CASH COALITION

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CONCEPT NOTE:

BUILDING AND SCALING NATURE-BASED CARBON CREDITS FOR SMALLHOLDERS, INDIGENOUS GROUPS, AND OTHER LOCAL COMMUNITIES

CONTENTS

THE PROBLEM

The actions of smallholder communities are essential to achieving the 2030 and 2050 climate goals. Five hundred million smallholder households support the livelihoods of more than 2 billion people, predominantly in low- and middle-income countries. These communities produce the majority of food in the Global South[1], steward a quarter of global agricultural land[2], and are uniquely positioned to advance solutions to address biodiversity loss, poverty, food security, and development.

Climate change is introducing new existential risks and has heightened the vulnerability of rural farming families to shocks. Drought, flooding, and other severe weather events disproportionately affect smallholder households and the food, agriculture, land, and biodiversity systems they manage.[3] Concurrently, smallholder agriculture currently accounts for up to 32% of global agriculture sector greenhouse gas emissions and 42% of the agriculture sector emissions of developing countries.[4]

Smallholder farmers stand to gain the most from an inclusive, fair, and equitable carbon finance system and are uniquely positioned to advance climate solutions, essential ecosystem services, and food security. Yet, of the total resource envelope supporting climate finance, only 1.7% flows to small-scale agriculture in low- and middle-income countries.[5]

Unfortunately, the business case for smallholder farmers to transition to regenerative practices is simply not there. Smallholders struggle to access markets and

photo credit Comaco

1. World Bank (2016) A Year in the Lives of Smallholder Farmers. February 25, 2016. https://www.worldbank.org/en/news/feature/2016/02/25/a-year-in-the-lives-of-smallholder-farming-families
2. Smallholders with land ≤ 2ha
Ricciardi, V., Ramankutty, N., Mehrabi, Z., Jarvis, L., & Chookolingo, B. (2018). How much of the world's food do smallholders produce? *Global Food Security*, *17*, 64-72. https://doi.org/10.1016/j.gfs.2018.05.002
3. Frost, C., Jayaram, K., & Pais, G. (2023) What Climate-Smart Agriculture Means for Smallholder Farmers. McKinsey. February 2023. https://www.mckinsey.com/industries/agriculture/our-insights/what-climate-smart-agriculture-means-for-smallholderfarmers#/
4. Vermeulen, S., Wollenberg, E. (2017). A rough estimate of the proportion of global emissions from agriculture due to smallholders. CCAFS Info Note. CGIAR. April 2017. https://cgspace.cgiar.org/bitstream/handle/10568/80745/CCAFS_INsmallholder_emissions.pdf
5. Chiriac, D. & Naran, B. (2020) *Examining the Climate Finance Gap for Small-Scale Agriculture,* CPI, IFAD, November 2020. https://www.ifad.org/documents/38714170/42157470/climate-finance-gap_smallscale_agr.pdf/34b2e25b-7572-b31d-6d0c-d5ea5e-a8f96f?t=1605021452000

be incorporated into regulatory drivers such as the Voluntary Carbon Market (VCM), which fails to integrate the actions and knowledge of millions of smallholder and forest land managers. If these communities remain on the sidelines, they will be further impoverished, gigatons of carbon will go unsequestered, and we will not meet our climate goals.

