

LEVEL

A CONSERVATION BUSINESS



UNDERSTANDING THE “S” IN ESG

Evidencing the social value of nature conservation
for local communities

LEVEL

A CONSERVATION BUSINESS

Level is a global conservation business that creates a direct financial link between those who want to protect and restore nature, and the Indigenous peoples and local communities best placed to do so.



Carbon Tanzania, a Level business

Carbon Tanzania is a social enterprise that creates value from natural resources for rural communities through the sustainable management of forests and biodiversity. It generates value for Tanzania's economy and its people by producing nature-based carbon credits that enable local people to earn revenues from the protection of their landscapes. These verified emissions reductions allow global businesses with credible decarbonisation and nature-positive strategies to invest in a locally produced nature-based solution that serves the climate, communities, and wildlife.

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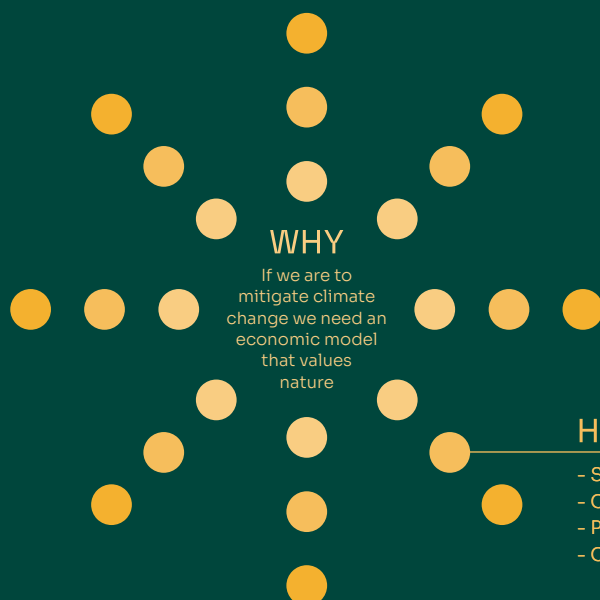
Introduction

Human activity is pushing nature to crisis. As rainforests are cleared and soils depleted, biodiversity is approaching a breaking point. Yet, despite this continued destruction, there is still hope. Across the planet, many people are working tirelessly to protect and restore the natural world.

Indigenous peoples and local communities (IPs and LCs) are at the forefront of conservation efforts. For generations, IPs and LCs have been living with the land and sustainably stewarding their territories. Today, 80 percent¹ of the world's remaining biodiversity is protected by Indigenous peoples. Not only is this testament to the expertise of Indigenous peoples, but it also highlights an indisputable need to engage them in nature-based solutions (NBS)².

NBS, such as reforestation or conservation, work with nature to halt and reverse climate change and biodiversity loss. While the role of IPs and LCs in conservation is recognised and valued, few NBS projects actively seek out and learn from the wisdom of IPs and LCs. As a result, the sector has not yet built sufficient evidence that NBS generate both ecological and social benefits. This means, they are unable to effectively measure and communicate the human impacts and social benefits that NBS projects can create.

We believe that project developers must listen deeply to the views, perspectives, and lived experiences of IPs and LCs. If the world is to transition to an economic system that genuinely values nature, project developers must think like social scientists and seek to understand the social³, as well as the ecological benefits of conservation work. Only then will investors have confidence in the potential of NBS to generate significant, cascading social benefits for both people and nature.



Level's golden circle

Level's Golden Circle was informed by The Golden Circle concept by Simon Sinek, which comprises three concentric circles: 'Why' (core purpose), 'How' (process), 'What' (activities). (<https://simonsinek.com/?s=golden+circle>)

Social science: The importance of listening to people's lived experience

Addressing the social-ecological crisis requires us to understand how both people and nature thrive. In nature conservation projects, local people must be part of the creation, management, and distribution of financial benefits. Only then will the ecological value of conservation translate into social value and improved well-being.

To understand people's lived experience we need to counter the scientific blindspot that seeks to pursue objectivity⁴. Understanding human experience requires us to recognise that knowledge is socially situated and to use data collection methods that help us make sense of the diverse, evolving, and complex viewpoints of the people who protect nature.

