

FROM CLIMATE VICTIMS TO CLIMATE HEROES

A NEW INITIATIVE TO MAKE CARBON MARKETS WORK FOR SMALLHOLDER FARMERS

Millions of smallholder farmers are exposed to the risk of climate change. Smallholder farmers can build their resilience and reduce the carbon footprint of food production by farming in balance with nature. Solidaridad has started an ambitious programme called 'From climate victims to climate heroes' that aims to activate the power of millions of smallholders as a global force to address poverty and climate change. Farmers will adopt cli-

mate-smart agroforestry farming practices, build their resilience and get access to carbon markets at scale. We aim for a global alliance that makes carbon markets work for smallholder farmers - an ambition that extends beyond the scope of the programme. Therefore, we invite new strategic partners to join us in further scaling this initiative beyond the original scope.

PROJECT FACTS

From Climate Victims to Climate Heroes

OBJECTIVES:

- Farming communities become more resilient to a changing climate
- Improved quality of life for 100,000 farm households
- Climate change is mitigated through nature-based carbon removals
- Catalyze a flywheel effect through innovation and a sustainable business model, i.e. creating a solution that will work for a variety of stakeholders beyond our partnership

BUDGET:

- 12.7 million euros approved by the Dutch Postcode Lottery Dream Fund

TIMELINE:

- 2022 till 2027 (5-year programme)

COUNTRIES:

- Nicaragua (25,000 farmers), Colombia (25,000 farmers), Uganda & Kenya (50,000 farmers)

EXPECTED IMPACT:

- Total of 1.6 tCO₂ sequestered over 5 years and at least €26 million farmer revenues generated from carbon removal units (CRUs)
- In 20 years: 19,3 million tCO₂ and at least €309 million carbon value channeled to farmers



Solidaridad

ABOUT SOLIDARIDAD

Solidaridad is an international civil society organization with over 50 years of experience in developing solutions to make communities more resilient — from our early roots supporting repressed communities in Latin America to our current work fostering more sustainable, inclusive supply chains across 14 commodities. We currently work in over 40 countries, on five continents, through eight independently supervised regional offices.

URGENCY

The climate crisis is without a doubt the biggest challenge humanity is facing this century. Global warming is progressing faster than we feared. On-farm food production is a key driver of GHG emissions. The increasingly severe consequences of climate change hit smallholder farmers in developing countries the hardest. Agricultural production must be transformed towards resilience and low carbon production methods. This is a vital precondition for us to safeguard the long-term supply of food for all.

INTERVENTION

We will reach out to more than 100,000 smallholder farmers and support them in adopting climate-smart agroforestry farming practices. The farmers will get access to pre-financing so that they can invest in inputs and new practices, and will be onboarded to Acorn, an innovative smallholder-focused and technology-driven carbon marketplace. This marketplace enables smallholder farmers to access and profit from catalytic long-term carbon revenues as a result of the adoption of climate-smart agroforestry systems.

The programme contains several innovations. For example, we aim to expand tree-based carbon monetization to soil carbon which will further enhance smallholder farmer income streams. We will build smallholder-focused pre-financing mechanisms that enable farmer investments into climate-smart agroforestry. We will initiate reward schemes with gamification elements to motivate farmers to actively participate in the programme until they receive their first carbon payments. Moreover, we will develop an open source blockchain system for companies in the food industry that strive to reduce their emissions within their own agricultural supply chains, starting with coffee.



PARTNERSHIP WITH ACORN

Key to this intervention is the use of Acorn. Rabobank launched Acorn in 2020 to service the demand on the voluntary carbon market for high-quality nature-based carbon credits. The platform specifically focuses on smallholder farmers and provides the opportunity to generate, verify and sell carbon removal units on the Acorn carbon marketplace. The high financial reward that Acorn offers to the smallholders, combined with significantly lower carbon transaction costs, makes it a unique platform that works for farmers. Acorn only accepts carbon credit buyers who combine carbon offsetting with effective emission reduction measures.

HOW IT WORKS:

- A local organization such as Solidaridad engages with smallholder farmers and supports them with adopting climate-smart agroforestry.
- Acorn monitors the growth of the trees using remote sensing technology.
- The growth in tree biomass is converted into the amount of tCO₂ removed from the atmosphere. This follows rigorous scientific standards.
- A tonne of CO₂ – of which the carbon is now sequestered in trees – is referred to as a carbon removal unit (CRU). Each CRU is given a unique verification number.
- Companies can buy the CRUs to offset their emissions. Each CRU is valued at a minimum of €20.
- Of this €20 per CRU, 80% of the value must be transferred to the farmer. 10% goes to Acorn for the marketplace services and 10% to the intermediary for the farmer support work.



FLYWHEEL EFFECT

This project aims to reach more than 100,000 farmers, with the potential for significant scaling towards engaging millions of farmers. We aim to create a pathway for large-scale initiatives with new partners that want to support smallholder farmers with building climate resilience and large-scale supply of nature-based carbon removals. We combine an effective and efficient approach to foster farmer support and pre-financing with low carbon transaction costs, maximizing the value delivered to farmers.

In order to connect smallholder farmers to the carbon markets, a combination of grants and pre-financing instruments (in the form of equity or loans) are required. These will catalyze a 20+ years nature-based solutions development and new revenue streams available to farmers, independent of grants.

STRATEGIC PARTNERS

We are looking for strategic partners and co-financiers to scale this initiative. We need catalytic grants to connect more farmers and concessional debt to pre-finance farmers adoption of climate-smart agroforestry. Please get in touch with us.

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