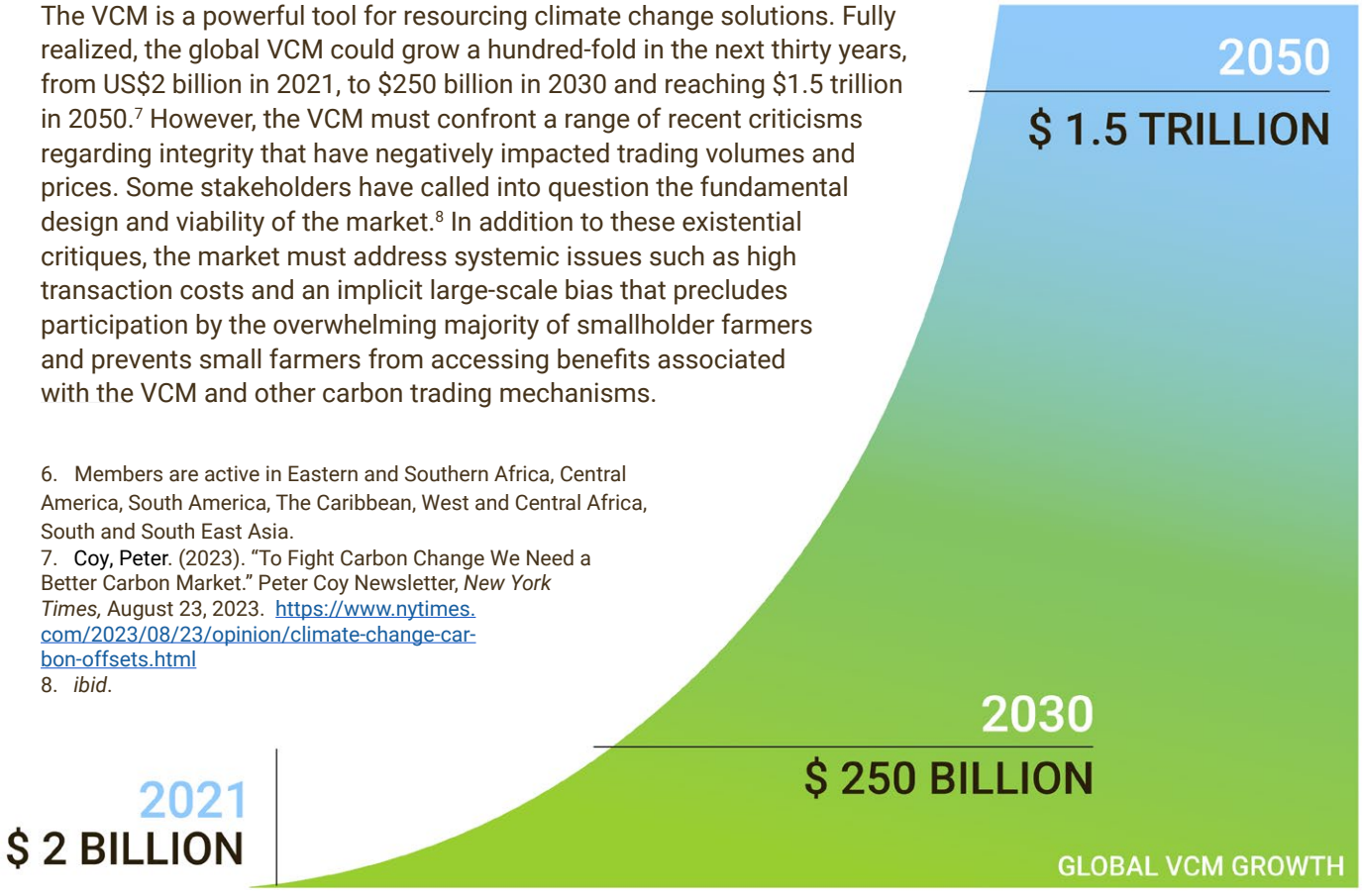
Markets require a major shift to channel support to agricultural transformation, invigorate smallholder livelihoods, and deliver quality carbon credits that meet the needs of carbon buyers. For any emerging carbon markets to be effective, they must include meaningful participation by smallholder farmers and local communities.

The CASH Coalition will contribute to a smallholder-based carbon market that supports agricultural transformation, invigorates smallholder livelihoods, and delivers a large quantity of high-quality carbon credits with co-benefits and impeccable integrity to meet the needs of carbon buyers. The Coalition will work to ensure that smallholder and forest-stewarding communities receive knowledge and technical resources to benefit from carbon markets and further their ability to practice regenerative agriculture and agroforestry and compensation for ecosystem services and regenerative agricultural practices.