Level has refined a methodology to deeply listen to the lived experiences of IPs and LCs, enabling us to understand the social value generated by nature conservation. We piloted this approach with people living in the Yaeda Valley of northern Tanzania.



The Social Return on Investment (SROI) approach

A rigorous methodology exists that enables us to understand what changes for people when nature is protected. It is called the Social Return on Investment (SROI) approach and is accredited by [Social Value International](#), who are an international community of practitioners, organisations and changemakers with a shared mission to change the way the world accounts for social value. In 2023, Level used the SROI approach to understand the value people in Yaeda Valley have gained from a conservation project run by the social enterprise, Carbon Tanzania. Located in northern Tanzania, Yaeda Valley is home to communities of Hadza hunter-gatherers and pastoralist Datooga people, who have been conserving the land long before NBS projects arrived on the scene.

Results revealed that the Net Present Value of the social outcomes generated over the past six years from the carbon revenue in this area stands at \$8,628,015. With a Social Return on Investment of \$25⁵ for every \$1 invested, the Yaeda Valley carbon project symbolises the union of economic, social and ecological success⁶.



INTEREST IN MONITORING SOCIAL VALUE IS GROWING

Interest in forecasting, monitoring and evaluating the social value generated by businesses, local government and nonprofits, is being driven by the Sustainable Development Goals (SDGs), the broader Environmental, Social and Governance (ESG) agenda, and country specific legislation⁷. Social value or impact measurement tools are used by:

- Public sector and government agencies to evaluate the efficiency of public spending and to assess the impact of policy changes on communities.
- Nonprofit and charitable organisations to quantify their impact.
- Real estate and urban developers to demonstrate the social benefits of projects, such as affordable housing or community revitalisation.
- Impact investing and ethical banking, to evaluate the social impact of investments.

This approach also holds value for organisations working in environment and sustainability. Using SROI, they can demonstrate the societal benefits of conservation projects — a vital step for integrating the value of nature into the global economic system.



A PRINCIPLES-BASED APPROACH IS KEY TO UNDERSTANDING SOCIAL VALUE

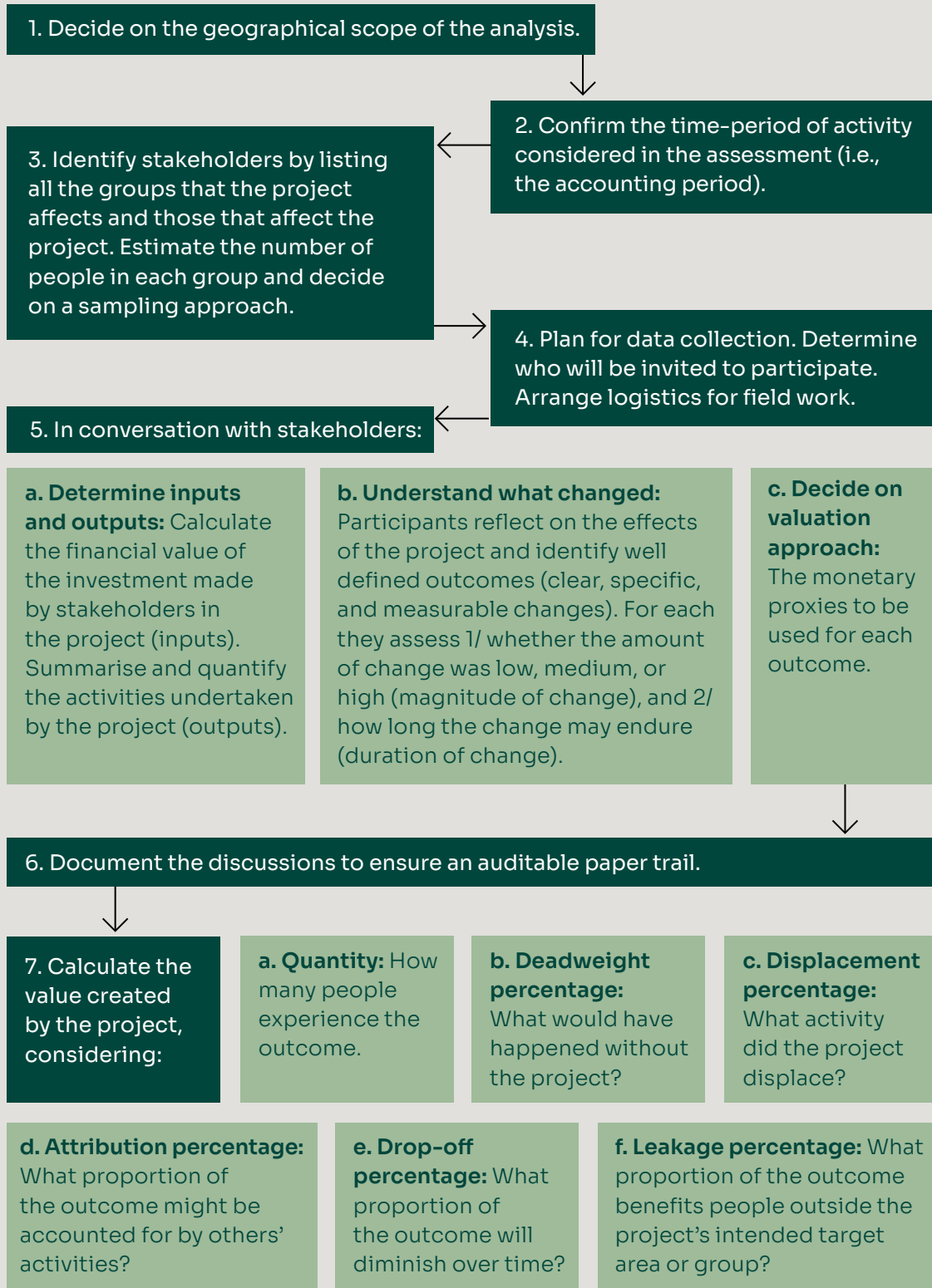
The measurement of social value and impact adheres to specific standards and guidelines. Central among these are seven principles. Each emphasises the importance of centering the lived experiences of individuals and communities, focusing on their perceptions of change and its significance. Level's approach prioritises actively listening to stakeholders, understanding what they value, and determining monetary proxies grounded in their unique contexts and value systems, rather than relying on monetised metrics sourced from secondary data elsewhere.

