



Developing your Rural Community

The SmartAgrIoT Rural Development approach to
compensate smallholder farmers or rural communities
for carbon sequestration

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Smart Rural Development
Transitioning and Providing Access To Rural Communities



Who is SmartAgrloT Rural Development?

SmartAgrloT Rural Development is SmartAgrloT's response to climate change, a threat that affects us all, but that disproportionately disadvantages smallholder farmers in developing countries. SmartAgrloT Rural Development is for the Organic Restoration of Nature. With SmartAgrloT Rural Development, we unlock the international voluntary carbon market for smallholder farmers in Africa.

Our Mission

SmartAgrloT Rural Development's mission is to support and compensate millions of smallholder farmers in a transition to sustainable regenerative practices.

We turn the CO₂ that is sequestered through regenerative practices into carbon credits to be sold on the voluntary carbon market. We use an innovative and scalable method for measuring, certifying, and monetizing the soil carbon and turning that growth into Carbon Credits (CCs). The CCs (or carbon credits) are sold to organizations with strong emission reduction commitments. To close the loop, a large % of the income of every sold CC flows back to the original smallholder.



Our focus on Land USE Change

At SmartAgrIoT Rural Development, we focus solely on Land USE Change carbon sequestration. We believe that sound and locally adapted Land USE Change systems have the potential to improve farmers' livelihoods. Not only through increased yields, the nutritional benefits of more diverse diets, climate resilience, and diversification of income streams, but also by sequestering CO₂ from the atmosphere. The Land USE Change systems furthermore provide valuable other ecosystem services, such as soil enrichment and biodiversity conservation.

CARBON CREDIT UNITS (CCU)s

Carbon Credit Units are at the core of the SmartAgrIoT Rural Development program. One CC represents one metric ton of CO₂ that has been removed from the atmosphere and sequestered into tree biomass. Our innovative approach is based on carbon offsets that already have been realized (ex-post credits), rather than credits based on sequestration expected to Carbon Credit Units (CCU) in the future (ex-ante credits). This enables buyers to offset part of their annual emissions with sequestration that has happened in the same year. With our technical approach, we ensure that every CC is traceable all the way to the plot of the farmer where it was generated, which ensures a high level of transparency.

Certification and measurement

All SmartAgrIoT Rural Development CARBON CREDIT UNITS (CCU) are independently certified by the registry. To generate CARBON CREDIT UNITS (CCU)'s, we use a scalable umbrella certification process. Projects that we set up with a Community and that adhere to the SmartAgrIoT Rural Development Framework and Methodology will become certified, rather than having to certify each individual project. On a sampling basis, a select number of projects will be additionally verified and validated. In all, this reduces the costs and lead times of certification significantly. Furthermore, by using an innovative combination of ground truth data, LIDAR, and satellite imagery, we are able to bring down the costs of biomass measuring, making carbon sequestration monitoring and monetization cost-effective as well as scalable.

The eligibility criteria for a project are outlined.. **Only carbon stock from aboveground and belowground biomass (no Soil Organic Matter) that is sequestered between project and baseline scenarios is taken into use.** Furthermore, the plots of each smallholder farmer in a project should be between 0.1 to 20 ha and consist of either cultivated or degraded land at the start of a project intervention.





Community Partnership

Working with us

To realize our mission of supporting millions of smallholder farmers, we are looking for communities to join forces. We believe that only together we can achieve more. To do so, SmartAgrIoT Rural Development wants to work with strong Communities on the ground with direct relationships with smallholders, cooperatives and the capacity to work with a large group of farmers. Types of Communities we would like to Community up include NGOs, farmers' co-ops, agro processors companies, and local governments.