The thirteen members of the CASH Coalition currently work directly with 9 million land managers in smallholder, indigenous, and local communities. Collectively these communities steward 16 million hectares of land and forests in the Global South.[6] We have a strong record of scaling innovations and promoting behavior change to increase agricultural productivity, leading to more resilient livelihoods.

THE VOLUNTARY CARBON MARKET AND OTHER CARBON TRADING MECHANISMS ARE AT A CRITICAL INFLECTION POINT.

The VCM is a powerful tool for resourcing climate change solutions. Fully realized, the global VCM could grow a hundred-fold in the next thirty years, from US$2 billion in 2021, to $250 billion in 2030 and reaching $1.5 trillion in 2050.[7] However, the VCM must confront a range of recent criticisms regarding integrity that have negatively impacted trading volumes and prices. Some stakeholders have called into question the fundamental design and viability of the market.[8] In addition to these existential critiques, the market must address systemic issues such as high transaction costs and an implicit large-scale bias that precludes participation by the overwhelming majority of smallholder farmers and prevents small farmers from accessing benefits associated with the VCM and other carbon trading mechanisms.



6. Members are active in Eastern and Southern Africa, Central America, South America, The Caribbean, West and Central Africa, South and South East Asia.
7. Coy, Peter. (2023). "To Fight Carbon Change We Need a Better Carbon Market." Peter Coy Newsletter, *New York Times*, August 23, 2023. https://www.nytimes.com/2023/08/23/opinion/climate-change-carbon-offsets.html
8. *ibid*.

With a global population of approximately 500m smallholder farmers, the contemporary VCM risks excluding a significant group of land managers. The full utility of the market for financing climate solutions will only be realized if structural reforms ensure a well-functioning international market with discreet, verifiable impacts; a corporate accounting and claims structure exists that incentivizes corporates to take action on nature-based solutions; and if the quality of projects and credits can induce buyer demand and channel benefits to communities and countries in the Global South.

With the emergence of new carbon markets within Article VI of the Paris Climate Agreement[9], there are new potential drivers for government action on climate change with a focus on resources derived from the countries of the Global North to fund climate mitigation actions by the Global South. The CASH Coalition is uniquely positioned to influence policy and market drivers pushing corporations, development finance, and government institutions to pay for and/or finance these outcomes and deliver high-quality projects, with smallholder participation, on the supply side of the market.

9. Specifically, Articles 6.2 and 6.4. https://unfccc.int/sites/default/files/english_paris_agreement.pdf

SMALLHOLDER FARMERS AND OTHER LAND MANAGERS ARE BEING LEFT OUT OF CLIMATE ACTION

Smallholder farmers on the frontline of climate change confront escalating climate change-related costs and risks. These farmers stand to gain the most from an inclusive, fair, and equitable carbon finance system and are uniquely positioned to advance solutions to address biodiversity loss, poverty, malnutrition, and development. Yet the current VCM fails to meaningfully include millions of smallholder farmers and forest land managers, foregoing a significant opportunity to fund a transformative agricultural transition that lifts millions of landholders out of poverty and regenerative climate solutions to reach the goals of the Paris Agreement.

A majority (84%) of the world's 570 million farms are worked by smallholder farmers stewarding less than two hectares of agricultural land.[10] In value terms, these 500 million smallholder farmers produce approximately a third of global food production and are vital for ensuring food security in the Global South.[11] Despite their critical role in value chains and sustaining communities, smallholder farmers remain very poor: two-thirds of people in extreme poverty pursue livelihoods in farming.[12] Smallholder yields can be sub-optimal,[13] and productivity challenges are compounded by escalating losses – estimated at US$ 108.5bn in the decade to 2022 – associated with extreme climate and weather events.[14] Unmitigated climate change could push 130 million people into poverty by 2032 and cause over 200 million to seek refuge by 2050.[15] Deepening poverty will encourage farmers to pursue extractive practices that degrade their soils and undermine ecosystems to boost yields, initiating a negative feedback loop that exacerbates underlying problems and poverty.