Seven principles of social value measurement



The SROI process produces knowledge that illuminates the deep interconnection between nature and humanity when it is implemented in a way that is both rigorous and people-focused.

The Social Return on Investment process



Case study: Yaeda Valley project, Carbon Tanzania

In 2023, Level evaluated the last six years of Carbon Tanzania's Yaeda Valley project using the SROI methodology. Results revealed a \$25 return on investment for every \$1 of carbon revenue that reached the community.

The social outcome assessment of Carbon Tanzania's Yaeda Valley project gauged its social impact. The assessment explored five research questions:

1. What is Carbon Tanzania's theory of change?
2. What examples of community collaboration, self-organisation, and collective action are occurring?
3. How have the pressures on the forest changed and how has that affected the community and people's livelihoods?
4. How has the project benefitted community members?
5. What is the value of the social impacts that are being generated by the project?

A mixed-methods approach was deployed to analyse survey data, interviews and focus group discussions. Together, these research methods informed a social return on investment (SROI) analysis.

This mixed methods approach offers distinct advantages. It seeks convergence and corroboration of results from different research methods, enhancing one with another. Because each method has strengths and weaknesses, combining them allows the research to offset weaknesses and draw strengths from both. The survey data, collected from 139 community members, allowed for basic descriptive analytics, providing a quantitative understanding of key variables and trends. Three interviews with individuals and focus-group discussions with 45 people provided qualitative depth and contextual understanding of the social impact. Together, these methods enabled a comprehensive and nuanced understanding of people's lived experience.

The data collection process took place over four months, from April to July 2023. The analysis of the social value created from the communities' use of carbon revenue covers a period of June 1, 2017 to May 21, 2023.

THE RESULTS VALIDATE CARBON TANZANIA'S IMPACT HYPOTHESES.

Impact thesis

Our impact thesis outlines Carbon Tanzania's objectives for social impact. These serve as a guiding framework and aspiration against which we assess the social impact we have in the Yaeda Chini Village.



#1: When Indigenous people have rights over their land and resources, they will prioritise protecting their forest (SDG 16)

Securing land rights for the local communities was a key first step in the Carbon Tanzania project. The carbon revenue generated from protecting their forests secures their rights over the land.

