been underway to reduce emissions through various initiatives including the Kyoto Protocol of 1997 where countries agreed to reduce their emissions to pre-industrial levels. Climate change has injected renewed importance in regulating the utilization of ecosystem services noting that services are being degraded faster than they can recover. This has led to the principle of "Payment for Ecosystem Services" (PES), which attaches financial value to a quantifiable and conditionally-delivered ecosystem service. Projects emerge dealing in ecosystem services and the Trees of Hope project is one such project delivering ecosystem services and livelihood benefits through its carbon offset activities.

The Trees of Hope project is being implemented in two districts (Dowa and Neno) of central and southern Malawi respectively where rural smallholders voluntarily engage in the establishment of forestry and agroforestry land-use systems for generation of carbon credits and other livelihood benefits. Besides carbon sequestration, communities will benefit from the provision of fuel-wood, food (fruits), medicines, construction materials (poles, timber etc), water conservation and soil fertility improvement. The project is coordinated by the Clinton Development Initiative (CDI) with its head office in Lilongwe and field offices in the target districts. The project maintains its close community presence through a network of Local Program Monitors (LPMs), farmer volunteers chosen by the communities to serve as local project leaders. Monitors provide general extension to all producers managing five technical specifications namely, boundary planting, woodlots, dispersed systematic inter-planting (DSI), citrus and mango orchards. Currently (2011) the project engages over 1290 smallholder producers, managing an area of over 488 hectares and 5743 (100m units) of

boundary planting. These areas will collectively sequester 99,228 tCO_2e over the project crediting period.

2.0 DESCRIPTION OF PROJECT AIMS AND ACTIVITIES.

The project involves the establishment and management of forestry and agro-forestry land-use systems on household or community-owned land in Neno and Dowa districts in southern and central Malawi respectively, following the Plan Vivo Standard. Through these activities, the project aims to contribute towards the effort to address the problem of climate change through carbon sequestration and improving livelihood resilience. The Trees of Hope project further aims at facilitating access to carbon finance for participating producers through marketing their carbon credits on the voluntary carbon market. The project expects to improve the livelihoods of the participating communities through other ecosystem services derived from the chosen land-use systems. The project is pursuing the following objectives:

3.0 MAJOR OBJECTIVE.

The major objective of the project is to contribute towards climate change management efforts through carbon sequestration and to improve community livelihoods through access to carbon finance and other co-benefits.

3.1 Specific objectives.

- Sensitize the targeted communities and stakeholders on climate change, its impact on livelihoods and highlight mitigation and adaptation strategies.
- Initiate and promote awareness of the *Plan Vivo* System among communities and other stakeholders as a tool for governing carbon offset programs.
- Coordinate community-led effort in the establishment and management of forestry and agro-forestry systems for carbon sequestration and livelihood improvement.
- Facilitate producers' access to carbon finance through marketing and selling of Plan Vivo Certificates for their carbon credits approved under the Plan Vivo System.

4.0 PROJECT PARTICIPANTS.

The Trees of Hope project was initiated by the then Clinton Hunter Development Initiative (CHDI) an entity that resulted from a partnership for joint developmental efforts in Malawi between the Clinton Foundation of the United States of America (USA) and the Hunter Foundation of Scotland. The Clinton Development Initiative (CDI) is the current functional entity serving as the project coordinator with overall responsibility for the delivery of the project and ensuring that the Plan Vivo Standard is met. In the course of implementing the project, CDI works with both local and international partners. The main local partners include government departments of Forestry and Agriculture operating under the ministries of Natural Resources and the Environment and Agriculture and Food Security respectively.

These ministries have established extension systems (structures and personnel) in each district extending to the villages to ensure effective extension on agricultural, forestry and other environmental programs. For instance, each village has a Village Natural Resources Management Committee (VNRMC) recognized by the Malawi government. The VNRMC works closely with agriculture and forestry staff stationed at an Extension Planning Area (EPA) which covers a number of villages. A number of EPAs constitute an Area Control Unit (ACU), a number of which form the District Agricultural Development Office (DADO) or the District Forestry Office (DFO). The project utilizes these existing extension structures in its extension as summarized in Table 1 below. Where these government structures are non-functional, the project will facilitate revamping them. To ensure clarity of each party's roles in the partnership, Memoranda of Understanding (MoU) will be developed with each partner that will detail the terms of collaboration. The project, however, does not anticipate paying any financial compensation to partners for their contribution to the work beyond contributing to their relevant running costs where applicable.

Table 1: Project's participants profile and roles.

Participant	Type of organization	Nationality	Roles
Dowa District Agricultural Development Office.	Ministry of Agriculture and Food Security district office (Government office).	Malawian.	✚ Support in community extension. ✚ Participation in planning of project activities. ✚ Participation in field monitoring. ✚ Participation in farmer mobilization.
Dowa District Forestry Office.	Ministry of Natural Resources and Energy district office (Government office).	Malawian.	✚ Support in community extension. ✚ Participation in planning of project activities. ✚ Participation in field monitoring. ✚ Participation in farmer mobilization.
Neno District Agricultural Development Office.	Ministry of Agriculture and Food Security district office (Government office).	Malawian.	✚ Support of community extension. ✚ Participation in planning of project activities. ✚ Participation in field monitoring. ✚ Farmer mobilization.

Participant	Type of organization	Nationality	Roles
Neno District Forestry Office.	Ministry of Natural Resources and Energy district office (Government office).	Malawian	✚ Support in community extension. ✚ Participation in planning of project activities. ✚ Participation in field monitoring. ✚ Participation in farmer mobilization.
Department of Environmental Affairs	Department in the Ministry of Natural Resources and Energy	Malawian	✚ General project information sharing including relevant policy updates.
Energy for Sustainable Development in Africa (ESDA)	International organization based in Kenya.	International	✚ Technical consultants who helped in carbon modeling and development of technical specifications and preliminary training on the Plan Vivo Standard.

5.0 DESCRIPTION OF PROJECT AREAS.

The project will be implemented in two districts of Malawi namely Dowa in the Central region and Neno in the Southern region of the country as pilot sites. A brief description of each district is provided below:

5.1 Brief description for Dowa district.

5.1.1 Location

Dowa district lies between 33° 20' East and 34° 10' East and between 13° 20' South and 13° 40' South in central Malawi. It is bordered by Lilongwe, Kasungu, Ntchisi, and Salima in the south, north, north east, and east respectively. The total land area is 3041 km^2 with a population density of 183[1] persons per square kilometer. The location is shown in Figure 1 below.

[1] Malawi Population and Housing Census (PHC) 2008.