10. Lowder, S. K., Skoet, J., & Raney, T. (2016). The number, size, and distribution of farms, smallholder farms, and family farms worldwide. World Development, 87, 16-29. https://www.sciencedirect.com/science/article/pii/S0305750X15002703
11. Food & Agriculture Organization of the United Nations (2021) Small family farmers produce a third of the world's food. 23 April, 2021. FAO. https://www.fao.org/news/story/en/item/1395127/
12. Fuglie, Keith; Gautam, Madhur; Goyal, Aparajita; Maloney, William F. 2020. Harvesting Prosperity: Technology and Productivity Growth in Agriculture. Washington, DC: World Bank. http://hdl.handle.net/10986/32350
13. Lobell, David B., Cassman, Kenneth G. and Field, Christopher B. 2009. "Crop Yield Gaps: Their Importance, Magnitudes, and Causes," *Annual Review of Environment and Resources* 34 (2009). http://www.annualreviews.org/doi/pdf/10.1146/annurev.environ.041008.093740
14. CGIAR System Organization. 2022. Agronomic adaptive strategies to strengthen smallholder farmers' resilience to climate change. CGIAR System Organization. https://cgspace.cgiar.org/handle/10568/125495
15. Nishio, Akihiko. (2021) "When poverty meets climate change: A critical challenge that demands cross-cutting solutions". World Bank Blogs. November 05, 2021. https://blogs.worldbank.org/climatechange/when-poverty-meets-climate-change-critical-challenge-demands-cross-cutting-solutions

THE OPPORTUNITY

Despite the economic and environmental potential of emerging markets, climate action in the agriculture sector is overwhelmingly concentrated in efforts to green industrial-scale agricultural production in the Global North. This exclusive focus on commercial agriculture in wealthy countries misses an opportunity to recast agricultural solutions as inclusive and reward the regenerative actions and ecosystem services of smallholder farmers in the Global South.

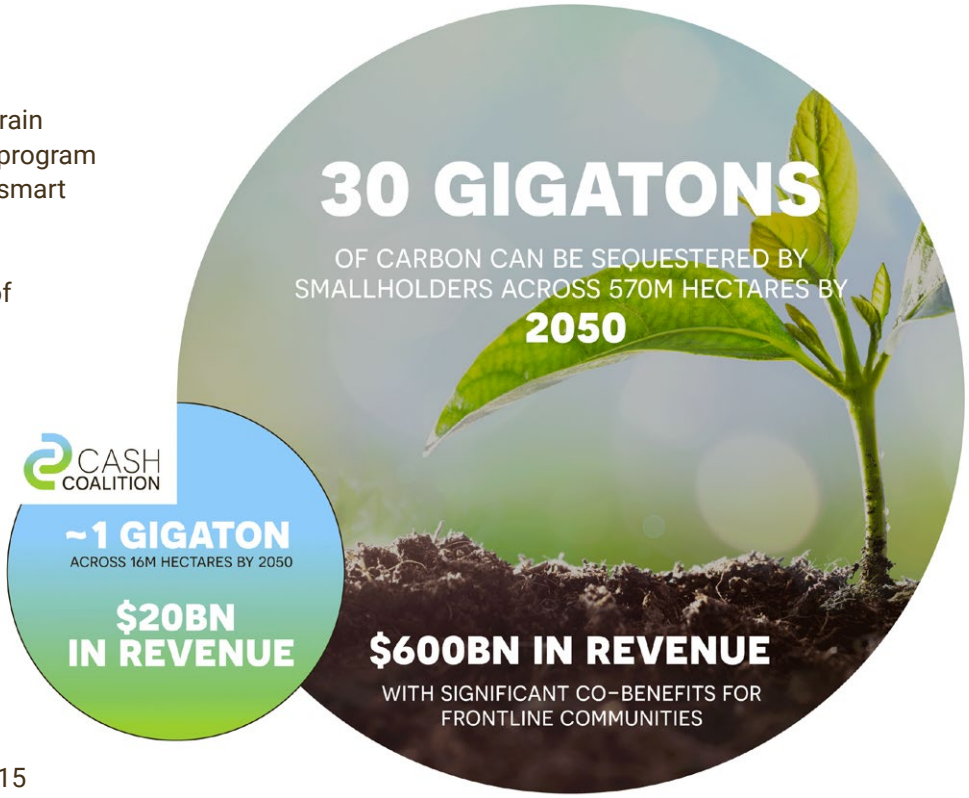
Opportunities for both reducing emissions and carbon removal are present in the smallholder context. Greenhouse gas emissions associated with smallholder food production currently account for 32% of global emissions associated with agriculture and land-use change.[16] However, a systemic change to tree-based systems in agriculture can sequester 12–19 gigatons of carbon, and increasing tree cover on agricultural land by just 10% globally over ten years will sequester more than 18 gigatons of carbon.[17]

