This Project Description is Dated May 10th, 2011, and conforms to the VCS PD Template dated 19th November 2007.

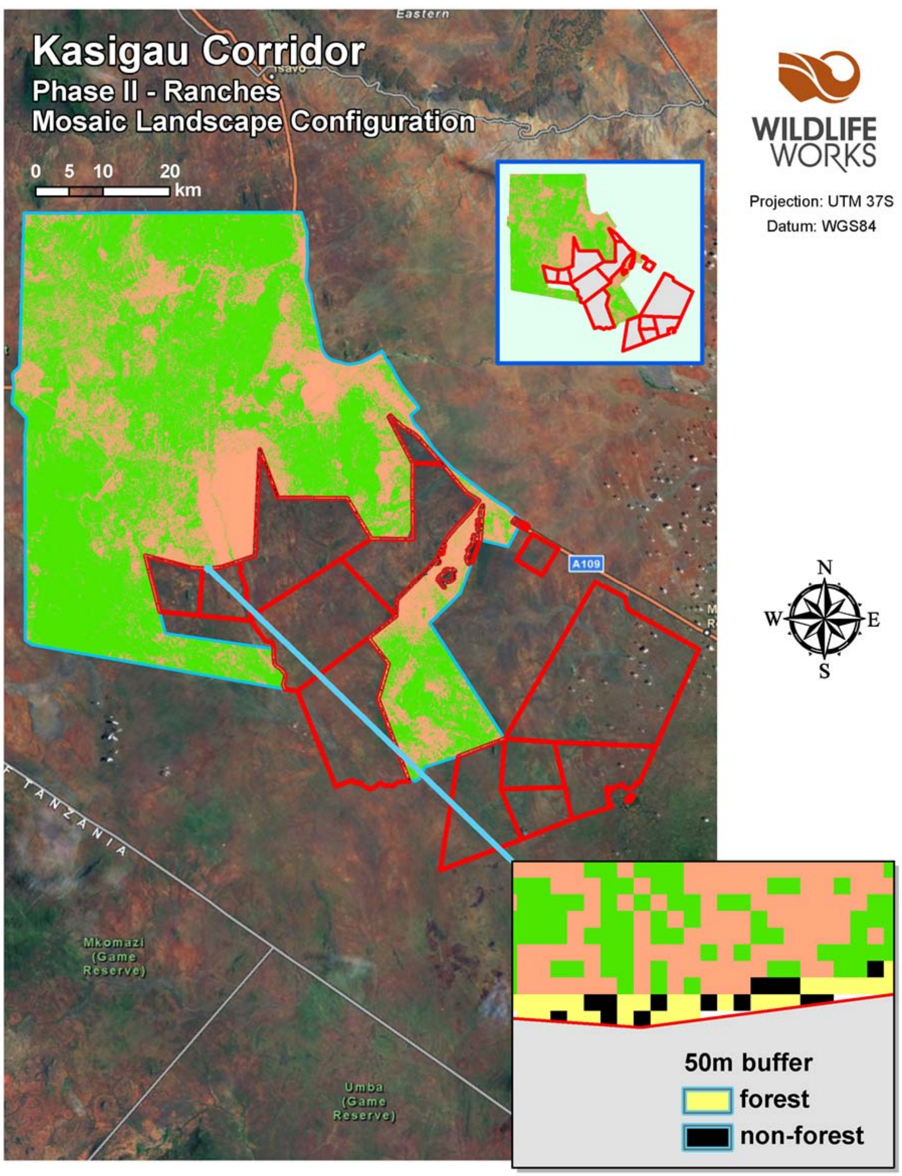
1. Description of Project:

1.1 Project title

The Kasigau Corridor REDD Project Phase II - The Community Ranches

1.2 Type/Category of the project

The Kasigau Corridor REDD Project Phase II - The Community Ranches (hereafter referred to as "the project" or "Phase II") falls under VCS sectoral scope 14 - Agriculture, Forestry and Other Land Uses, under project activities Reduced Emissions from Deforestation and Degradation (REDD) and most specifically under Avoiding Unplanned Mosaic Deforestation and Degradation (AUMDD). The project falls into this category by the definition provided in the VCS Program Update of May 24th 2010, by virtue of the fact that > 25% of the boundary of the Project Area is within 50m of land that was anthropogenically deforested in the ten years prior to the project start date, as illustrated in the table and map below.