Of the community members surveyed, 94 percent are aware of the land-use bylaws and 86 percent have not contested the enforcement of these bylaws. Active monitoring by Village Game Scouts (volunteers mobilised by the community), has led to a sharp

decrease in tree cutting. The forest has experienced regrowth, leading to increased rainfall. This rejuvenated forest now supports abundant grazing, diverse wildlife, and is a vital resource for the Hadza hunter-gatherer community.

Natural springs have been rejuvenated, boosting groundwater supply. Farmers in the community say that crop yields have doubled, from four sacks per acre to eight, without the use of fertilisers. The tangible benefits from protecting the forest, such as improved agriculture and livestock conditions, have motivated the community to continue safeguarding the forest. In this way, the benefits of carbon revenue are optimised.

#2: When Indigenous people can demonstrate measurable improvements in safeguarding their forests, they benefit financially from doing so (SDG 1)

Of participants, 96 percent believe the carbon project is being managed with transparency and accountability. Moreover, 91 percent of participants have attended community meetings to deliberate on the use of carbon revenue with 81 percent concurring with the meeting outcomes.

Of respondents, 99 percent feel that the carbon project is beneficial for the entire community. Carbon revenue has been spent on infrastructure, widening access to education, nutrition for children, health promotion, social protection, security, and resourcing the public servants. The carbon revenue has removed the expectation that citizens must use their own money to fund local development and services. People experience this change as increased financial freedom.

#3: When provided with carbon revenue, Indigenous people come together to act in their collective best interests (SDG 17)

A strong social fabric is evident in Yaeda Valley with people displaying high levels of interdependence. Research showed a sense of unity, shared understanding, and affinity among communities in

the Yaeda Valley. A majority from all three communities (pastoralists, hunter-gatherers, farmers) feel they can get support from the other groups during challenging times. The different communities show a favourable disposition towards intercultural relationships, indicating a strong sense of social cohesion. There is a strong community spirit with 100 percent of participants from all groups agreeing that participation in village activities is a common expectation.

Positive transformations have been observed due to the project, with an emphasis on collective ownership and shared decision-making over the use of carbon revenue. Enhanced security from investments in the police post has resulted in a reduction in crime, leading to increased trust and consensus among diverse communities.

The project's success is attributed to the community's "*mila na desturi*" (traditions and culture), which stress communal values. Bylaws and regulations introduced through the adoption of the project respect and promote traditional practices, making them more easily accepted by the community. According to community members, the accountability of leaders to the village has strengthened the quality of community leadership, decision-making and oversight. Carbon revenue has boosted village and ward budgets, underlining the significance of leadership roles, and improving leadership quality overall.

THE FOREST, CARBON REVENUE, AND THE PROJECT GOVERNANCE MODEL HAVE RESULTED IN COMMUNITY-CENTRED DEVELOPMENT.