Financing for climate-smart and regenerative agriculture can produce transformative benefits for smallholder farmers and agroforestry communities. Evidence demonstrates that productivity growth in agriculture has the largest impact of any sector on poverty reduction.18 A 2023 Boston Consulting Group report found that regenerative agriculture practices have the potential to increase profits for German farmers by 60%[19], while a US study found that corn farmers implementing regenerative agriculture improved profitability by 78% over

16. Vermeulen, S & Wollenberg, E. (2017) "A rough estimate of the proportion of global emissions from agriculture due to smallholders," CGIAR, April 2017.
17. Zomer RJ, Bossio DA, Trabucco A, Noordwijk M, Xu J. 2022. Global carbon sequestration potential of agroforestry and increased tree cover on agricultural land. Circular Agricultural Systems 2:3 https://doi.org/10.48130/CAS-2022-0003
18. Fuglie, *et al. Op Cit.*
19. Kurth, T; Subei, B; Plötner, P, & Krämer, S. 2023. *The Case for Regenerative Agriculture in Germany—and Beyond.* Boston Consulting Group. January 23, 2023. https://www.bcg.com/publications/2023/regenerative-agriculture-benefits-germany-beyond

photo credit Connexsus

traditional practices despite lower grain production.[20] An Acorn/Solidaridad program to promote the adoption of climate-smart practices and agroforestry systems among coffee farmers in Colombia observed increases in productivity of 15 to 20% over three years among participating farmers.[21]



If one assumes that each of the world's 570 million smallholder farms is one hectare in size[22], smallholder farmers applying agroforestry and regenerative agriculture could sequester 30 gigatons of carbon across 570 million hectares of land by 2050. Admittedly this is theoretical, but even if we cut that number in half, smallholder farmers can sequester 15 gigatons. At a conservative carbon price of $20 per credit, this will generate as much as $300bn in revenue. While not all these funds will flow directly to smallholders, the scale of this revenue will realize orders of magnitude more income for smallholders than what climate finance has channeled to these communities to date.

To realize the full potential of the VCM as a catalyst for climate solutions and development, all parties to the market (buyers, sellers, standard-setting bodies, governments, intermediaries, etc.) must collaborate to address deficiencies that stymie the beneficial participation of land- and forest-stewarding communities. Recognizing the three-fold challenge of (1) delivering high-quality credits that buyers can trust, (2) facilitating the participation of smallholders, indigenous people, and local communities in the VCM at scale, and (3) ensuring smallholder access to finance to fund transitions to regenerative agriculture, a clear standard for top-tier smallholder-oriented nature-based carbon credits is essential and the business case must be substantiated.

20. LaCanne CE, Lundgren JG. (2018) Regenerative agriculture: merging farming and natural resource conservation profitably. PeerJ. 2018 February https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5831153/
21. Solidaridad (2021) Solidaridad and Rabobank make Carbon Markets work for smallholder farmers. 29 June, 2021. https://www.solidaridadnetwork.org/news/solidaridad-and-rabobank-make-carbon-markets-work-for-smallholder-farmers/
22. Lowder, *et al. Op Cit.* The authors define a smallholder farm as being <2ha.

