There is growing interest at all levels in an integrated approach to small-holder agricultural development that includes climate change adaptation and mitigation. While mitigation per se has little relevance to small-holder farmers, there is considerable interest in carbon finance as an element of the new investment in small-holder agriculture that is urgently needed to address the growing food security challenge. Nowhere is the need 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 real 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 in Western Kenya with funding support from the Rockefeller Foundation: Sustainable Agriculture in a Changing Climate (SACC).¹

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

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.
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 departments and research organisations at local and national 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 can carbon finance contribute to food security alongside climate change mitigation and adaptation goals, and the inter-relationship between these?
- How can carbon funds established to support climate change mitigation and adaptation in agricultural landscapes 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 over 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 at least 100,000 households with carbon finance covering a substantial part of the total cost for sustaining and expanding the project.

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.

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[www.careclimatechange.org/carbonfinance](http://www.careclimatechange.org/carbonfinance)