



17th January 2022

Tanzania Investment Centre
P.O. Box 938
Shaaban Robert Street
Dar es Salaam

Re: Certificate of Incentives for Large Scale Reforestation-Carbon Credit Project

Dear Sir,

Udzungwa Corridor Limited (UCL) is a majority Tanzanian Company owned 55% by the Tanzania Forest Conservation Group and 40% by Reterra Limited, UK.

In the global effort to mitigate the climate crisis, UCL's mission is to create a new carbon sink that will remove 4.5 million tons of CO₂ greenhouse gas from the global atmosphere. From the removal of the CO₂, the business of UCL is to produce Verified Emission Reductions, VERs, carbon credits that can be sold on the world market to offset the buyer's greenhouse gas emissions.

To create the carbon sink, UCL aims to reforest 7,500 ha of abandoned farmland and degraded land between the Kilombero Nature Reserve and the Udzungwa Scarp Nature Reserve with 100 native species, reconnecting after 100 years the two high-biodiversity sub-montane forest habitats.

UCL has signed 30-year lease/carbon rights contracts with Uluti and Mhanga Villages approved by the Kilolo District.

UCL is signing 30-year Verified Emission Reduction Agreements with The Skoll Foundation (skoll.org), which supports entrepreneurs and public health around the world, and two investment companies owned by the first president of eBay, Jeff Skoll—Sequoia Holdings and The Skoll Fund.

\$914,650 has been advanced by the three buyers since July 2020 to launch the project. The total value of their 30-year financial commitment is \$33,631,968.

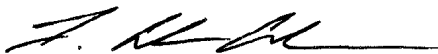
**Mhanga Village, Kilolo District, Iringa Region
P.O Box 386, Iringa**

The project brings substantial income to villagers and the local, district and national government:

- TZS 19.3 billion rent paid to farmers with surveyed plots and Village Councils for unallocated land. Starting at TZS 55,000/hectare, the rent rises 3% per year to TZS 130,000. At the end of the project the ownership of the rare valuable native timber remains with the villages.
- TZS 2.38 billion paid to 4 Village Councils as Payments for Ecosystem Services (PES) to protect 5,047 ha of Village Land Forest Reserves and 748 ha of 60-meter-wide buffers along streams and rivers
- TZS 14.5 billion in seasonal labour planting and weeding and fire protection
- TZS 4.3 billion in full-time jobs
- TZS 1.1 billion equivalent of 5% CESS on rent and PES payments paid to the Districts
- TZS 7.9 billion to TRA for PAYE, WHT and corporate tax

We wish to register the Udzungwa Corridor project with the Tanzania Investment Centre.

Yours Sincerely,



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