CARE International Climate Change Brief

Making carbon finance for sustainable agriculture work for poor people

Global interest is growing in using carbon finance to promote large-scale, sustainable farming and land management practices within agricultural landscapes in the developing world. Nowhere is the need for such an initiative greater than in the rain-fed agricultural lands of sub-Saharan Africa where land degradation compounded by climate change is leading to declining crop and livestock productivity. Such degradation often derives from poor farming techniques that deplete soil fertility and leave the soil highly vulnerable to erosion, and progressive loss of trees due to high demands for fuelwood and other wood products.

Agroforestry and certain conservation agriculture practices that increase the carbon content of the landscape provide a genuine 'win-win' opportunity for carbon finance to deliver on climate mitigation, climate adaptation and poverty reduction goals. However, this is true *only if* the carbon finance helps to overcome barriers at the farmer and higher levels (and related policy constraints) that are limiting adoption of these practices. To explore this opportunity, CARE and the Climate Change, Agriculture and Food Security (CCAFS) programme of the Consultative Group on International Agricultural Research (CGIAR) have launched a long-term project with funding support from the Rockefeller Foundation: **Making Carbon Finance for Sustainable Agriculture[1] Work for Poor People in Western Kenya**.

The project focuses on Nyanza Province and specifically the Nyando River catchment where there are high levels of poverty and serious environmental degradation.

The project aims to demonstrate how carbon finance can be used to enhance farm production – and thus food security – and build resilience of livelihoods and farming systems to climate change, while at the same time delivering on climate mitigation goals.

Prioritising a 'pro-poor' approach

The project will take an explicitly 'pro-poor' approach *(see page 2)* in that it aims to ensure effective participation of poorer, marginalised groups – and women in particular – in the project, and in sharing of benefits derived from the project. This will be achieved through applying a 'fair trade approach' alongside other innovative approaches to counter barriers to the participation of poorer, marginalised groups. Implementation will focus on arresting and reversing the decline in land productivity and diversifying livelihoods.

In this respect, the project will explore innovations in agroforestry and agriculture, combined with appropriate business development and/or microfinance services. The project will develop strong partnerships with relevant government

The project will be facilitated by a partnership of CARE Kenya, the carbon finance team of CARE International's Poverty, Environmental and Climate Change Network (PECCN), and the new Climate Change, Agriculture and Food Security (CCAFS) programme of the Consultative Group on International Agricultural Research (CGIAR).

1 In the context of this project, CARE uses the term agriculture in a broad sense to include all farming activities conducted within an agricultural landscape, i.e., including agricultural production, conservation agriculture, agroforestry, woodlots, land management, soil conservation and livestock farming activities.

departments and research organisations at national and local levels as well as relevant civil society organisations. The project has a strong emphasis on learning linked to policy processes at regional and global levels. Specifically the learning agenda addresses the following key questions:

- How carbon finance can contribute to food security alongside climate change mitigation and adaptation and goals, and the inter-relationship between these?
- How carbon funds established to support climate change mitigation and adaptation in agricultural landscapes may effectively address pro-poor and gender equality objectives?

Scaling up

Because the project takes long-term perspective, the potential for scaling up is key in its design and implementation. The project includes three phases: The first phase of two years will focus on project and methodology development, action research, and pilot-scale implementation with 1,000 farmers. The second phase over four years will aim to expand to more than 10,000 households. The third phase is not time-bound and aims to scale up to 100,000 households fully funded by funds-based and/or market-based carbon finance.

A comprehensive Monitoring and Evaluation (M&E) system will be used throughout the project lifespan that will include social and environmental indicators as well as carbon monitoring. A strong component of this M&E system will be its ability to both improve the project during its implementation, as well as provide the information needed for possible Voluntary Carbon Standard (VCS) and Climate Community and Biodiversity (CCB) Standard certification.

For more information, contact: Phil Franks, CARE International Poverty, Environment and Climate Change Network (PECCN) Coordinator, at pfranks@careclimatechange.org.

www.careclimatechange.org/carbon-finance

PRO-POOR APPROACH

- Poverty reduction benefits reach poorer households, women and other vulnerable groups within the target communities;
- No negative social impacts, or where such impacts are inevitable, effective countervailing measures are put in place to achieve a net "do no harm" outcome;
- Equitable sharing of benefits derived from carbon revenues both within communities and along the carbon value chain from buyer to seller – in effect "fair trade in carbon."
- Rights are respected and secured.

Photos: ©CARE / Charles Ehrhart