Phase II Landscape Configuration Analysis	
Imagery date: 02-06-2003 **Imagery source: Landsat 7 (ETM+)**	
Total Ranch Perimeter (km)	403.21
Project perimeter coincident with reference region (km)	211
coincident ratio	52.33%
Coincident forest pixels	6575
Coincident non-forest pixels	8798
% deforested coincident with reference region	57.23%
Total % deforested within 50m of project perimeter	**29.95%**

The project is not grouped.

1.3 Estimated amount of emission reductions over the crediting period including project size:

The Phase II Project Area is 169,741.4 ha. The project is classified as a mega project, as the estimated gross emissions reductions over the 30 year crediting period are 48,448,769 m.t. GHG or on average, 1,614,959 m.t. GHG per year. When accounting for a conservative risk-of-reversal buffer discount from the annual emissions reduction, Wildlife Works aims to reduce 38,759,015 m.t. GHG or on average, 1,291,967 metric tonnes per year. Additional tonnes may be deducted for leakage.

1.4 A brief description of the project:

Through a combination of dryland forest protection and extraordinary community sustainable development activities, this project is estimated to avoid the gross emissions of over 48 million metric tonnes of CO2e which would have been emitted due to slash and burn deforestation over the 30 year project life, or on average approximately 1,614,959 m.t. per year across the carbon pools of above and belowground forest biomass (forest carbon), and soil carbon.

The Project Area is home to a fantastic diversity of mammals (over 50 species of large mammal, more than 20 species of bats), birds (over 300 species) and important populations of IUCN Red List species such as Grevy's zebra (*Equus grevyi*), Cheetah (*Acinonyx jubatus*), Lion (*Panthera leo*) as well as over 500 African elephants (*Loxidonta africana*) seasonally.

The project is shown to be clearly additional (under the project financial additionality tool) and the baseline, far hypothetical, is an intelligent extrapolation of empirically measured deforestation that was occurring aggressively in the reference region immediately adjacent to the project area at the time Wildlife Works arrived in the area. This has been demonstrated clearly from historic satellite imagery analysis and the fitting of a logistical Cumulative Deforestation Model (CDM) which accounts for resource constraints typical in mosaic deforestation locales.

Wildlife Works also plans to implement, and has in fact has begun many leakage mitigation activities, including an organic greenhouse, reforestation projects, an EcoCharcoal alternative to "bush" charcoal, an organic clothing factory and many other forms of alternative livelihoods.

1.5 Project location including geographic and physical information allowing the unique identification and delineation of the specific extent of the project:

The Kasigau Corridor REDD Project - Phase II is located in south-eastern Kenya, in the Marungu Sub location, Voi Division, Taita Taveta District, Coast Province, Kenya, approximately 150 kms northwest of Mombasa.

This Phase II PD covers all the land of 13 private, group-owned ranches as well as the Marungu Hills community conservation area and a wildlife corridor link, totalling 419 440 acres (169,741.4 ha) of land.

Phase II forms a corridor of land (the Kasigau Wildlife Corridor) between the Tsavo East National Park and the Tsavo West National Parks to the East of the Marungu range. The project area and reference area are clearly delineated in Section 5.1 ("Project Boundaries") in the accompanying PD document, and an ArcGIS geodatabase representing the boundaries have been made available to the project validator. The land within the project boundary has been tropical dryland forest[1] for at least 20 years and has been a primary forest since recorded times[2].

1.6 Duration of the project activity/crediting period:

The project start date and the project crediting period start date are both January 1st, 2010.
VCS project crediting period: The VCS project crediting period is January 1st 2010 thru December 31st 2039.

1.7 Conditions prior to project initiation:

It was not difficult to identify the baseline scenario for this project: rapid deforestation due to unplanned slash and burn agricultural expansion by subsistence farmers. All the conditions for the project baseline were in place before the arrival of the project developer, Wildlife Works, and in fact even the project area itself was beginning to be cleared before project implementation. There is little need for speculation as to what would occur in the absence of the project if it ceased protection and the provision of alternative livelihoods for the community. The mosaic pattern of deforestation would continue where it left off, but most likely accelerated by a much larger population base than was present upon our arrival.