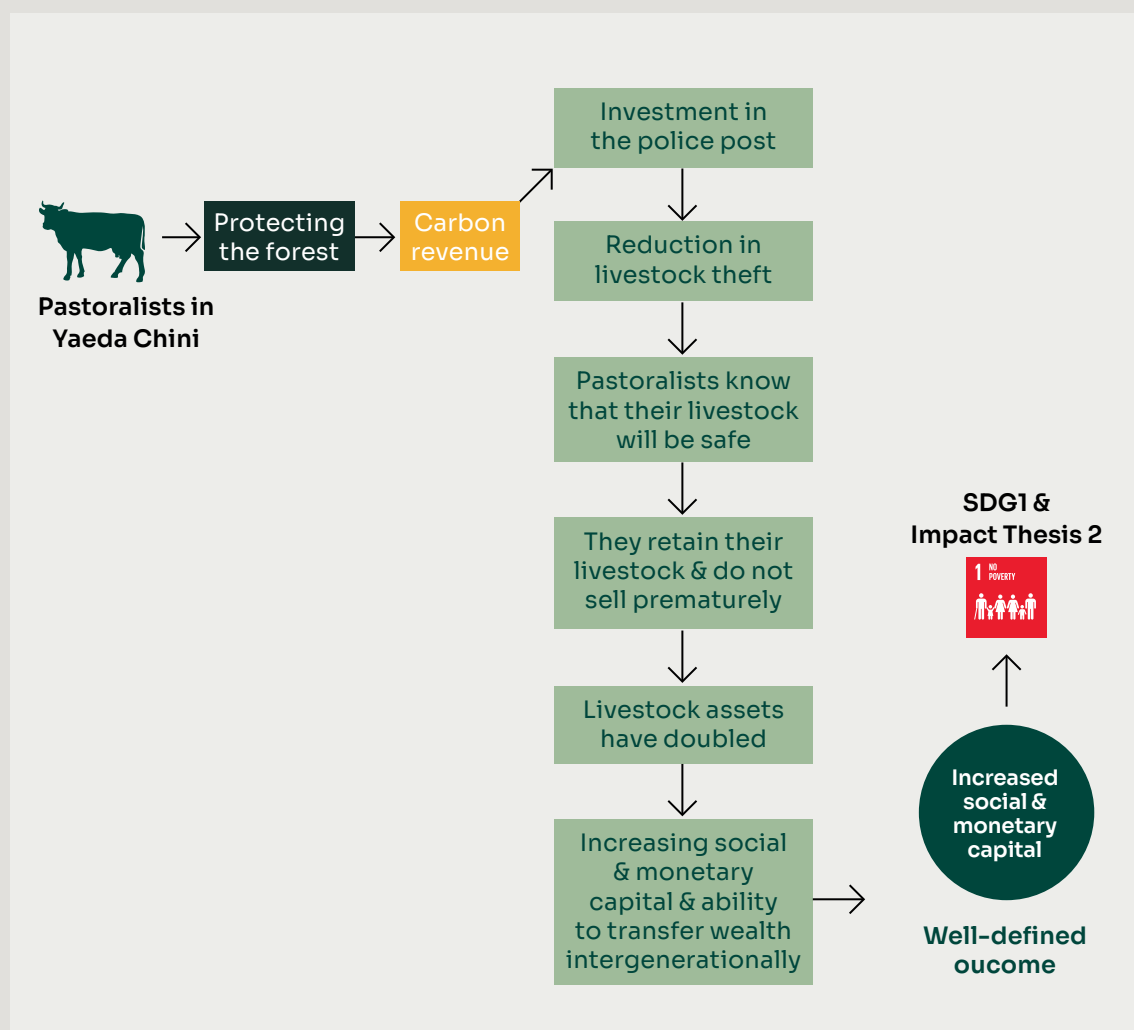
Participants from the community identified all the changes in their lives that have resulted from the carbon revenue. They created outcome chains for each stakeholder group, resulting in a well-defined outcome that the community subsequently financially valued. The core of this social impact assessment is to grasp the community's transformative journey and the value they place on these changes. Unlike developed countries with extensive valuation databases, here community members assign value based on their personal experiences. This not only underscores the unique context of the community but also highlights the subjective nature of valuations. Our approach emphasises the importance of understanding and valuing communities' Indigenous knowledge.

Examples of this process in action:

