

FUNDING POSSIBILITIES FOR AFOLU CARBON PROJECTS

This chapter provides information on funding possibilities for AFOLU projects. Several funds and grant programmes exist for carbon sequestration projects, as well as some funds or NGOs which support small-scale conservation or rural development projects. Certain indicators of the project idea have to be identified (type, size, target groups, geographical focus) to search the presented options for applicability. See Annex 3 for two case studies with more details.

NAME	BIOCARBON FUND (BIOCF) OF THE WORLD BANK
Description of fund	Based on a public/private partnership model which aims to deliver cost-effective emission reduction and support biodiversity conservation and poverty alleviation.
Project type	AFOLU projects: Afforestation, Reforestation, REDD, Agriculture.
Geographical focus	Open
Case study	Facilitating Reforestation for Guangxi Watershed Management in Pearl River Basin in China Afforestation of 4,000 ha, 75% with native species and 25% eucalyptus. Social benefits are additional employment, direct income increases through sale of non-timber products and benefits from CER.
Weblink	http://wbcarbonfinance.org/Router.cfm?Page=Funds&ItemID=24670

NAME	COMMUNITY DEVELOPMENT CARBON FUND (CDCF) WORLD BANK
Description of fund	Spread benefits of carbon finance to the poorest countries and poor communities in all developing countries, which would otherwise find it difficult to attract carbon finance because of country and financial risk. It is a multi-donor Trust Fund - a public/private partnership.
Project type	All CDM projects, including AFOLU, are eligible.
Target group	Least Developing countries – community benefits are a requirement.
Geographical focus	Open
Weblink	http://wbcarbonfinance.org/Router.cfm?Page=CDCF&ItemID=9709&FID=9709



New ethanol "CleanCook" stove, Photo by Gaia Association.



NAME	CASCADE PROGRAMME
Description of fund	Aims at enhancing African expertise to generate carbon credits to open up opportunities for African participation in the CDM and voluntary carbon markets. The project was launched in December 2007 at the Bali UNFCCC conference. Its duration will be three years.
Project type	AFOLU sector, REDD and bioenergy activities.
Target group	Enhancing expertise to generate African carbon credits in AFOLU as well as bioenergy activities.
Geographical focus	Seven target countries (Benin, Cameroon, Democratic Republic of the Congo, Gabon, Madagascar, Mali, Senegal).
Case study	Madagascar: Large scale application of restoration techniques and management of soil fertility , especially in cropping systems with permanent vegetative cover minimum tillage in the region Bongolava in an area of 1000 ha over five years. Senegal: Improving the living conditions of the local population of the Sine-Saloum Delta through mangrove ecosystem restoration over 14 years on 410 ha of mangrove plantations.
Weblink	www.cascade-africa.org/Accueil_en/tabid/56/language/en-US/Default.aspx

NAME	GERMAN CLIMATE PROTECTION FUND
Description of fund	The International Climate Protection Initiative has been working since 2008 with annual funds of 120 million Euros. All projects run one to five years.
Project type	- promoting a climate-friendly economy, - promoting measures for adaptation to the impacts of climate change and - conserving biodiversity with climate relevance (carbon sinks, especially of forests and other ecosystems such as wetlands)
Target group	Project can be carried out by federal implementing agencies, government organisations, NGOs, business enterprises, universities and research institutes, and by international and multinational organisations and institutes, e.g. development banks, United Nations bodies and programmes.
Geographical focus	Developing, newly industrialising and transition countries.
Financial support	between € 500,000-€ 2,500,000 per project.
Case study	Mexico: Climate Change Mitigation in Five Representative Ecosystems: The project will maintain existing carbon reservoirs in forests and wetlands and will enable the affected regions and their populations to better adapt to climate change impacts. Philippines: Adaptation to climate change and Protection of biodiversity (GTZ, National Department of Environment and Natural Resources)
Weblink	http://www.bmu-klimaschutzinitiative.de/en/home_i