The project area had previously been used for grazing of cattle and in some cases ecotourism. Both activities have systematically failed, as cattle ranching is very difficult due to a fragile ecosystem and lack of water. Most of the cattle grazing on the Phase II lands, prior to project implementation, was being conducted out of desperation, as it was literally the only service the ecosystem could provide.

Aforestation of plantation species and agricultural activities cannot profitably be carried out in this ecosystem, due to a lack of water and a fragile ecosystem. The forest in the project area has never been, and never will be commercially viable. We therefore believe that through the land owners' attempts at different economic activities that there are no credible alternative economic uses for this land that could compete with the project financially, or provide financial sustainability that would protect it from slash and burn use by the community. All 13 ranch directors corroborate this believe, and in fact will provide a clear explanation of their trials and tribulations in the project area to the validators upon the site visit in Kenya.

1.8 A description of how the project will achieve GHG emission reductions and/or removal enhancements:

Please refer to supporting document - VCS Methodology PD Requirements Section 6.1.

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[1] UN IPCC, Good Practice Guidance for LULUCF, Table 3A.1.8;
[2] Earliest record that has been located is dated 1895 which identifies the area as forested [Hobley 1895 – Upon a Visit to Tsavo and the Taita Highlands – The Geographical Journal 1895 Vol 5 No 6 pp 545-561]

1.9 Project technologies, products, services and the expected level of activity:

Please refer to supporting document - VCS Methodology PD Requirements Section 6.1.

1.10 Compliance with relevant local laws and regulations related to the project:

It is our belief that Wildlife Works meets all local, National and International laws related to this project.

The laws that are relevant to this project are:

<u>EMPLOYMENT LAWS.</u>

- Export Processing Zone's Act (Cap. 547)

As an Export Processing Zone Company we are exempted from the standard Labour Laws of Kenya, and instead must conform to those laws that that have been deemed applicable to (General Provisions of the Employment Act (Cap 226-229) or amended for EPZs as covered by the Export Processing Zone's Act (Cap. 547).

- National Health Insurance Fund.

N.H.I.F was established on 12th July 1966 by an act of parliament Cap 255 of the Laws of Kenya, and become a state corporation on 15th February 1999 through an act of Parliament no.9 of 1998. The objective of its establishment is to enable majority of Kenyans to access healthcare services at supplemented costs. Contribution to the fund are compulsory for all persons whose income is Ksh.1000/= and above. We physically go to the NHIF offices in Voi monthly to submit our monthly payroll and have the NHIF amount calculated by them, we pay and they give us a receipt. We are also subject to random checks with the NHIF inspector visiting our facility without notice and inspecting our books. We have never been found in violation of this act.

- The National Social Security Fund act ,Cap 258,

is a government fund established by the National Social Security Fund Act,1965 ,For the benefit of the Members. It is a compulsory savings scheme into which the employer pays a statutory contribution for every employee who is a member. We physically go to the NSSF offices in Voi monthly to submit our monthly payroll on a NSSF form, and we pay the monthly dues. We are subject to strict audit checks by the NSSF inspector who visits our facility every two months and on passing the audit provides us with an official letter indicating we are in compliance. We have never been found in violation of this act.

- Pay As you Earn (P.A.Y.E) Section 37 of the Income Tax act.

The "Pay As You EARN" method of deducting income tax from salaries and wages applies to weekly wages, Monthly salaries, annual salaries, bonuses, commissions, Directors fees (Whether the director is resident or non-resident). Monthly we are required to go to the bank (Kenya Commercial Bank = KCB) to pay the tax withheld from our employees wages and salaries, the bank takes one folio from our KRA receipt book, and stamps the other two folios, one of which we then take to the KRA office in Voi and give it to them.

- The Factories and Other Places of Work Act

The Factories Act (Cap. 514) deals with the health, safety and welfare of an employee who works in a factory or other place of work. We have never been audited by this department in the Government as it is very small and covers the whole country, however we have good reason to believe we are in full compliance with this act as a result of a third party audit of our factory and operations performed by the independent NGO Verite, from the USA.

- The Work Injury Benefits Act (Cap. 236)

provides for ways through which an employee who is injured when on duty may be compensated by the employer. We are required to maintain private insurance to cover our responsibility under this act.