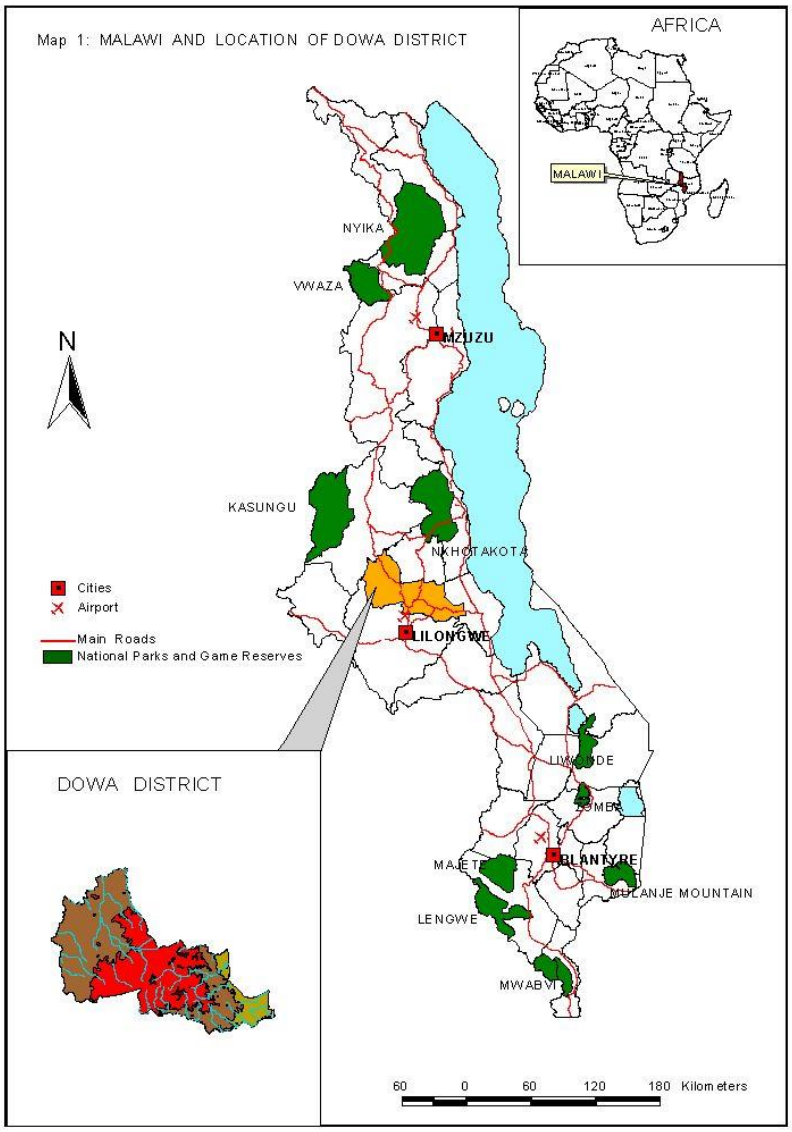


Figure 1: Map of Malawi showing Dowa district

5.1.2 Climate of Dowa

The climate is tropical and falls into two main seasons: wet and dry. The wet season starts in November and ends in May while the dry season runs from May to October. However, rain showers are also experienced during the months of June, and July in some parts of the district. The temperature ranges from 15 to 35 Degrees Celsius, while annual rainfall ranges from 500 mm to 2000 mm.

5.1.3 Topography and soils.

The district is topographically divided into two zones. The eastern part is predominantly hilly while the western part is low and open to agriculture. The eastern part is also well drained by rivers most of which originate from the hills. The hilly part of the district is suitable for crops such as bananas, beans, vegetables, sugar cane, and citrus fruits while the west is open to extensive maize, tobacco, and groundnuts growing and animal farming.

The soils on the hilly east are sticky laterite, and erosion is noticeable. On the western plain, the soils are a mixture of sand and clay and thus erosion is minimal. The highest point in the district is Dowa Hills which lies at 1698 meters above sea level. The district is further divided into two climatic zones – the cold high east and the warm, low west. The east, however, influences most of the district's weather, so that Dowa is generally a cold district, the peak cold months being May, June, and July. The normal rainy season is from mid November to mid March with high average falls in February.

5.1.4 Environmental issues in Dowa district

Dowa district just like many other districts of the country has many environmental problems that affect people's livelihoods. These environmental concerns include declining soil fertility as a result of continuous mono-cropping of various arable crops but predominantly maize coupled with unsustainable soil management practices resulting in soil erosion and nutrient mining. The effects of deforestation are also a common feature in the district especially in its western part where tree cover has been progressively lost to fuel wood (for household energy needs), curing of bricks, opening up of new fields for cultivation and construction of burley tobacco curing structures. Most water sources are now at risk of being reduced to seasonal flows as opposed to perennial water bodies that they have always been as a result of catchment area degradation. Generally the vegetation in Dowa falls under the miombo woodland with common tree species being *Bauhemia thorningii, Cordyla africana, Tamarindus indica, Uapaca kirkiana, Ziziphus macronata,*

Acacia polycantha and *Annona senegalensis.* The district also has three gazetted hence protected forest reserves covering 2.1% of its total land area though encroachment is a challenge. Figure 2 below shows one of the deforested hills in the project area.

Figure 2: Deforested hill in Dowa district

5.2 Brief description of Neno district.

5.2.1 Location.

Neno district is located in Southern Malawi with a total land area of about 1469 km^2 with a population density of 74[2] persons per square kilometer. The district shares boundaries with Ntcheu district to the North, Balaka and Zomba districts to the Northeast, Blantyre district to the East, Chikwawa to the South, Mwanza district and the Republic of Mozambique to the Southwest and west respectively. The location of the district is shown in Figure 3 below.

[2] Malawi Population and Housing Census (PHC) 2008.

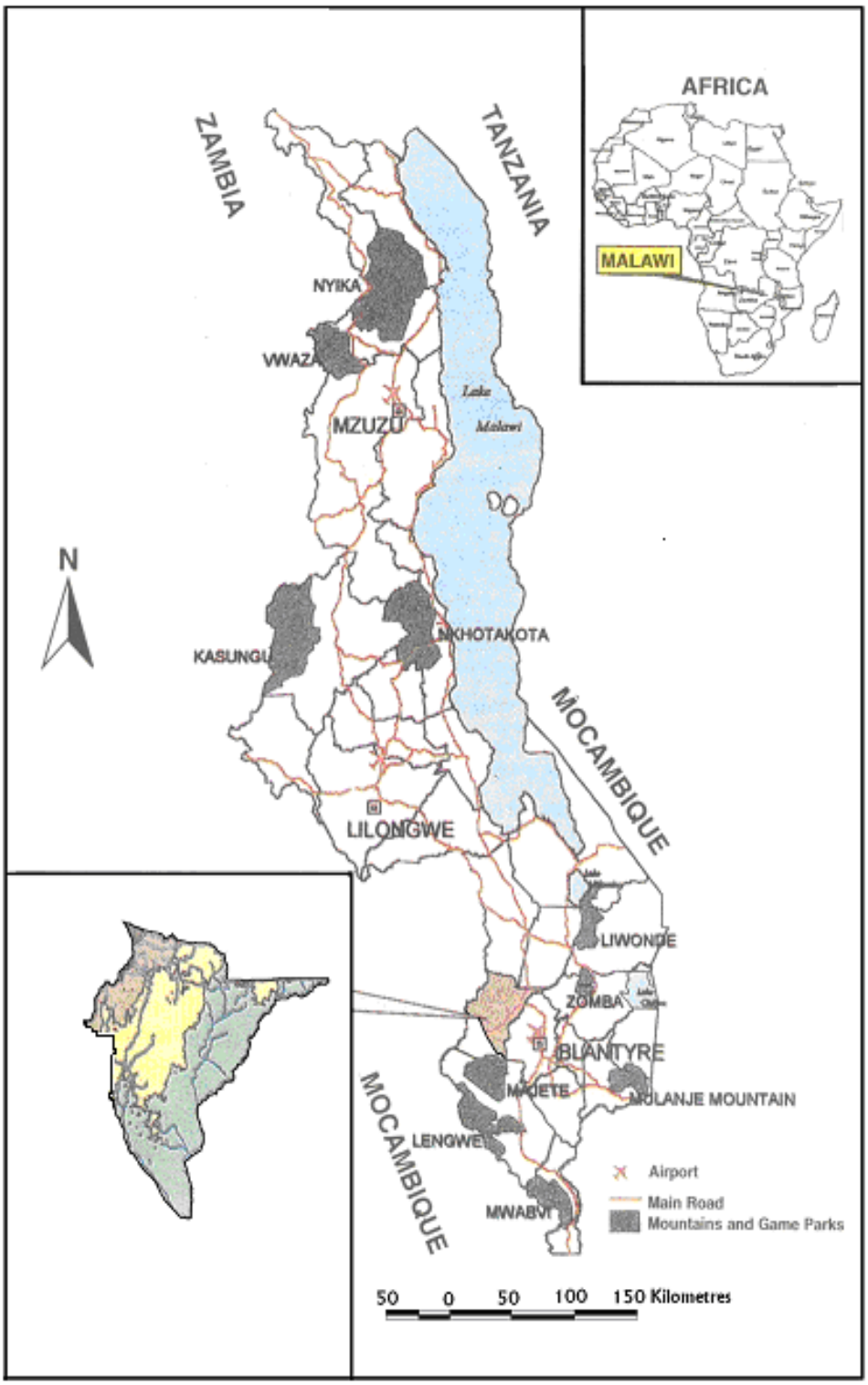


Figure 3: Map of Malawi showing the position of Neno district

5.2.2 Climate of Neno district

The climate of Neno is subtropical characterized by two main seasons: wet and dry. The wet season starts in November and ends in March when rainfall ranging from 500mm to 1200mm is received with January being the wettest month. The dry season runs from April to October. Mean annual temperatures vary widely over the district from 8º C in the high altitude areas to 32º C in the low lying areas in the Shire valley.