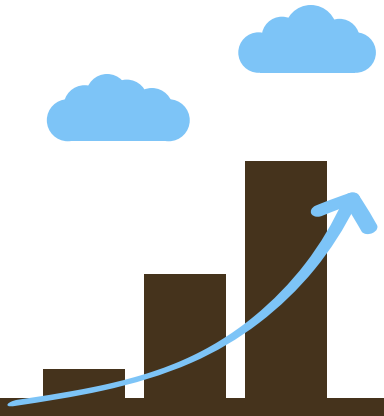
THE CASH COALITION'S RESPONSE

The CASH Coalition has the potential to aggregate large numbers of farmers and local communities to adopt regenerative and climate-smart practices to access and benefit from carbon markets and PES. The CASH Coalition aims to contribute to creating a smallholder-based carbon market that supports regenerative agricultural transformation, invigorates smallholder livelihoods, and delivers a large quantity of high-quality carbon credits with co-benefits and integrity to meet the needs of carbon buyers.
The CASH Coalition will engage a broad cohort of partners representing buyers, sellers, standard-setting bodies, governments, intermediaries, and other parties to the carbon market who (i) prioritize the inclusion of smallholders, indigenous people, and local communities in the carbon market and are (ii) willing to work towards maximizing the benefits these groups derive from carbon markets.

With a strong record of results and decades of experience, scaling innovations to enhance livelihoods among smallholder and indigenous communities in the Global South, we are uniquely positioned to aggregate large numbers of farmers and land under management and promote the adoption of regenerative and climate-smart practices to access inclusive carbon markets and payments for ecosystem services (PES).

By creating high-quality carbon credits that reward smallholders for implementing regenerative solutions, we can boost the incomes of vulnerable communities and farmers, reduce their vulnerability to climate change risks, promote biodiversity, and improve food security while meeting the demand for quality carbon credits with real and measurable impact.

Platforms like Encourage Capital and Acorn can support and enhance the work of the Coalition and assist CASH in identifying entry points to address barriers inhibiting the full realization of the VCM's potential. These could include determining methodologies, working with standard-setting bodies, developing appropriate forms of monitoring, reporting, and verification (MRV), methods for assuming risk, providing finance, and other functions that advance the broader goals of the Coalition. These partners will also work with us to expand our donor base, including through joint fundraising and outreach to corporate donors.



The Coalition aims to ensure all climate-mitigating activities practiced by smallholder farmers are valued and have buyers. We expect our impact will increase exponentially as we build use cases for, assess evidence supporting, and scale carbon projects for additional regenerative and nature-positive practices and innovations that boost smallholder profits. These may include cover-cropping, no-burn farming, soil amendments, afforestation, reforestation, and forest protection. A no-burn farming pilot implemented by one of our members in Myanmar, for example, will incorporate approximately 400,000 ha of no-burn rice farming in five years, reducing CO_2 emissions by 2.9m tons. The Coalition will represent smallholder farmer interests to shape emerging policy, market, and development finance mechanisms for compensating ecosystem services, including water, biodiversity, nutrients, and pollination.

These actions will recast land and forest-stewarding communities, transforming their roles from passive and increasingly impoverished victims of climate change to active mitigation partners exercising agency to realize opportunities.

SCOPE AND IMPACT

An internal audit of members' current reach and projected growth to 2033 demonstrates significant potential for impact. Cumulatively, the Coalition's thirteen members work with 9 million land managers in geographies spanning Eastern and Southern Africa, West and Central Africa, Central and South America, The Caribbean, South and South East Asia. Six million hectares of agricultural land and 10 million hectares of forest are currently stewarded by farmers and communities working with our member organizations.