- Regulation of Wages and Conditions of Employment Act (Cap. 229)

This act sets the conditions of work and the minimum wage guidelines. The EPZ Act supersedes this act with regard to minimum wage and in fact the EPZ minimum wage guidelines are slightly higher than the National Employment Act guidelines.

- Labour Relations Act, 2007 (Acts No. 14)

This is the new version of the old Trade Unions Act and the Trade Disputes Act, revised to harmonize the old Trade Acts with Kenya's recent ratification of many of the elements of the ILO Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87). We are required to provide our workers with the freedom of association. We are required to honor a dispute process as laid out in the act. We currently have no collective bargaining agreement in place nor are we required to do so. To the best of our knowledge none of our employees belong to any Trade Unions, and it is our belief that our employees do not at this time feel that the benefits of membership outweigh the costs of dues which are born solely by them under the Act. We have never had a dispute with any employee that resulted in any collective action, lock out etc. and we have no disputes at all at this time, and we believe that we are in full compliance with this Act. To ensure that employees are aware of their rights under the Act, we have added the following language to all employment contracts issued by Wildlife Works;

"Wildlife Works, EPZ Ltd. acknowledges the importance of the recently enacted Labour Relations Act 2007, and therefore we wish to inform you that you are entitled to Freedom of Association, and specifically to join the Kenya Textile Workers Union (KTWU) should you so choose. Should you choose to join the KTWU, all membership dues and agency fees for the Union will be payable directly by you."

<u>CORPORATE LAWS.</u>

- Companies Act, (Law of Kenya Cap. 486);

We must remain a company in good standing, and are required to maintain our Corporate records with The Registrar of Companies in Nairobi annually.

- Bankruptcy Act (Cap. 53);

Lets hope this never applies to us.

<u>LAND and ENVIRONMENT LAWS.</u>

- Environmental Management and Coordination Act (Act 8, 1999)

We were required to undergo an environmental audit by the National Environmental Management Authority. We passed.

- Registration of Titles Act:

The terms of the Title Deed by which Rukinga Ranching Company Ltd is the owner of Rukinga Ranch are governed by this Act.

<u>LOCAL DISTRICT LAWS.</u>

County Council of Taita Taveta Rates are paid at the rate determined under the local By-Laws of our District.
It is confirmed that:

- The project is in compliance with all national laws and license requirements relating to conservation projects in Kenya; and

- Tthere is no law mandating that the Land is a conservation area. It is noted that no category of land use relating to conservation exists under Kenyan law. The current land use category for the Rukinga Sanctuary project and other privately owned conservation projects is classified as agriculture.

1.11 Identification of risks that may substantially affect the project's GHG emission reductions or removal enhancements:

Major risks that could have impact project are:

- Change in legislation – government expropriating the land through compulsory purchase for development scheme; as the Government of Kenya is very supportive of our project, and has no recent history of expropriation of private conservation lands, this risk is very low. We will continue to seek international press for our project, as keeping it in the spotlight promotes awareness, and reminds the Government of the value it is adding to the country of Kenya.

- Income - risk carbon market revenues do not eventuate - or are less than adequate to -sustain the project financially; financial sustainability was modeled at extremely conservative carbon offset sale values, and we have a very popular project with high potential value in the marketplace. The likelihood of financial insolvency is therefore deemed to be very low.

- Crop failure - substantial and repeated crop failure in surrounding communities could lead to increased poaching and use of forests for financial benefit; this is quite likely, and virtually all of our alternative economic development efforts are aimed at mitigating this risk.

- Invasion of cattle grazers due to famine in adjacent communities, or lack of grazing elsewhere - Any influx of cattle only affects the quantity of grass in the project area and leads to no significant change in carbon stock. Again, this is possible especially as Somalis have used land in this area to feed and water their cattle over the years, sometimes with permission and sometimes without. However, given increasing aridity in the area, we believe Somali cattle herders will be forced to look elsewhere for rangelands. We will be using carbon funding to increase ranger patrolling to better protect the project area from illegal incursion.