5.2.3 Topography and soils

The topography of the district is largely mountainous and hilly with several areas having slopes of more than 12 degrees with elevations exceeding 1200m above sea level. However, the district also has low-lying areas in the Shire valley with altitude ranging from 250 to 500 meters above sea level creating a stark contrast in agro-ecological conditions within the district. The high altitude areas of the district are largely rocky with shallow highly weathered kaolinitic clay soils while the low-lying areas along the Shire valley have sandy clay loam soils with alluvial deposits and higher soil organic matter.

5.2.4 Environmental issues in Neno district

Neno district is not spared from the common environmental problems facing other districts in the country. The main environmental concern is the high rate at which forest cover is lost in the district, particularly on customary land, and increasing incidences of encroachment on gazetted forest areas. Forest cover is under threat due to increasing pressure from agricultural expansion as a result of increasing population coupled with unsustainable crop production practices which result in attempts to increase food production by increasing area brought under cultivation. Community-energy needs also contribute to loss of tree cover as trees are felled for fuel-wood and charcoal. The high demand for these energy products particularly charcoal from the country's biggest city of Blantyre, located less than 150km away and other urban centers, has turned charcoal production in Neno into a community livelihood. Unsustainable production of charcoal is the single biggest threat to tree permanence in the district as Figure 4 below shows:

Figure 4: Charcoal trade in Neno district.

6.0 DESCRIPTION OF SOCIO-ECONOMIC CONTEXT AND LAND TENURE

6.1 Socio-economic profile of Dowa district.

Dowa district is one of the most populated districts of the central region with a total population of 556678 people with a population density of 183 persons per square kilometer[3]. The population of the district grew from 411,387 in 1998 to 556,676 in 2008 (PHC 2008). The predominant ethnic group of the district is Chewa with a small proportion of Ngoni. Chewa is the language spoken in the district with Christianity being the main form of religion. Over 80% of the population derives its livelihood from agriculture done primarily on customary land (allocated to individual households and overseen by local chiefs). The average household size is 4.6 (Population and Housing Census 2008) with an

[3] National Statistical Office. 2008. Population and Housing Census. Zomba, Malawi.

average land holding size of 0.8ha[4] where food crops including maize, cassava, sweet potatoes, groundnuts, beans, soya beans, fruits and vegetables are grown. Traditionally, agriculture in the district falls under two categories: estate cultivation (covering about 14% of cultivable land) and predominantly rain-fed subsistence agriculture (covering about 86% of cultivable land) practiced by the majority poor, 53% of whom live below the poverty line of $1 per day[5]. The main cash crops in the district are tobacco, paprika, and legumes. Maize, cassava and sweet potatoes as well as vegetables such as onions, Chinese cabbage, mustard and tomatoes and fruits like bananas, oranges, tangerines are sometimes used as supplementary cash crops.

6.2 Socio-economic profile of Neno district.

Neno district has a total population of 108,897 according to the 2008 population and housing census with a population density of 74 persons per square kilometer. This population has grown from 74,795 in 1998[6]. The predominant ethnic groups of the district are the Ngoni and Mang'anja amongst other smaller tribes like the Ambos but Chewa language remains the predominant medium of communication in the district with Christianity being the main form of religion. Islam also exists in some pockets of the district. Agriculture is the main livelihood in the district engaging over 90% of the population largely on customary land (allocated to individual households and overseen by local chiefs). The average household size is 4.3 (PHC 2008) holding an average of 1.05 ha. The district has two distinct agro-ecologies referred to as upper Neno and lower Neno with the former more productive agriculturally, allowing a diversity of crops to be grown due to higher and more dependable rainfall received than in lower Neno. The main crops grown in upper Neno are maize, irish potatoes, wheat, pigeon peas, vegetables, millet and also fruit and tree crops like macadamia, mangoes and citrus.

[4] Dowa District Assembly. 2006. Dowa District Socio-Economic Profile. Dowa, Malawi.
[5] Dowa District Assembly. 2006. Dowa District Socio-Economic Profile. Dowa, Malawi.
[6] National Statistical Office. 2008. Population and Housing Census (PHC 2008); National Statistical Office, Zomba, Malawi.

Lower Neno, on the other hand, is low lying, hotter and often receives little rainfall hence is not as productive as upper Neno though it has huge irrigation potential as major rivers pass through it. Maize is nevertheless grown as the main staple food crop while cotton, which tolerates drier conditions, is widely grown as the chief cash crop for this area. About 56% of the population lives below the poverty line of $1 per day with about 20% well below[7].

7.0 DESCRIPTION OF ACTIVITIES AND *PLAN VIVO* TECHNICAL SPECIFICATIONS.

There are five technical specifications in the Trees of Hope project as described in Table 2 below. Technical specifications describe the-land use systems to be implemented, tree species used, management system, and methodology used to measure and monitor the carbon benefit of the project activities. Producers in the project design *plan vivos* (management plans) adopting a mix of the below land-use systems that suit their circumstances.

[7] Neno District Assembly. 2007. Neno District Socio-Economic Profile. Neno, Malawi.

Table 2: Description of the project's technical specifications.

Title of technical specification	Type of activity	Objectives	Brief description	Target areas/groups
Woodlot	Afforestation, forest management.	Timber, fuelwood, medicines, poles, soil and water conservation, biodiversity promotion and protection.	The species include *Senna siamea, S. spectabilis, Acacia polyacantha, Khaya anthotheca* and *Melia azederach*. Management operations include weeding, fire and animal damage protection, pest and disease control and pruning.	Established on bare neglected, non arable land by individuals and communities.
Boundary planting	Afforestation and Agroforestry	Timber, fuelwood, poles shade and boundary delineation	*Acacia polyacantha, Albizia lebbeck, Faidherbia albida* and *Senna spectabilis.* Management operations include weeding, pruning, fire and animal protection, pest and disease management.	Along perimeters of farmers' property mostly fields.

Table 2: Description of the project's technical specifications (*continued*)

Title of technical specification	**Type of activity**	**Objectives**	**Brief description**	**Target areas/groups**
Dispersed Systematic Inter-planting (DSI).	Agroforestry.	Improved soil fertility, increased crop production, timber, shade, animal fodder.	The main species is *Faidherbia albida* with management operations including, weeding, pruning, fire and animal protection.	Planted on arable land, inter-planted with arable crops like maize, cotton etc on individual farmer's fields.
Mango orchard	Mango orchard management.	Production of high value mango fruits, timber and fuel wood.	The main species is *Mangifera indica* with varieties including Kent, Keitt, Tommy Atkins and Erwin. Management operations include weeding, fire and animal protection, pruning, manuring and pest and disease management.	Established by individual farmers on under-utilized land.
Citrus orchard	Citrus orchard management.	Production of high value citrus fruits and fuel wood.	The main species is *Citrus sinensis* with management as described for mango orchard.	Established by individual farmers on under-utilized land.

8.0 LAND TENURE AND CARBON SERVICE PROVISION.

In Malawi, three land tenure systems exist namely: customary, private and public land tenure. Customary land covers all land in the villages traditionally implying it belongs to that community, although an individual has the right to cultivate it or dispose of it within the limits set up by the customary law of the tribe or clan. It is recognized as such in the Malawi National Land Policy (MNLP) of 2002. Traditional chiefs and village headmen oversee the allocation of such land to individuals in the community and have a duty to protect the land from outsiders. Traditionally, an individual using a piece of land with the chief's consent virtually owns that land. Public land refers to land occupied, used, or acquired by the Government or any land that is neither customary nor private. Private land refers to land owned, held, used, or occupied under a freehold title, a leasehold title, or a certificate of claim which is registered as private.

Customary land is by far the most common form of tenure in Malawi and this is the system that exists in the project areas where producers on average own about 1.0 hectare. Much as land holding size might be a factor in determining the type of land-use system a farmer engages in, it does not largely limit participation in the project because of the wider selection of land use systems open to the producers to suit particular scenarios. To ensure legitimate ownership of land by all producers registered in the program, the concerned village chiefs provide consent to the claimed land ownership by signing on the registered *plan vivo*, a sample of which appears in Annex 24.4.