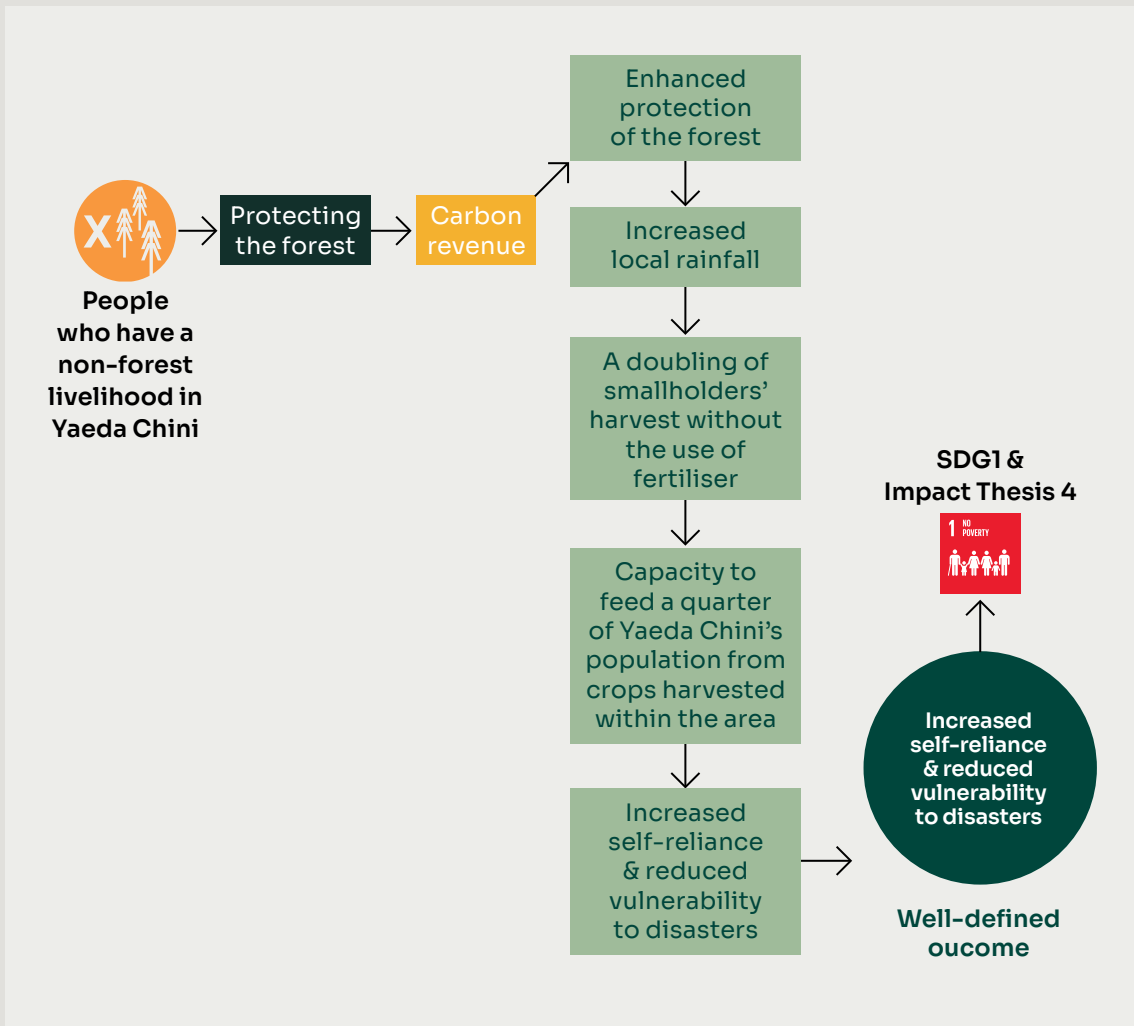
In Mongo wa Mono village, some of the carbon revenue has been channelled into building a dispensary and employing two doctors. This means pastoralists now have nearby health services, including a children's clinic. The closer proximity cuts both the cost and time of transportation for families, leading to more clinic visits, particularly for babies. Consequently, there has been an uptick in childhood vaccinations, fewer fevers, and prompt preventative treatments. This results in improved community health, aligning with SDG 3 - Good Health and Well-being. The value derived, \$94,722, has been valued based on transport savings of \$277 per household annually, given the reduced need to travel to the old clinic.



