



What if we could protect the world's forests, minimize the negative impacts of climate change, and alleviate poverty all at once?

While no single project can do all that, Rare — an international environmental organization dedicated to helping local communities benefit from conservation — is taking a step in this direction. Rare is launching a pilot program to develop the **CO<sub>2</sub>mmunity Carbon Bank** — a mechanism to help the rural poor in developing countries improve their livelihoods while reducing carbon emissions.

Rare's **CO<sub>2</sub>mmunity Carbon Bank** concept has garnered support from the Clinton Foundation Climate Initiative, the World Wildlife Fund-US, Environmental Defense, and other individual experts interested in ensuring that the fast-growing global carbon market benefits rather than excludes poor communities. Rare is embarking on a feasibility study and seeking partners, with the goal of launching a pilot program by the end of 2009. See reverse for details on this new initiative.



## Imagining the CO<sub>2</sub>mmunity Carbon Bank in action

Consider Heni, a strawberry harvester in Central Java, Indonesia. Heni recently learned organic farming techniques and last season managed a successful strawberry harvest. But farming 2,000 meters above sea level, on precarious terraces, makes for a difficult and uncertain livelihood. A few months ago, a storm tore across the mountainside and Heni's newly hand-planted crop of 5,000 young strawberry plants was destroyed.

With the CO<sub>2</sub>mmunity Carbon Bank in place, Heni would be paid hard cash to plant trees instead of strawberries, locking up carbon as the trees grow, reducing soil erosion, and protecting her village's spring water. Her neighbors might install a small windmill with another mini-carbon loan, providing electricity for lighting, replacing polluting kerosene lamps, and ensuring the children can do their homework and enjoy breathing air not clogged with smoke. Both Heni and her neighbors would pay back the loans in the carbon sequestered by trees and emissions reduced by the windmill. If they spend the money the Bank provides on what they promised, they can apply for additional loans for new green projects.

For more on Rare, please visit [www.rareconservation.org](http://www.rareconservation.org)

## Why do we need the CO<sub>2</sub>mmunity Carbon Bank?

Between 1 and 1.5 billion of the world's poorest people live in and around forests, and roughly 80 percent of the extreme poor (who survive on less than one dollar per day) depend on forest resources for their livelihoods. But with the staggering rate of forest loss globally, their livelihoods, along with a huge chunk of the world's biodiversity, are being lost as well.

As first world nations start to become aware of their own links to these forests in the context of climate change, the rich and the poor will find themselves with an unprecedented opportunity to come together around forest protection for their mutual benefit. But to ensure that the poor in any such partnership truly do benefit, we need to act fast and with great ingenuity on their behalf.

The poor also suffer from limited access to reliable energy supplies. This results in heavy dependence upon wood fuel (often from forests that are not sustainably managed) and polluting fossil fuels, such as kerosene for cooking and lighting. These energy sources carry serious human health risks as well through the inhalation of smoke and fumes. Helping poor communities develop reliable, clean, solar, wind and microhydro power could reduce poverty, improve health, and provide myriad environmental benefits.

The emerging carbon market offers an opportunity to help the rural poor realize tangible social and economic benefits from developing more sustainable practices. However, verification, certification, monitoring, and project design costs put the carbon market out of reach for the poor. What we need now are solutions for bridging this gap.

Rare has 30 years experience empowering local communities to take ownership of, and benefit from, conservation. We are therefore eager to take a leadership role in this arena and are developing a concept for the "CO<sub>2</sub>mmunity Carbon Bank" to help address this challenge.

## What is the CO<sub>2</sub>mmunity Carbon Bank?

Rare is creating the CO<sub>2</sub>mmunity Carbon Bank to provide microfinance to the poor for activities that are at the same time biodiversity-friendly, wealth-creating, and reduce greenhouse emissions or enhance sequestration.

The CO<sub>2</sub>mmunity Carbon Bank will provide small grants to enable communities to plant trees, conserve forests, enrich plantations, shift to agroforestry, install renewable, clean energy technology, and make other changes in behavior that sequester carbon or reduce emissions. The communities will pay back the loans with the greenhouse gases they don't emit, or that they sequester.

The potential benefits resulting from these "loans" include reduced soil erosion and protecting villagers' spring water; improved health through less burning of wood fuel; and provision of reliable electricity supplies, which in turn can lead to much-needed small business development.

### What are the next steps?

In partnership with the Clinton Foundation Climate Initiative, Rare has nearly finalized a feasibility study for testing this concept in Indonesia. A range of partners and experts from the fields of community development, microfinance, carbon sequestration measurement, marketing, and certification are coming together to help design this initiative. By the end of 2009, Rare will begin testing the concept on the ground — starting with 62,000 acres of forest land adjacent to the Lamandau Reserve in Borneo, Indonesia — as the first step toward scaling the program globally. Seed funding has been provided by the U.S.-based Barr Foundation, and partners include the Indonesian Orangutan Foundation and the Orangutan Foundation UK.

For more information, please contact:  
Nigel Sizer, Vice President for Asia Pacific, Rare • [nsizer@rareconservation.org](mailto:nsizer@rareconservation.org)