9.0 PROJECT ORGANIZATIONAL STRUCTURE, GOVERNANCE AND COMMUNITY PARTICIPATION.

The project is run by personnel at different levels but well coordinated to ensure better control and efficient flow of program information from the central administration to the producer. Throughout the development of the project, the community has actively participated through various meetings and trainings where key project issues are

discussed and joint resolutions made. Figure 5 below shows a cross section of participants to such sessions:

Figure 5: Community meeting in Neno district (left) and Dowa district (right).

Such community consultative meetings will be an on-going activity throughout the life of the project so that communities constantly contribute to shaping the outcomes of their project. As such, a special form has been designed (see Annex 24.3) to help track such meetings and the resolutions made on the way forward on important issues in the project. The management system responds not only to administrative needs of the program but also technical and community outreach requirements as described in Table 3 below:

Table 3: Project's operational structure showing CDI and partners' roles.

Key function	Organization/ group(s) involved	Type of group/organization and legal status	Brief description of activities in relation to project governance
General project administration and delivery.	CDI with its top management.	International NGO recognized by the Malawi government.	➢ General administration of the program and handling of all policy matters.
Key project technical operations	CDI with its staff including Field Officers and the Local Program Monitors. Malawi government's Forestry Department (FD) and Agriculture Department (AD) as partners[8]	International NGO recognized by the Government of Malawi. The Forestry and Agriculture departments fall under ministries of the government of Malawi.	➢ Community mobilization, sensitization, approval and registration of *plan vivos* (CDI). ➢ Development of sale agreements and management of payments (CDI). ➢ Database management, record keeping and annual reporting (CDI). ➢ Monitoring (CDI, FD and AD). ➢ General community organization, motivation, extension and leadership (CDI largely through LPMs). ➢ Capacity building trainings (CDI, FD and AD).

[8] Where partners are involved like in monitoring, CDI will ascertain to the quality of their work by ensuring that the partners are aware of the set standards governing a particular activity and that the same will be used to measure quality of their work.

The internal administrative structure for the Trees of Hope project that governs the program and relates with external stakeholders is shown in Figure 6 below:

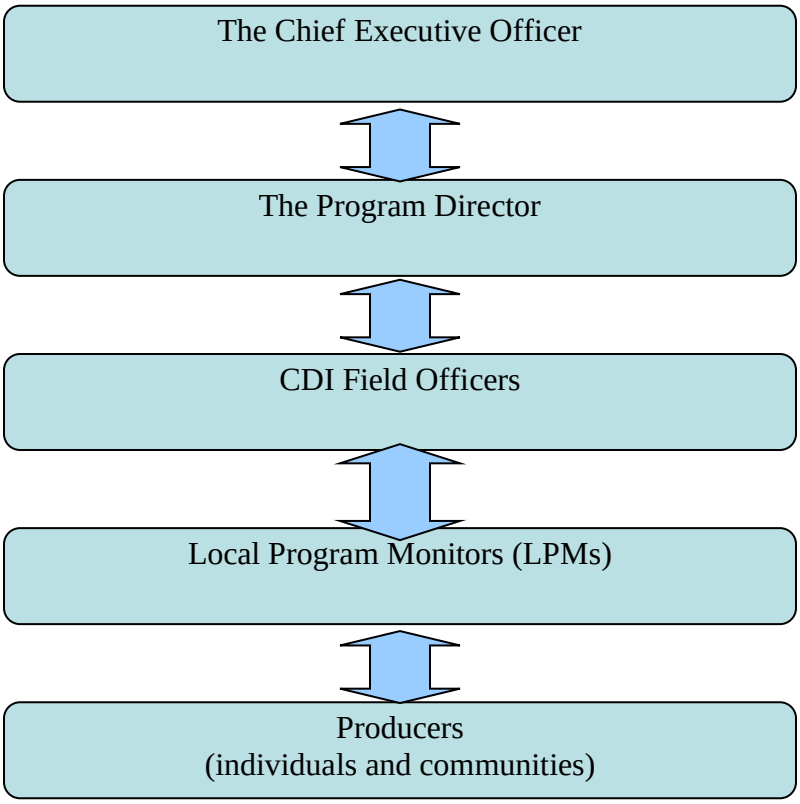


Figure 6: CDI Trees of Hope organizational chart.

10.0 GENERATION AND MANAGEMENT OF PROJECT INFORMATION.

Efficient flow of project management information though the hierarchy outlined above and its eventual storage in the central database is critical for project success. To ensure common understanding of project activities and the range of information expected among the key internal players, joint work planning meetings are held involving LPMs, technicians and the Program Director. These meetings outline scope of work for a given period of time often on quarterly basis with monthly reviews. The activity outline dictates the type of information to be collected by the LPMs and in many cases, specific data collection forms are designed to assist in collecting specific data relating to a particular activity. The LPMs facilitate the implementation of the planned activities

among the producers and document progress and the resultant information is presented to the Field Officers who arrange such meetings twice a month. The officers scrutinize the received information and submit it to the Program Director at the head office for further scrutiny, filing and storage in the central database.

11.0 PROJECT RELATIONSHIP TO NATIONAL ORGANISATIONS.

The project recognizes the existence and importance of key stakeholder organizations in the country with which the project relates at various levels of policy, planning and implementation. These national organizations include the Ministry of Agriculture and Food Security, Department of Forestry, Malawi Environmental Endowment Trust (MEET), Ministry of Local Government and other technical stakeholders. These stakeholders have been involved with the project to varying extents; the Forestry Department and the Ministry of Agriculture and Food Security have been the most significantly engaged partners. Their involvement began with the feasibility study and development of the project concept and continues with active participation in the implementation process. The Ministry of Natural Resources and Energy through its Environmental Affairs Department (EAD) is also another important stakeholder. Information relevant to national policy development and project work is regularly shared between CDI and EAD.

12.0 TECHNOLOGY TRANSFER AND TRAINING.

In order to ensure proper understanding of the project processes and build capacity among producers and other stakeholders, CDI conducts regular training sessions. These training sessions are conducted largely by project's technical staff but external consultants are engaged when need arises. Potential producers receive training on climate change issues, its impacts on livelihoods and local adaptation and mitigation processes. This is aimed at increasing understanding among the communities of climate change issues which is at the core of the project to enable them to appreciate its importance to their livelihoods. Furthermore the producers are also trained in silvicultural techniques that emphasize indigenous or naturalized tree nomenclature

(identification), tree nursery establishment and the management of trees in the field. The objective of this module is to enable producers to understand the tree species they are dealing with, be able to successfully establish tree (fruit and non-fruit) nurseries and effectively manage their land use systems.

The producers also undergo detailed training in the *Plan Vivo* system which illustrates the concept of carbon trading so they understand the systems and standards governing their work. Training is also conducted covering group dynamics stressing group formation, group cohesion and trust building. It is the intention of CDI to not only gradually build adequate capacity enable communities to take increasing responsibilities in project management but also instill a sense of ownership of the program. As such, a community-based program monitoring system has been established through the election of Local Program Monitors (LPMs), who have been chosen by the producers and traditional leaders to lead the program in their communities on voluntary basis. The local program monitoring system is largely responsible for all program extension activities in the communities with guidance and supervision from CDI project staff.

The LPMs form a local management entity for the program in addition to acting as a bridge between the program at community level and all external players. Each LPM is currently responsible for about 30 producers on average. Although producers receive training for their capacity building, more training is also provided to LPMs to enhance their capacity in leading the program at community level. The local program monitoring system is also linked to government structures primarily the Department of Forestry and Ministry of Agriculture who have permanent presence in communities to ensure continuity of extension services.

CDI's intention is to gradually build the capacity of local groups and transfer most project management and operational roles to the community. The local program monitoring system will be the main local structure through which the responsibility

handover process will be completed. In the medium-term many responsibilities will be passed on to the LPMs including farmer registration, development of *plan vivos*, distribution of seedlings, the establishment and monitoring of land-use systems and all extension activities. Another key activity that has already been transferred to the community is the production of seedlings by community groups as opposed to the initial situation where seedlings were produced by CDI in central nurseries and distributed to producers. Capacity continues to be built in communities through training to enable them to handle these roles. Table 4 below shows the tentative timeline for transfer of some responsibilities to the communities.