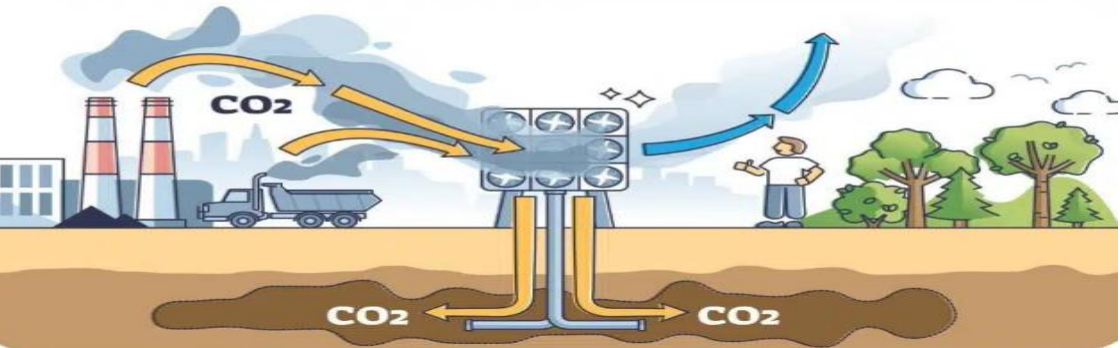
Long-term relationship

Rural Communities are pivotal for the success of SmartAgrIoT Rural Development and act as the link between SmartAgrIoT Rural Development and the farmers, being responsible

for the on-the-ground implementation of the program. Being the first point of contact for the smallholders, supporting the implementation of a suitable Land USE Change system and connecting them to our platform are a Community Community's key activities.

Communities are the ones assisting with Land Use Change design, the selection of plant species, and the logistics of procuring seedlings and saplings. We are the ones arranging the necessary funds to get farmers started with Land Use Change, although in those cases where there is a clear financial need, SmartAgrIoT can play a part in assisting with the arranging of blended or grant finance solutions. Finally, closing the loop by assisting in the farmers' payout is part of the community's responsibilities.

Carbon Sequestration



We are looking for a long-term relationship in which we both work toward our common goal: improving the lives of smallholders in Africa.

Community benefits

- **Impact.** Working with us means that your organization will significantly improve local livelihoods and will set an example in the fight against climate change. Meanwhile, generating an additional income stream will increase the chances of establishing sustainable Land USE Change systems.

- **Strengthening your farmer network.** Besides the additional income stream for farmers that SmartAgrIoT Rural Development provides, Land USE Change can lead to higher or additional yields, and higher quality agricultural products.

- **Cost-efficiency.** Using the latest remote sensing technology and AI, we bring down the costs of measuring biomass and monitoring. This substantially reduces the workload and resources required to link farmers to the voluntary carbon market, making your project a viable business case.

- **Additional income.** From the Carbon Credit Units (CCU) generated at their project areas, Community Partners receive a large % of the total amount of the CC sale to cover operational costs. This recurring income stream can help finance their organization's ongoing operations, reduce dependency on grant funding, or be passed on to the farmers they support.





Our responsibilities

To keep things transparent and clear, we'll discuss the objectives and responsibilities of SmartAgrloT Rural Development and of the Community in detail before we start. We too have responsibilities towards our Communities and are there to support them every step of the way. The Community's and our responsibilities are governed by a formal Partnership Agreement ("Partnership Agreement for the Trade in Carbon Credits") signed by SmartAgrloT Rural Development and the Community.

SmartAgrloT Rural Development's responsibilities include measuring and certifying carbon credits, issuing carbon credits, selling them for a fair and reasonable price, and collating and safeguarding the data required for the program. The main activities in which our Communities are involved are detailed below, in the Key activities of Community section.

Key activities of Community Partners

- **Selecting projects.** We identify communities, projects and perform eligibility checks for potential projects, ensuring that they comply with the project eligibility criteria of SmartAgrloT Rural Development, which are explained in detail in the SmartAgrloT Rural Development Framework.

- **Onboarding farmers.** Rural Community onboard farmers into SmartAgrloT Rural Development by collecting details (e.g. field coordinates, tree data, ask status of land ownership and farmer consent forms). They present SmartAgrloT Rural Development to farmers and sign agreements with participants.

- **Implementing Land Use Change.** Community assist in tree planting and sustainable implementation of Land USE Change designs. Besides this, they connect with local agronomists for Land USE Change advice, including training for farmers



• **Connecting farmers.** We facilitate council meetings in order to inform and involve participants in the decision-making process throughout the project, from design, to implementation, to field management, and monitoring. In this way, they function as an intermediary between SmartAgrIoT Rural Development and local farmers, enabling communication both ways.