- Drought – drought is an increasing reality in this area of Kenya. We anticipate that climate change will worsen this problem throughout the project crediting period. Drought inherently introduces two additional risks:

    - Wildlife – drought places severe stress on wildlife in the project area. However, many of the species living in this ecosystem are extraordinarily drought-adapted, and have little problem surviving in extended periods without rain. For those that aren't, we plan to continue to provide emergency water sources at all the ranches in the project area, just as we have done in the past on Rukinga for Phase I. This issue is dealt with in much more detail in Section GL1.2 below.

    - Cash crops – drought will render the survival of cash crops, such as Jojoba and citrus trees more difficult. However, these high value cash crops will be planted sparingly and actually require much less water than a comparable maize field, and are able to survive higher temperatures, provided they receive some water. Farmers will be in a position to provide this to preserve the financial value of the crop under project funding.

- Fire – grass fires are common in the region due to intense heat and dry conditions. Naturally occurring fires are actually extremely rare; Our strategy is to continue educating the local population, especially the youth, about the dangers of burning fallows to improve grazing for their animals. Fires tend to burn the grasses and shrubs, but move very quickly, and typically don't kill the trees which have become grass-fire tolerant over the years.

1.12 Demonstration to confirm that the project was not implemented to create GHG emissions primarily for the purpose of its subsequent removal or destruction.

The Baseline emissions case has no connection with the project developer, Wildlife Works, who entered the area expressly to prevent the deforestation of the Kasigau Corridor. Protecting forests and biodiversity through the creation of alternative livelihoods for the surrounding communities is Wildlife Works' chief goal, as is evidenced by the longevity of our presence and sustainability of our plan to utilize carbon funding in the future in this community.

1.13 Demonstration that the project has not created another form of environmental credit (for example renewable energy certificates).

The project has not created another form of environmental credit, and as far as we know, is not eligible for any other form of environment credit. This project is a REDD project only.

1.14 Project rejected under other GHG programs (if applicable):

Not applicable.

1.15 Project proponents roles and responsibilities, including contact information of the project proponent, other project participants

The Project Proponent for the Kasigau Corridor REDD Project Phase II - The Community Ranches is being implemented by Wildlife Works Carbon LLC, on behalf of the indigenous Community Group of landowners, who are the owners of the carbon credits derived from a Reduced Emissions from Deforestation and Degradation (REDD) project in SE Kenya in an area of wilderness known as the Kasigau Corridor. The carbon project is managed in the field in Kenya by Wildlife Works Carbon LLC.

A Carbon Rights Agreement/Easement was approved by a full vote at an AGM of the shareholders for each of the individual group ranches and the Marungu Hills Conservancy. During these AGMs, the shareholders present were given an explanation of the potential of the carbon project, a copy of which has been provided to the validator, and following which the shareholders majority approved the pursuit of this opportunity.

Wildlife Works Carbon, LLC.:
President – Mike Korchinsky
Tel: +1-415-332-8081
Fax: +1-415-332-8057
Email: mike@wildlifeworks.com

1.16 Any information relevant for the eligibility of the project and quantification of emission reductions or removal enhancements, including legislative, technical, economic, sectoral, social, environmental, geographic, site-specific and temporal information.):

Wildlife Works is working closely with the REDD Focal Point within the Government of Kenya to ensure that any future REDD legislation considers Projects such as this in the design of sub-national nesting rules. We do not believe there are any issues that could affect the eligibility of the project. All information related to the quantification of emission reductions has been detailed in the appropriate sections of the supporting document - VCS Methodology PD Requirements.

1.17 List of commercially sensitive information (if applicable):

The Carbon Rights Agreement between Wildlife Works Carbon LLC and the ranching companies and conservancy contains commercially sensitive information and has been excluded from the public version of the PD. It was provided to the validator during validation.

2 VCS Methodology:

2.1 Title and reference of the VCS methodology applied to the project activity and explanation of methodology choices:

This project has used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January 11th, 2011.

2.2 Justification of the choice of the methodology and why it is applicable to the project activity:

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the project proponent based on their experience on this project, and was specifically designed to suit the mosaic slash and burn agricultural conditions found in this dryland area, and the mitigation activities conducted by the project proponent for this project. This project therefore meets all of the applicability conditions of the methodology.

2.3 Identifying GHG sources, sinks and reservoirs for the baseline scenario and for the project:

Please refer to Supporting Document - VCS Methodology PD Requirements Sections 5.3 and 5.4.