2050 IMPACT

225
million carbon credits

20
million hectares of land

$4.5
billion of revenue

Initial projections indicate an enormous opportunity to generate economic benefits for smallholder, indigenous, and land and forest-stewarding communities and create a new reference point for high-quality smallholder-based carbon credits.

Conservative modeling of reach and impact for 2050 suggests that The CASH Coalition will produce 225 million carbon credits, working with 55 million land managers stewarding 20 million hectares of land, and generate $4.5 billion of revenue. This preliminary opportunity analysis is based on CASH's projected growth, carbon estimates from Food and Agriculture Organization of the United Nations (FAO) analyses, and a review of other literature, and assumes a fixed carbon price of $20/credit and a 25% reserve of credits for the buffer pool.[23] This projection assumes that the Coalition reaches half of its anticipated scale, and that adoption rates of regenerative practices are 25% of full potential. More sensitive modeling based on unique use cases for Coalition member organizations will be quantified once we have secured funding.

2033 IMPACT

20
million carbon credits

13
million hectares of land

$400
million of revenue

Our initial analysis suggests that agroforestry will account for 82% of potential carbon sequestration accruing to Coalition activities. This is followed by 18% for soil carbon sequestration resulting from adopting regenerative agriculture practices. Given that quantification and MRV for agroforestry and carbon sequestration are more advanced for biomass carbon in trees relative to soil carbon, the Initiative will initially focus on agroforestry as the use case for Coalition activities across the three pillars (below) with an expansion to soil carbon sequestration anticipated in a future phase.

By 2033, we anticipate that Coalition-supported climate solutions will impact ~13m ha through regenerative agriculture interventions, producing ~20m carbon credits and generating ~$400m in revenue. This assumes an initial focus on agroforestry, a five-year horizon to transition a smallholder region to 10% forest cover, a 25% adoption rate of agroforestry activities by smallholders, and the Coalition reaches 50% of its potential scale.

23. We welcome the opportunity to provide more information about our methodology and modelling to interested parties.

THE CASH APPROACH

WE PROPOSE A THREE-PILLAR ACTION PLAN TO REALIZE A MORE INCLUSIVE AND EFFECTIVE CARBON MARKET THAT BENEFITS LAND-STEWARDING COMMUNITIES FOR CLIMATE ACTIONS AND ADVANCES CLIMATE GOALS:

1 POLICY

Advocate for reforms to existing carbon markets and ensure that future markets work for small-holders. We must enable greater participation and representation for smallholder farmers/local communities and promote nature-based solutions and innovations as high-integrity solutions in carbon markets.

2 MARKET

Catalyze supply and demand to build a market for smallholder farmer climate mitigation. On the supply side, we will **create a portfolio of carbon projects** that exemplify smallholder climate mitigation and regenerative actions: ensuring quality and integrity and delivering multiple co-benefits - including biodiversity, food production, and food security. On the demand side, we will **catalyze a coalition of buyers** interested in high-integrity smallholder-farmer-produced carbon credits with co-benefits and lead the structuring of investment vehicles to finance activities on the ground.

3 CAPACITY

Provide technical assistance, information, and education to enable our members and local partners to advance the ability of smallholders to participate in, and derive benefits from, carbon markets and other emerging markets and payments for ecosystem services.

photo credit Comaco

1 POLICY – Phase 1

To reach our global climate mitigation goals, we must ensure that all solutions can play a high-integrity role through active policy engagement. The CASH Coalition recognizes the need for enhancing integrity within carbon markets and welcomes the Integrity Council for Voluntary Carbon Markets (ICVCM) while also recognizing the need to ensure that methodologies and quality criteria must be designed to enable the smallholder farmer use case. We will engage with the Science-Based Targets Initiative (SBTi) and the Voluntary Carbon Markets Integrity Initiative (VCMI) to ensure that frameworks informing corporate climate action incentivize climate mitigation outcomes produced by smallholder farmers, which the SBTi currently does not.