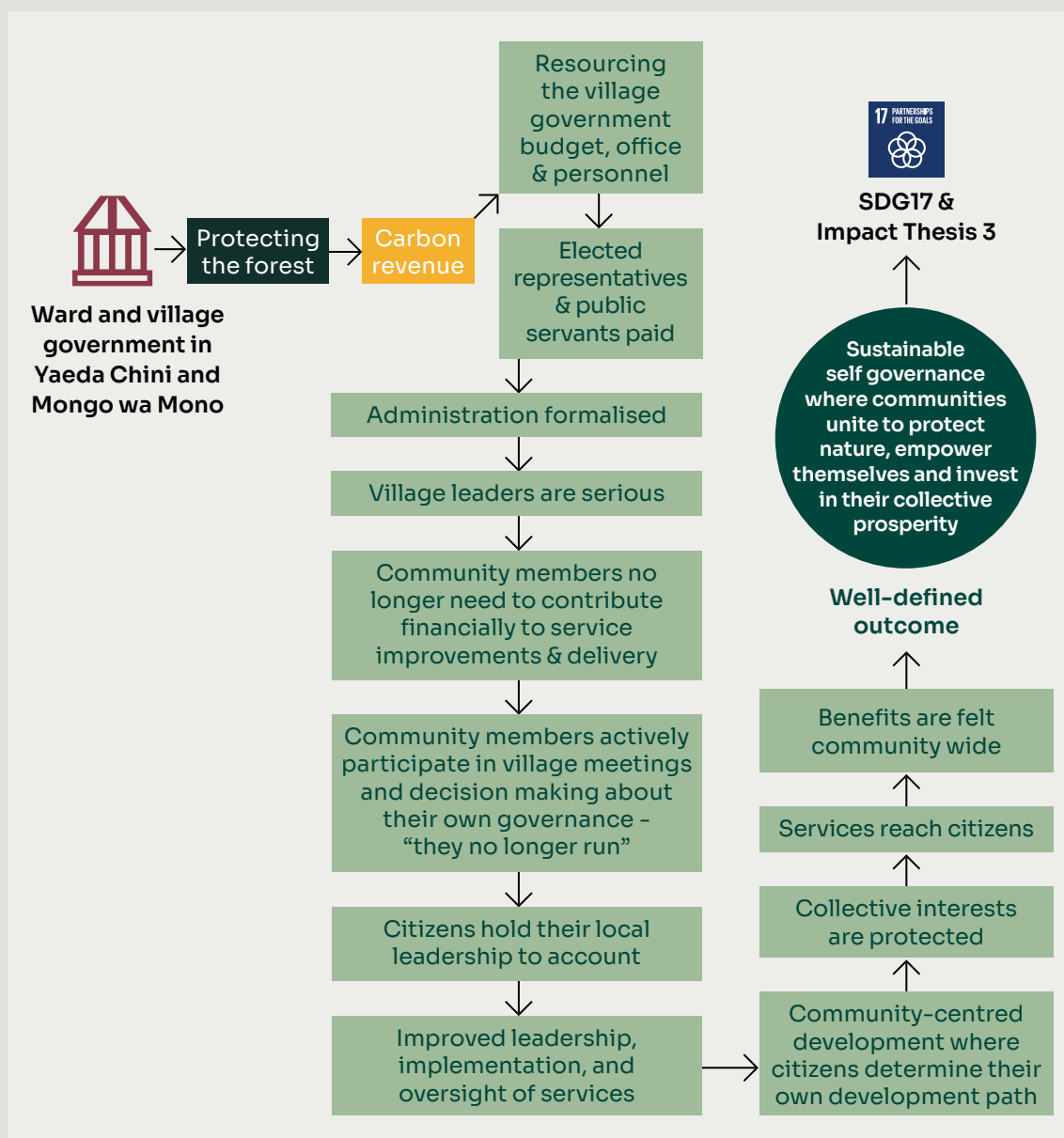
In Yaeda Chini village, some of the carbon revenue was invested in a police post. This curtailed livestock theft, bolstering pastoralists' confidence in the security of their livestock. They consequently retain their livestock longer, refraining from premature sales. According to the pastoralists themselves, this strategy has doubled livestock assets since 2017. The amplified assets enhance both social and monetary capital, facilitating intergenerational wealth transfer. The resultant benefit is a surge in social and monetary capital, aligning with SDG 1 - No Poverty. The quantified value of this impact stands at \$514,386, deduced from the value of a significant growth in livestock assets from 2017 to 2023.



Enhanced forest protection has increased the local rainfall in Yaeda Chini village, enabling smallholders to double their crop yields without the aid of fertilisers. The locally harvested crops can nourish a quarter of Yaeda Chini’s populace, fostering self-reliance and resilience. This transformation aligns with SDG 1 - No Poverty. The accrued value of this impact is \$164,672, an added value of approximately \$198 per individual.



Finally, the project's governance model, underpinned by the generation of carbon revenue, is the most valuable social outcome. It fosters sustainable self-governance, empowers the community, and catalyses collective prosperity. This model resonates with the ethos of SDG 17 – Partnerships, and according to community members, its tangible social impact is notably high, valued at \$1,394,049. The transformative effect of this project is evident in the community's newfound empowerment and the shared sentiment of leading a “life without struggle”.