Table 4: Expected timeline for transfer of responsibilities to the community.

Activity	**Expected timeline**				
	2007/2008	**2008/2009**	**2009/2010**	**2010/2011**	**2011/2012**
Seedling production	CDI only	CDI only	CDI and community	CDI and community	Community[9] largely.
Community mobilization	CDI only	CDI only	CDI and community.	CDI and community	Community largely.
Development of *plan vivos*	CDI only	CDI only	CDI and community (LPMs)	LPMs and CDI.	LPMs and CDI
Monitoring	CDI	CDI	CDI and LPMs	LPMs and CDI.	LPMs and CDI.

[9] Where community or LPM is mentioned first implies more responsibility than CDI and vice versa.

13.0 THE PROJECT FINANCIAL STRUCTURE.

The project is expected to be run on carbon finance that will be received through sales of *Plan Vivo* certificates but in the event of market problems affecting the project's cash flow, bridge finance will have to be identified from other sources to take care of any arising gap. Meanwhile the program is fully financed by the Clinton Foundation. The total amount that will be received by the project after all external levies will be used to support program field operations and administration, farmer payments and support for the farmer-owned monitoring mechanism proposed to be 40%, 55% and 5% respectively. This, however, is open for review from time to time through a consultative process with the producers depending on financial circumstances within the project. The financial allocation is illustrated in Figure 7 below:

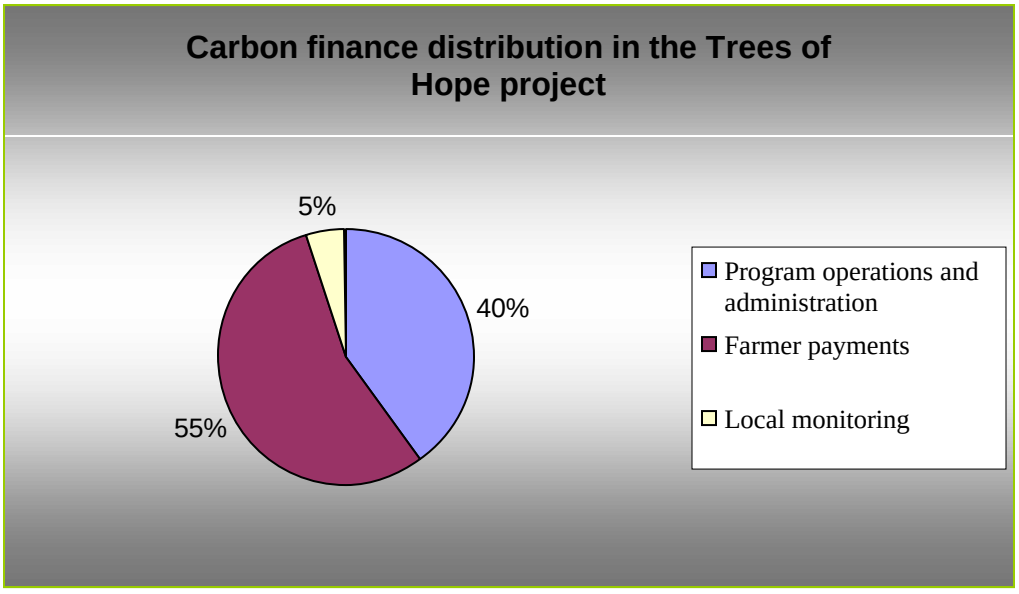


Figure 7: Allocation of carbon finance within the project

14.0 CARBON BENEFITS

The technical specifications being used in the project have been modeled to assess their carbon offset potential against a calculated baseline. Table 5 below shows the carbon offset potential for each land use system.

Table 5: Long-term (50 year crediting period) carbon offset potential for the project's land-use systems (technical specifications).

Title of technical specification	**Baseline carbon stock (tCO_2e/ha)**	**Long-term total carbon uptake with management (tCO_2e/ha)**	**Net long term carbon uptake (tCO_2e/ha)**	**Risk buffer calculated at 20% (tCO_2e/ha)**	**Net tradable carbon benefit (tCO_2e/ha)**
Woodlot	5.27	186.57	181.30	36.26	**145.04**
Dispersed Systematic Inter-planting (DSI)	1.94	89.16	87.23	17.45	**69.78**
Boundary planting (*per 100m length*)[10]	0.10	10.74	10.64	2.13	**8.51**
Boundary planting (per ha)	1.94	214.75	212.82	42.56	**170.25**
Mango orchard	1.94	105.31	103.38	20.68	**82.70**

[10] Carbon offset values for boundary planting, are calculated linearly per 100m length as opposed to per hectare basis in the other land-use systems.

Citrus orchard	1.94	69.09	67.15	13.43	**53.72**

15.0 CURRENT PROJECTED NET AMOUNT OF ANTHROPOGENIC GHG (CO_2e).

The project was started in the 2007/2008 season and, over the years, producers have been recruited into the project and continue managing their respective land use systems. The Trees of Hope project is expected to be a long-term undertaking with financial support from the Clinton Foundation, which is later expected to be supplemented or replaced with carbon finance through sales of Plan Vivo Certificates. The program currently has about 1290 registered producers, and this number is expected to grow with time through new admissions into the program tied to the program's capacity. The quantity of carbon credits from the program is also expected to grow with recruitment of additional producers. The present profile of carbon credits and area coverage for the program is shown in Table 6 below:

Table 6: Area coverage and net carbon offset potential (tCO2) pet technical specification per season (these use the carbon potentials provided in the technical specifications applied at that time)

Season	Technical specifications, area coverage and net carbon benefit (tCO2)									
	Woodlot		Boundary planting		DSI		Citrus orchard		Mango orchard	
	Area (ha)	tCO_2	100m units	tCO_2	Area (ha)	tCO_2	Area (ha)	tCO_2	Area (ha)	tCO_2
2007 to 2008	70	10500	392	3136	8	576	0	0	0	0
2008 to 2009	49	7350	815	6520	43	3096	14	784	6	510
2009 to 2010	33	4950	786	6288	56	4032	12	672	6	510
2010 to 2011	86	12900	3750	30010	91	6552	12	672	2	170
Cumulative totals	**238**	**35700**	**5743**	**45954**	**198**	**14256**	**38**	**2128**	**14**	**1190**
Project total (tCO_2)	**99228**									

16.0 PERMANENCE OF PROJECT ACTIVITIES AND RISK MANAGEMENT

The project recognizes the importance of permanence of its activities so that they are not only initiated but also grow to become part of community livelihoods. To succeed in this direction, it requires identifying risks that could threaten sustainability and these risks have been foreseen and risk management measures put in place to minimize their effects. One of the threats to sustainability of project activities is the mere lack of sense of ownership of the project by the targeted communities. To minimize this threat, the project ensures that communities are actively involved in project management processes affecting them while on the other hand, building their management capacity through training. Other risks to permanence are also foreseen and are presented in Table 7 below along with their management measures.

Table 7: Management of risks to permanence of project activities

Permanence risk	Level of risk	Management measure
Forest fires	High	➢ Adoption of recommended fire protection measures including establishment of fire breaks around plantations and incorporating all weeds and dry trash from within the plantation. ➢ Civic education to communities and their leaders on the dangers of bush fires to the environment and their livelihoods. ➢ Formation of community-based fire monitoring committees in the villages.
Pests and diseases (largely fungal infections and leaf-eaters and damping-off disease in the nursery). Termites in some sections cause damage soon after planting out.	Low	➢ Selection of indigenous tree species which are hardy to most known pathological problems. ➢ Recommended pest and disease management silvicultural practices both in the nursery and in the field following an integrated approach to pest and disease management. ➢ Implement an effective pest and disease surveillance system led by Local Program Monitors (LPMs).
Drought	Medium	➢ Early planting of strong healthy seedlings. ➢ Good silvicultural practices like deep pitting and use of organic manure for increased soil moisture retention. ➢ Promotion of irrigation where applicable.