• **Paying out farmers.** Community Partners are responsible for annual and traceable carbon benefit payments to the participants. At least large % or more of the proceeds from CC sales should accrue to participants as either fully monetary or partially in-kind payments (always in agreement with participants).

• **Reporting and Monitoring.** We support the general monitoring of carbon and project indicators, prepare progress reports and project council conclusions. We also assist external validation and verification bodies during their audit if selected for validation and verification.

Checklist

We work with organizations which have a trustworthy relationship with smallholder farmers. Organizations that believe in the benefits of Land USE Change, are committed to venture into an innovative project in the voluntary carbon market, and have the capacity.

Therefore, we ask our partners to meet several conditions. For a more elaborate checklist, please consult the SmartAgrIoT Rural Development Framework, which is available on our **website**. Please ensure the following applies:

Checklist

- Presence of legal right to sell Carbon Credit Units (no restricting governmental policy)
- The project includes new Land USE Change and/or existing Land USE Change with a maximum of 5 years since trees were planted
- 10,000+ ha potential project scale
- No deforestation took place in the project area in the last 5 years
- No carbon credits are being sold currently from the project, or CO2 (to be) sequestered is not yet monetized
- The area cultivated by each farmer is between 0.1 and 10 hectares
- There is local engagement and organizational capacity to undertake the project for a minimum of 20 years after CC sales
- Every farmer has proof of formal or informal land tenure





How to become a Partner

Joining SmartAgrloT Rural Development in seven steps

Does the checklist apply to your community(s) ?

Does your organization's work align with SmartAgrloT Rural Development's mission? If so, great!

We welcome you to apply to become a participant. To do so, there are several application steps to complete. You can apply via our online portal. Every step and the documentation required are explained in detail. Of course, our team will assist you in completing the process. An application link can be requested via our **website** or directly by sending an e-mail.

1. Intake

First, let's talk! During your initial conversations, we will go through the intake checklist together to verify that your community or Tribal Authority meets the basic criteria to participate in SmartAgrloT Rural Development.

2. Project summary

In this step, you will need to provide us with a summary of the general characteristics of your Tribal Authority or Community such as location, current farming practices and proposed activities, etc. This will help us to gain more knowledge about your community and determine its compatibility with the SmartAgrloT Rural Development program.



3. Eligibility

Not all tree planting activities are eligible for the SmartAgrloT Rural Development program, as our focus is on Land USE Change. Therefore, in this step we determine whether your community organization, participants and project meet the required conditions to participate in SmartAgrloT Rural Development. To do so, you need to complete two checklists. These will be reviewed by our team to determine the eligibility of your project to participate.

development of the business case and, if the business case needs financing, SmartAgrloT Rural Development will help in finding a financing party.

4. Additionality

The additionality assessment determines whether your community land is additional. Additionality is important for us. For SmartAgrloT Rural Development, a project is considered additional only when Land USE Change practices would not have been successfully implemented in the long term without the Community, project intervention and the additional revenues generated through the sale of CARBON CREDIT UNITS (CCU)'s. Demonstrating additionality is a key requirement for ensuring the quality of CARBON CREDIT UNITS (CCU)'s.

5. Business case

In this step, SmartAgrloT Rural Development would like to learn more about your proposition as a Community to assess the feasibility and long-term success of the project. You will need to create a detailed business case to prove that your community is financially viable based on SmartAgrloT Rural Development criteria. Our team will support you in the



6. Customer Due Diligence (CDD)

SmartAgrIoT Rural Development performs a CDD check in order to ensure that there are no potential risks to our institution before entering a formal collaboration. As part of this process, we will require some personal information from your directors and ultimate beneficial owners of your organization, as well as a confirmation that you comply with SmartAgrIoT's sustainability policy.

7. Contracting

Once the CDD is completed successfully, a standard partnership agreement will be sent for your review and signature. The agreement describes your responsibilities as a Community.

For more detailed information about what it means to be a Community, please consult our office, team members. If you have any specific questions about the functioning of the program, please have a look at the FAQ on our **website**.

Interested in working with us? Please contact us at SmartAgrIoT Rural Development

**Let's enable and serve your
smallholder farmer
community together!**



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