2.4 Description of how the baseline scenario is identified and description of the identified baseline scenario:

Please refer to Supporting Document - VCS Methodology PD Requirements Section 6.1.

2.5 Description of how the emissions of GHG by source in baseline scenario are reduced below those that would have occurred in the absence of the project activity (assessment and demonstration of additionality):

Please refer to Supporting Document - VCS Methodology PD Requirements Sections 6.1 and 7.

3 Monitoring:

3.1 Title and reference of the VCS methodology (which includes the monitoring requirements) applied to the project activity and explanation of methodology choices:

This project used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January 11th, 2011.

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the project proponent based on their experience on this project, and was specifically designed to suit the mosaic slash and burn agricultural conditions found in this dryland area, and the mitigation activities conducted by the project proponent for this project. This project therefore meets all of the applicability conditions of the methodology.

3.2 Monitoring, including estimation, modelling, measurement or calculation approaches:

Please refer to supporting document, Monitoring Report - Section 13 Monitoring

3.3 Data and parameters monitored / Selecting relevant GHG sources, sinks and reservoirs for monitoring or estimating GHG emissions and removals:

Please refer to supporting document, Monitoring Report - Section 13 Monitoring

3.4 Description of the monitoring plan

Please refer to supporting document, Monitoring Report - Section 13 Monitoring

4 GHG Emission Reductions:

4.1 Explanation of methodological choice:

This project used the VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests, approved by the VCS for sectoral scope 14 on January 11th, 2011.

VM0009 Methodology for Avoided Mosaic Deforestation of Tropical Forests was developed by the project proponent based on their experience on this project, and was specifically designed to suit the mosaic slash and burn agricultural conditions found in this dryland area, and the mitigation activities conducted by the project proponent for this project. This project therefore meets all of the applicability conditions of the methodology.

4.2 Quantifying GHG emissions and/or removals for the baseline scenario:

Please refer to supporting document - VCS Methodology PD Requirements Section 8.

4.3 Quantifying GHG emissions and/or removals for the project:

Please refer to supporting document - VCS Methodology PD Requirements Section 11.

4.4 Quantifying GHG emission reductions and removal enhancements for the GHG project:

Please refer to supporting document - VCS Methodology PD Requirements Section 11.

5 Environmental Impact:

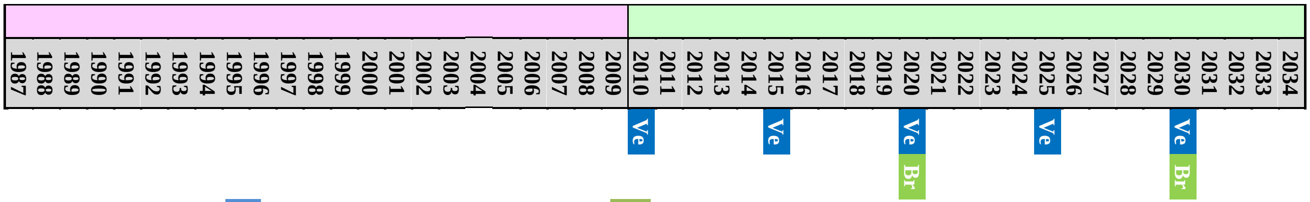
Wildlife Works was required to undergo an environmental audit by the National Environmental Management Authority. We passed. Results provided for review by the validator.

6 Stakeholders comments:

Stakeholder comments were solicited via a public comment period on the internet, and by postings on local area notice boards. Copies of the public comments received were provided to the validator.

7 Schedule:

A complete timeline of project activities was provided to the validator. The overall schedule for the project is shown below. Project Start Date and Crediting Period Start Date are both January 1st 2010, and Project end Date is December 31st 2039. Project Activities began at the latest January 1st 2010, and in some cases well before, with costs prior to 2010 being born solely by the Project Proponent.



project timeline (Ve = external verification year, BR = baseline re-evaluation year)

8 Ownership:

8.1 Proof of Title

Proof of title for all project area lands have been reviewed with, and made available to the validator.

8.2 Projects that reduce GHG emissions from activities that participate in an emissions trading program (if applicable):

Not Applicable