Table 7: Management of risks to permanence of project activities (*continued*)

Permanence risk	Level of risk	Management measure
Livestock damage.	Medium	✚ Education of communities on recommended livestock management practices like tethering and zero grazing during periods when trees are vulnerable to livestock damage. ✚ Placement of protective structures (normally thorny fences) around plantations or individual trees, where feasible. ✚ Enforcement of community by laws by traditional leaders that regulate movement of livestock in communities. ✚ Establishment of tree species not vulnerable to livestock damage through browsing.
Overreliance on external support.	Low	✚ Capacity building on all technical aspects of tree establishment and management including community based seedling production. ✚ Broadening income streams to producers over and above carbon finance through additional activities besides payment for ecosystem services.

Based on the risks outlined above, the project will withhold 20% of carbon services generated from sale to form a carbon buffer (reserve of unsold carbon).

17.0 LEAKAGE RISK MANAGEMENT

Since it is recognized that tree planting has a potential risk of displacing other crops from the farm land, extreme care is being taken to prevent such displacement that would lead to loss of carbon stocks outside the project boundaries (leakage). To strike a balance between not having too many producers with very small plots and ensuring that tree planting does not displace other crops on farm hence risking leakage, each

potential producer will be appraised on case-by-case basis and advised accordingly. However, the project recommends an area of 0.1ha as a minimum available to a producer for tree planting to be considered for registration. The main leakage risk associated with the project is shown in Table 8 below.

Table 8: Leakage risk management measures

Leakage risk	Management measures
Displacement of crop production.	✚ Ensuring farmers still have sufficient land for crop production for sustainable yields even with tree planting by proper matching of the land holding size of the farmer and the intended land use system. For instance, producers with limited land could be recommended DSI or BP technical specifications which do not displace crops from farm land.

18.0 MONITORING AND TECHNICAL SUPPORT PLAN.

18.1 Carbon monitoring indicators and verification.

The technical specifications being used in the project, among other aspects, spell out monitoring indicators which form the basis of assessment of progress and achievement of the set targets by producers. These indicators assess general carbon sequestration progress and take into account planting density, survival rates and measurement of tree growth following a set monitoring schedule as shown in the sale agreement template in Annex 24.2. Monitoring is done by Local Program Monitors (LPMs) who constitute a community-led project monitoring and management system. The monitors are trained in monitoring processes and record keeping by CDI staff.

Depending on the nature of data being collected at a particular time, specific data collection forms will be designed to suit the type of data to be collected. Such forms will be used by monitors for data collection to ensure a standardized process and to

minimize errors. CDI staff based in the field directly supervise and guide the monitors in data collection. It is recommended that data collection should be done in the presence of the producer for consent to the data being collected.

18.2 Technical support

For most technical requirements, the project largely relies on its staff and the local program monitors but other experts might be consulted when need arises. Production of tree seedlings was initially done by CDI in central nurseries and later distributed to registered producers for planting. However, this approach has since given way to community-based nurseries where producers form groups to produce their own seedlings with direct support from CDI field staff. CDI will continue leading in all extension activities while capacity continue being built in the communities to gradually take over such responsibilities.

19.3 Administrative support

Administratively, the Trees of Hope project is managed by the central administration section in Lilongwe which also foresees other projects implemented by CDI in the country. At community level, the program is managed and led by local program monitors under supervision and guidance of Field Officers.

19.0 EXPECTED ENVIRONMENTAL IMPACTS OF PROJECT ACTIVITIES.

The tree species used in the land-use systems of the project have been chosen by the producers and are all native or naturalized species that the producers are familiar with. These tree species and the land use systems in which they are established have no-known negative impacts on the ecosystem. Environmental impacts associated with the land-use systems are expected and these are shown in Table 9 below.

Table 9: Expected environmental impacts of project activities.

Title of technical specification	Biodiversity impacts	Water availability impacts	Soil conservation impacts	Air quality impacts
Woodlot, Mango orchards, Citrus orchards, Boundary planting and DSI (see technical specifications for full list of species)	✚ Establishment and protection of wildlife habitat for diverse flora and fauna.	✚ Reduction of run-off through stem and root effects on soils ✚ Reduction of water loss through reduced evaporation due to canopy cover. ✚ Improvement of ground water recharge systems through enhanced water infiltration due to increased residence time.	✚ Reduced soil erosion through binding effect of tree roots. ✚ Reduced soil erosion through improved structure due to increased organic matter content. ✚ Improved soil fertility through biological nitrogen fixation and addition of nitrogen-rich organic residues and through nutrient cycling in the case of DSI.	✚ General improvement in microclimate associated with trees including shade provision

20.0 MONITORING OF PROJECT ENVIRONMENTAL IMPACTS.

The environmental impacts associated with the project as outlined in Table 9 will be monitored on yearly basis in a participatory manner with the communities by recording simple data on the indicators in Table 10 below. Baseline data for these indicators for the project sites as is the case generally in the country, is currently unavailable but CDI intends to gather this baseline information in due course.

Table 10: Methods of monitoring environmental impacts of proposed activities

Environmental impact	Assessment indicators
Biodiversity impact	✚ Land area (ha) planted and maintained with trees and other vegetation according to the technical specifications. ✚ Number of effective village forest management committees managing village forest areas.
Water availability impacts	✚ Size (ha) of water body catchment area planted and maintained with trees. ✚ Severity of surface run-off events from sites planted and maintained with trees.
Soil conservation impacts	✚ Reduction in frequency of surface run-off events from sites planted and maintained with trees. ✚ Reduction in number of soil washaways from areas planted and maintained with trees.
Air quality impacts	✚ Reduction in unsustainable cutting down of trees. ✚ Reduction in number of uncontrolled forest fires per year in the community. ✚ Increase in area planted and maintained with trees.

21.0 EXPECTED SOCIO-ECONOMIC IMPACTS OF PROJECT ACTIVITIES

The activities of the project will generate socio-economic impacts that will accrue to the community and some of these socio-economic benefits are outlined below.

21.1 Improved local incomes and other social benefits.

Income of the producers will increase through a variety of ways including payment for ecosystem services, income from sale of tree products including timber and poles through controlled harvesting and at the end of each rotation (see technical specifications for more detail), income from sale of fruits and fruit products from mango and citrus orchards. Other Non Timber Forest Products (NTFPs) like medicines (*Azadrachta indica* for instance is remedy for many ailments including skin infections, malaria, sore throats and eye infections besides being a pesticide; *Senna siamea* roots are used to cure stomach-ache while paste from pounded leaves of *Acacia polyacantha* mixed with water is a remedy for open wounds; soaked bark of *Faidherbia albida* is known to stop nausea), mushrooms and beekeeping will also provide extra income to the participating farmers. The participating farmers will have the opportunity of improving the nutritional status of their households through consumption of fruit products from the fruit-based land-use systems.

Women in particular will be helped by accessing fuel-wood and other tree products easily and cheaply saving them time that can be devoted to other developmental activities. This will be a positive departure from the current situation where women travel long distances spending hours in search of fuel wood for household energy needs. The project design is inclusive to give chance of participation to even households with limited land (below the national average of 0.9ha) who would choose the Dispersed Systematic Inter-planting (DSI) land use system. This system does not displace arable farming but rather positively complements it through soil fertility improvement for increased crop yields.

It is considered important to track the progress of change overtime by assessing changes to livelihoods attributable to project activity. The process will involve a Participatory Impact Assessment (PIA) where the project's contribution to livelihood improvement over time will be tracked through an assessment of selected indicators at the beginning of the program and at defined points in the future. The PIA approach requires the beneficiaries of the project to quantify any changes in the indicators against a recalled baseline. The areas of expected impact and the corresponding proposed indicators that will be tracked are shown in Table 11 below:

Table 11: Socio-economic impact areas and assessment indicators.

Area of impact	**Assessment indicators**
Local income	✚ Payment for ecosystem services. ✚ Income realized from sale of fruit products. ✚ Income realized from sale of other tree products. ✚ Income realized from sale of products from any additional activities.
Local food production	✚ Quantity of fruits produced from fruit-based technical specifications. ✚ Increased crop yields attributable to improved soil fertility and better soil and water conservation.
Families with limited land	✚ Number of families with limited land registered with the project through appropriate technical specifications and accessing its benefits.
Women	✚ Number of women registered with the project and enjoying its benefits.