NAME	GEF SMALL GRANTS PROGRAMME: CLIMATE CHANGE
Description of fund	Grants are given towards climate change abatement, prevention of land degradation and climate change adaptation.
Project type	Removal of barriers to energy efficiency and energy conservation; promoting the adoption of renewable energy by removing barriers and reducing implementation costs; conservation and restoration of arid and semi-arid areas; efficient stoves and biogas to reduce forest loss; integrated watershed management; soil conservation; afforestation; prevention of forest fires; and organic farming.
Target group	NGOs and Community Based Organizations (CBO).
Geographical focus	Open
Financial support	The maximum grant amount per project is US\$50,000, but averages around US\$20,000. Grants are channelled directly to CBOs and NGOs.
Weblink	http://sgp.undp.org/index.cfm?module=projects&page=FocalArea&FocalAreaID=CC

BIOENERGY:

NAME	UNEP'S RURAL ENERGY ENTERPRISE DEVELOPMENT (REED) PROGRAMME
Description of fund	Initiative offering enterprise development services and start-up financing to 'clean energy' enterprises. Since beginning in 2000, REED has financed 44 enterprises that are now returning capital each year to an investment fund that is then re-invested in new enterprises.
Project type	Energy
Target group	Open
Geographical focus	Five African countries (AREED), Brazil (B-REED) and China (C-REED).
Weblink	www.unep.fr/energy/activities/reed/areed.htm

A report on “**Financing options for bioenergy projects and programmes**” has been developed by the Secretariat of the Global Bioenergy Partnership (GBEP) to facilitate access to financing for bioenergy for sustainable development at the project, programme and sectoral level in developing countries: www.globalbioenergy.org/uploads/media/1004_GBEP_-_Financing_options_for_bioenergy_projects_23april_web.pdf.

For an overview of additional funds see the **Climate Funds Update**. This is an independent website that provides information on the growing number of international funding initiatives designed to help developing countries address the challenges of climate change. www.climatefundsupdate.org.

The **Sourcebook on Financing for Sustainable Forest Management** compiles information on funding sources, policies and delivery mechanisms, with particular focus on projects in developing countries. Its contents come from various sources: donor agencies and countries, Collaborative Partnership on Forests (CPF) members, international forest-related organizations and instruments, development banks, private sources, regional processes, foundations and international non-governmental organizations. www.fao.org/forestry/cpf-sourcebook/en.

Other sources of funding:

Some NGOs, Foundations or companies support carbon sequestration projects and it is worthwhile contacting them with a well developed Project Concept Note:

The Nature Conservancy (www.nature.org), Flora and Fauna International (www.fauna-flora.org), Amazonas Sustainable Foundation (www.fas-amazonas.org/en), the carbon pool (www.carbonpool.com).

Some other funds could also be of interest which do not necessarily target carbon projects but small scale conservation or rural development projects. They are investment funds and NGOs prepared to invest in small companies who meet certain conservation criteria, which could include sustainable land management objectives.

NAME	VERDE VENTURES
Type of fund	Investment fund of Conservation International
Target	Funds projects which promote biodiversity conservation
Website	http://web.conservation.org/xp/verdeventures

NAME	ECO ENTERPRISES FUND
Type of fund	Managed by The Nature Conservancy (TNC).
Target	Works mainly in Latin America and the Caribbean. Invest in small and growing environmentally- and socially-responsible ventures in sustainable agriculture (including apiculture, aquaculture and community-based energy), sustainable forestry, ecotourism and non-timber forest products, as well as carbon, biodiversity offsets and climate change mitigation and adaptation.
Website	www.ecoenterprisesfund.com/index.htm

NAME	ROOT CAPITAL
Type of fund	Nonprofit social investment fund.
Target	Pioneering finance for grassroots businesses in the developing world. Work with artisan and farmer associations that build sustainable livelihoods and transform rural economies in poor, environmentally vulnerable places.
Website	www.rootcapital.org/index.php

NAME	GATSBY CHARITABLE FOUNDATION
Type of fund	Promotes income generation through selected programmes and grants.
Target	Supporting basic agriculture and small scale manufacturing and enterprise in selected African countries.
Website	www.gatsby.org.uk/developing.html

NAME	ALLIANCE FOR A GREEN REVOLUTION IN AFRICA (AGRA)
Type of fund	African led partnership with initial support from the Rockefeller Foundation and the Bill & Melinda Gates Foundation.
Target	Grants for projects and programmes which develop practical solutions to boost farm productivity and incomes for poor. They only give grants for charitable purpose.
Website	www.agra-alliance.org