The Net Present Value of the social outcomes generated from the carbon revenue stands at \$8,628,015, with a stellar Social Return on Investment of \$25 for every \$1 invested.

The dual dividend: Quantifying social returns in nature conservation efforts

As the world grapples with a pervasive social-ecological crisis, the emphasis on amplifying Indigenous voices becomes paramount. Their rich, lived experiences provide insights that can redefine our understanding of the symbiotic relationship between humans and nature. To transition towards an economic system that genuinely values nature, we must not just recognise, but also tangibly quantify, the social benefits of conservation. Such a system anchors the priceless experiences of local communities as a compass guiding our conservation strategies.

Currently, there is insufficient evidence that NBS generate both ecological and social benefits. However, the rigorous principles-based methodology of the Social Return on Investment approach can help community members, project developers and investors understand and communicate the value created by nature conservation projects.

The goal of this social impact assessment was to rigorously evaluate the social value that is generated from carbon revenue. We have illustrated that a methodical approach to discerning social value in nature conservation can bring the often nebulous and intangible aspects of value into clear focus. The union of empirical data and community conversations creates a compelling narrative that emphasises the pivotal role conservation can play in socio-economic well-being.

However, not every aspect of value can be monetised. A salient example is the Hadza people of Mongo wa Mono. While the forest's preservation, leading to a consistent food supply, can be financially estimated, the intrinsic worth of the Hadza culture extends far beyond fiscal terms. They represent a mosaic of environmental stewardship, anthropological insights, and the embodiment of age-old traditions that have persisted through millennia. These intangibles enrich the global heritage, inform our understanding of humanity's diverse tapestry and remind us of our inescapable dependence on nature. While we've assigned a monetary proxy to the Hadza's access to traditional foods, it remains a gross understatement. The true essence of the Hadza, and cultures like theirs, transcends valuation: they are invaluable pillars of human history, diversity, and resilience.



The success of NBS hinges on investor confidence. Investors seek assurance that their contributions do not inadvertently harm communities. The methodology presented herein addresses this concern comprehensively. By enabling the forecasting of social value during a project's inception, offering real-time monitoring tools, and facilitating thorough evaluations, like our present study, it ensures that social considerations stand alongside financial metrics. In essence, it safeguards both the community's welfare and the investor's intentions.

For project developers, this methodology is a game-changer. When they can concretely demonstrate the cascading social benefits stemming from their conservation efforts, they gain a negotiating edge through the risk reduction that this understanding of social value offers. By showcasing the multifaceted value of their initiatives – beyond just carbon or biodiversity credits – they can secure better pricing and longer term commitments that truly reflect the social and economic benefits of their work.

Further reading

Contact info@wearelevel.com for a copy of the full social impact assessment of the Yaeda Valley project.

Endnotes

- 1 Source: <https://www.worldbank.org/en/topic/indigenouspeoples>
- 2 <https://www.naturebasedsolutionsinitiative.org/>
- 3 Cavanagh, & Brehony, 2023, First, do no harm? Dark logic models, social injustice, and the prevention of iatrogenic conservation outcomes; preprint
- 4 Feinberg, 2023, The Myth of Objective Data, MIT Press Reader, <https://thereader.mitpress.mit.edu/the-myth-of-objective-data/>
- 5 The SROI figures were originally calculated in UK Pounds Sterling. We have converted these figures to US Dollars at a rate of US\$1.23 to GBP1
- 6 The Net Present Value (NPV) in a Social Return on Investment study tells us the current value of all the social benefits that have been produced over a period of time. Think of it like calculating the present-day worth of all the good things a project has achieved, allowing us to say that for every £1 invested, we got back a certain amount in social benefits.
- 7 For instance the Public Services (Social Value) Act, 2013 <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources> and the Social Value Model <https://assets.publishing.service.gov.uk/media/5fc8b7ede90e0762a0d71365/Social-Value-Model-Edn-1.1-3-Dec-20.pdf>

WE ARE LEVEL

Level is a global conservation business that creates a direct financial link between those who want to protect and restore our planet and those best placed to do so. We are rethinking conservation by creating a new paradigm in which the global economy truly values the stewardship of nature. Level ensures that local community efforts to protect and maintain the world's most valuable natural landscape resources are valued and properly funded.

Get involved

For more information: wearelevel.com

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