22.0 ADDITIONAL ACTIVITIES TO BE SUPPORTED BY THE PROJECT.

In the medium term, the project will actively engage the participating communities and explore, using participatory methods, other livelihood improvement activities that could be done to complement the current project's effort. Possible activities might include bee-keeping, sustainable charcoal production and improved soybean production and marketing. The execution of any of these activities will stress on community involvement at all stages including planning, implementation, monitoring, evaluation and redesigning in the interest of community ownership and sustainability. Detailed plans for these potential activities will be developed in due course.

23.0 ANNEXES

23.1 Profiles of responsible staff for the Trees of Hope project.

Name of staff member	Position, contact information and brief profile
Mr Walker Morris	*The Country Executive* *Clinton Development Initiative* *Private Bag 68, Lilongwe, Malawi.* *Tel: +265-1-925-188* *Cell: +265 888 963 584* *Email: wmorris@clintonfoundation.org*
Mr Commodious Nyirenda	*The Program Director* *Plan Vivo Carbon Sequestration Program* *Clinton Development Initiative* *Private Bag 68, Lilongwe, Malawi.* *Tel: +265-1-925-188; +265-1-794-149* *Cell: +265 888 134 936* *Email: cnyirenda@clintonfoundation.org* *Skype: Commodious.Nyirenda* *Holder of a Diploma in Agriculture, a BSc Degree in Agriculture and a Master of Science Degree in Agro-forestry with over 10 years experience in agriculture and forestry work in Malawi.*
Mr Joseph Lukhere	*Field Officer based in Dowa district, holder of a Certificate in Forestry from Malawi College of Forestry with 21 years experience in forestry and community development work.*

Annex 23.1 continued

Ms Esmay Kamowa	*Field Officer based in Dowa district, holder of a Certificate in Forestry from Malawi College of Forestry with 16 years experience in forestry and community development* work.
Ms Iness Sosola	*Field Officer based in lower Neno district, holder of a Certificate in Forestry from Malawi College of Forestry with 24 years experience in forestry and community development work.*
Mr Wilson Chigwiya	*Field Officer based in lower Neno district, holder of a Diploma in Forestry from Malawi College of Forestry with 31 years experience in forestry and community development* work.
Mr Bizret Chimkwita	*Field Officer based in upper Neno district, holder of a Diploma in Forestry from Malawi College of Forestry with 21 years experience in forestry and community development* work.
Mr Rhodrick Kanzondeni	*Field Officer based in upper Neno district, holder of a Certificate in Agriculture from Cobbe College with 23 years experience in agriculture, forestry and community development work.*
Mr Henry Maulidi	*Field Officer based in lower Neno district, holder of Diploma in Forestry from Malawi College of Forestry with 29 years experience in forestry and community development work.*
Mr Albert Chakuda	*Field Officer based in upper Neno district, holder of Certificate in Agriculture from Cobbe College with 28 years experience in agriculture, forestry and community development work.*

23 2: Producer sale agreement template

"TREES OF HOPE"-THE CLINTON DEVELOPMENT INITIATIVE, PLAN VIVO Payment for Ecosystem Services (PES) PROJECT IN MALAWI

PLAN VIVO CERTIFICATES SALE AGREEMENT

This agreement is made this …… day of ……..in the year…….between the **Clinton Development Initiative (CDI)** of off Mphonongo Road, Area 10/42, Private Bag 68, Lilongwe, Malawi hereinafter referred to as the "**Project Coordinator**"

AND

……of Village Head……., Group Village Head ……. Traditional Authority …… in ……. district, hereinafter referred to as "**the Producer**".

It provides terms and conditions **agreed** upon by the above parties including their respective successors in title and assignees for the sale of carbon credits under the Plan Vivo system in the **Trees of Hope project**.

WHEREAS the **Project Coordinator** has **agreed** to facilitate marketing and sale of carbon credits on behalf of the **Producer** to *(particulars of a-yet-to-be-identified buyer)* hereinafter referred to as the "**Buyer**" who has **agreed** to buy (*indicate quantity of credits*) at (*indicate price*) on conditions set out in this agreement.

WHEREAS the **Producer** is the owner of the piece of land described in **TABLE A** of this agreement with the approved attached *Plan Vivo* number…… and **agrees** to sell carbon credits to *(particulars of buyer identified above)* facilitated by CDI, generated through implementing the land-use system described in the attached *Plan Vivo* for the period stipulated herein.

IT IS FURTHER AGREED AS FOLLOWS:

1. The agreement shall remain in force for the period set out in **Table B** but the Producer shall continue to maintain the land-use system described in the attached *plan vivo* for a minimum of 50 years.

The Project Coordinator agrees:

1. To supply seedlings to the Producer at a token price of **MK**…….. each as a contribution towards the costs incurred by CDI in supporting seedling production.
2. To provide organizational and/or technical support to community nurseries as necessary to enable establishment of the land-use system described in the plan vivo and **Table C**.
3. To monitor and advise the Producer on land-use management to ensure the targets laid out in **Table B**, are met but the producer remains responsible for meeting the targets.
4. To coordinate the purchase of carbon credits as demanded by the buyer from the Producer at a price agreed with the buyer and to pay the resultant amount to the Producer in installments set out in **Table B** where results of monitoring show that the corresponding targets have been met.

The Producer agrees:

1. To implement activities (summarized in **Table C**) and carry out management actions as set out in the attached plan vivo number……and to implement any corrective actions prescribed during the monitoring process.
2. To deposit **20%** of his/her/its credits as stipulated in **Table A** in a risk buffer maintained by the Project Coordinator.
3. To pay any outstanding cost of seedlings by authorizing the Project Coordinator to deduct and retain an equivalent amount (shown in **Table A**) from the first payment due to the Producer.

Plan Vivo registration

Your Plan Vivo was assessed by the CDI on……and approved for registration with the Program Coordinator with the following summary details:

TABLE "A": Summary details.

Name of Producer.	
Village Head.	
Group Village Head.	
Traditional Authority.	
District.	
Producer's ID number.	
Total Carbon dioxide tons (tCO_2e)	
tCO2 withheld as buffer (20% of total)	
Total saleable tCO_2	
Total tCO_2 to be bought by the buyer	
Total unsold tCO_2	
Price per tCO_2e (MK)	
Total amount for saleable tons of CO_2e (MK)	
Contribution to cost of seedlings (MK)	
Total amount to be paid to the Producer (MK)	
Producer's bank name and branch	
Producer's bank account name	
Producer's bank account number	

The total amount for saleable tons of CO_2e quoted in **Table A** above will be paid out to the Producer according to the protocol described in **Table B** below **UPON** verification that the corresponding monitoring targets are met.

TABLE B: Monitoring and payment protocol

Year of Monitoring	**Monitoring target**	**Percentage (%) of total payment to be made.**	**Amount to be paid (MK)**
Year 1	**50%** of plot established as described in **Table C**	20	
Year 2	**75%** of plot planted as described in **Table C**.	20	
Year 3	Whole plot established with stand survival not less than **85%**	20	
Year 4	Whole plot established with at least **90%** survival.	10	
Year 5	Average DBH not less than 4cm	10	
Year 7	Average DBH not less than 8cm	10	
Year 10	Average DBH not less than 15cm	10	

The **agreed** key technical aspects and activities related to this sale agreement are presented in **Table C** below:

TABLE C: Technical aspects and activities

Land use system	**Tree species used (in any combination)[11]**	**Planting density per hectare**	**Area planted (ha)**	**Date of planting (month & year)**	**Number of trees planted**	**Plot location (GPS coordinates)**	**Rotation period**
Woodlot	*S. siamea, S. spectabilis and A. polyacantha.*	2500					20years
Dispersed Systematic Interplanting (DSI)	*Faidhelbia albida, Acacia polyacantha, Acacia galpini and Albizia lebbeck.*	200					Thinning starts at Year 10 progressively to attain 25 trees/ha at Year 50.
Boundary planting	*A. polyacantha, S. spectabilis*	34 trees/100m					25 years
Mango orchard	*Mangifera indica*	7m by 7m					50 years
Citrus orchard	*Citrus sinensis*	5m by 5m					50 years.

[11] Full list of species appears in the respective technical specifications.

The **Project Coordinator** and the **Producer** signed hereunder hereby undertake to have fully understood and **agree** to abide by the terms and conditions of this agreement:

FOR THE PROJECT COORDINATOR	**FOR THE PRODUCER**
Name:……	Name:……..
Signature:……	Signature:…….
Position:……	Position:……..
Date:……	Date:……..
WITNESSED BY:	**WITNESSED BY:**
Name:……	Name:……..
Signature:……	Signature:…….
Position:……	Position:……..
Date:…….	Date……..

23 3: Training/meeting report form

William J. Clinton Foundation

Private Bag 68 · Lilongwe· Malawi

Tel: (265) 01 794 149; 01 925 188 Fax: (265) 01 794 114

Trees of hope training/meeting report form

Training/meeting objective (s)

_____

_____

_____

_____

_____

Name (s) of facilitator (s) and their designations

_____

_____

_____

_____

Description of target audience

_____

_____

Venue of training/meeting

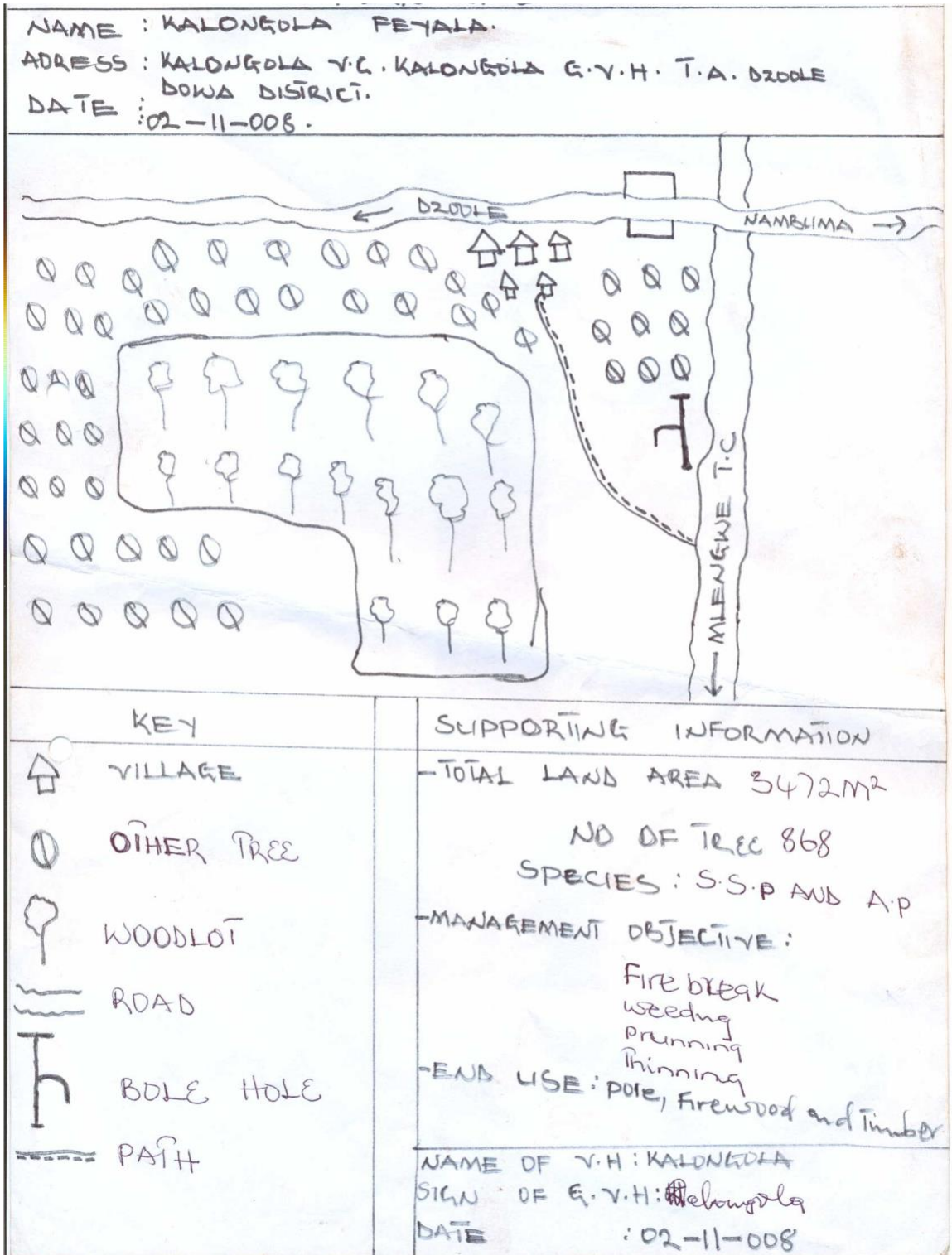
Date of training or meeting

Appraisal of training/meeting {for trainings indicate the level of success based on perceived level of understanding of material by attendants; if it is a meeting, indicate the minutes (main resolutions) below}:

Attendance register

Number	Name of attendant	Gender (M/F)	Signature

23.4: Sample Plan Vivo



23.5: Memorandum of Understanding between the Malawi Government and the CDI.

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF MALAWI AND THE CLINTON FOUNDATION

THIS MEMORANDUM OF UNDERSTANDING is entered into this 14th day of July, 2006 between the GOVERNMENT OF THE REPUBLIC OF MALAWI (hereinafter referred to as the "Government") of the one part, and the CLINTON FOUNDATION of the other part.

WHEREAS:

- The Government is committed to addressing the interrelated issues of poverty, hunger, disease and lack of economic opportunity for the people of Malawi;
- The Clinton Foundation, through the Clinton-Hunter Development Initiative (CHDI), is committed to developing scalable, sustainable and integrated solutions to the problems of poverty, hunger, disease and lack of economic opportunity in Malawi;
- The Government and the Clinton Foundation have agreed to enter into a partnership to address these problems within an integrated program of rural development;

NOW THEREFORE, the Parties hereto hereby have reached the following understanding –

ARTICLE 1
DEVELOPMENT ASSISTANCE

1. The Clinton Foundation, through the Clinton-Hunter Development Initiative, will work in partnership with the Government of Malawi to improve access by the people of Malawi to health care, clean water, education, and resources to improve agricultural productivity, beginning in the districts of Chitipa, Dowa, and Neno in the Republic of Malawi.
2. The Clinton-Hunter Development Initiative will focus on the long-term, sustainable achievement of development goals by investing in scalable, markets-

based solutions in the fields of agriculture, health, water and sanitation, and education in the districts of Chitipa, Dowa and Neno and in other districts to be hereafter identified and agreed by the Government and the Clinton Foundation.

ARTICLE 2
PREVIOUS ARRANGEMENT

The Memorandum of Understanding date 3 December, 2004 between the Government and the Clinton Foundation HIV/AIDS Initiative is hereby terminated. Anything done under or pursuant to that Memorandum of Understanding by either the Government or the Clinton Foundation HIV/AIDS Initiative shall be deemed to have done under or pursuant to the present Memorandum of Understanding. The provisions of the original Memorandum of Understanding remain in effect and are hereby incorporated into this agreement.

ARTICLE 3
AMENDMENTS

This Memorandum of Understanding may be amended at any time in writing by mutual agreement of the Parties.

ARTICLE 4
COMMENCEMENT, DURATION

This Memorandum of Understanding will enter into force on the date of signature and, subject to Article 4, shall remain in force indefinitely.

ARTICLE 5
TERMINATION

1. Either Party may terminate this Memorandum of Understanding by giving 6 months' notice in writing to the other Party.

2. In the event of termination pursuant to this article, none of the Parties may claim compensation, reimbursement, nor damages as a result of or arising from the termination.

ARTICLE 6
SETTLEMENT OF DISPUTES

The Parties agree to resolve amicably and by negotiation any differences or disputes between them arising from or in connection with the interpretation or the execution of of this Memorandum of Understanding.

IN WITNESS WHEREOF the Parties hereto have by their duly authorized representatives signed this Memorandum of Understanding at Lilongwe in the Republic of Malawi on the day and year first above written.

For and on behalf of the Government of the Republic of Malawi

Hon. Minister Joyce Banda

For and on behalf of the William J. Clinton Foundation

President William J. Clinton