PHASE 1 PROOF OF CONCEPT
Oct 2023 - Mar 2025

POLICY
Unlock demand and access

PILLAR 1 INFLUENCE POLICY/MARKET DESIGN & IMPLEMENTATION

SUPPLY

STANDARDS
Analyze existing VCM standards and methodologies (ICVCM, Verra, Plan Vivo, etc.) to assess whether existing methodologies/standards can be updated to allow for smallholder farmer participation or whether CASH should lead the development of a methodology specifically to the smallholder context that captures all potential climate mitigation contributions by smallholders.

Agroforestry (biomass) is already accessible by smallholder farmers through existing methodologies and standards and is unlikely to require additional engagement. Soil carbon and other climate mitigation outcomes associated with farmer actions are areas likely to require changes in methodologies and standards.

TECHNOLOGY
Assess current Project Design, Project Operations and Digital Monitoring, Reporting and Verification tools to determine contemporary options for the smallholder farmer context and/or if new tools need to be developed.

Determine existing technologies to be included to enable efficiencies within the smallholder agroforestry use case.

DEMAND

TECHNOLOGY
Assess current Project Design, Project Operations and Digital Monitoring, Reporting and Verification tools to determine contemporary options for the smallholder farmer context and/or if new tools need to be developed.

Determine existing technologies to be included to enable efficiencies within the smallholder agroforestry use case.

ARTICLE VI
Outreach to influence the design of Article VI markets to incorporate the use of nature-based solutions and the smallholder farmer use case, and addressing corresponding adjustment issues that undermine finance to the Global South.

COMPLIANCE MARKETS
Engage with compliance market design and creation in jurisdictions where CASH partners have a strong presence.

2 MARKET – Phase 1

To generate impacts and revenues for smallholders, CASH will deliver high-quality supply while catalyzing demand and unlocking finance. We will launch an initial cohort of five high-quality carbon projects that demonstrate viability as well as to uncover barriers that may inhibit scale. We aim to raise an initial fund of $100m in private sector and institutional capital to invest in and acquire carbon credits. This means creating a "buyer's club" or "Advanced Market Commitment" to deploy at a project level, blended with concessionary and philanthropic funding to cover market development costs and capacity building and to carry risks that commercial capital is unwilling to cover.

PHASE 1 PROOF OF CONCEPT
Oct 2023 - Mar 2025

MARKET
Unlock demand and access

PILLAR 2 CATALYZE NEW BUSINESS MODEL FOR SMALLHOLDER CARBON

SUPPLY

AGROFORESTRY PROTOTYPE PROJECTS
Launch five carbon projects each at the scale of 5,000 to 50,000 ha in size. Select prototypes based on existing operations and local relationships as well as jurisdictional policy and regulatory considerations in host countries.

Initial prototypes will focus on smallholder agroforestry as this intervention is widely accepted and functioning within existing carbon market structures.

NON-AGROFORESTRY SCOPING
Explore initial prototypes in interventions beyond agroforestry and assess which interventions are currently viable for a carbon project.

DEMAND

DESIGN INITIAL PRODUCT OFFERING
Work with corporate partners to develop the agroforestry carbon credit offering within the CASH Initiative with key differentiators regarding social benefits and equitability. For example, will this product be designed for accounting within value chains or outside of value chains, and how will that affect corporate demand.

**If CASH partners with ACORN, then the product is already defined*

PILOT ADVANCED MARKET COMMITMENT
Secure off-take agreements for the initial five projects for at least 10 years of off-take by corporate or government buyers/financiers. (This might not be needed if CASH partners with ACORN

PROJECT FINANCE
Design blended finance investment product and secure investment from philanthropic, government development aid and banks and private investors to provide the upfront capital to implement the prototypes projects.

BEYOND CARBON BENEFIT SCOPING
Assess existing mechanisms for compensation beyond carbon value creation in the smallholder context.

3 CAPACITY – Phase 1

Sharing best practices in regenerative agriculture practice adoption and increasing knowledge and understanding of carbon markets and finance across CASH partners and community partners is critical to CASH reaching scale. CASH will also determine in Phase 1 whether to partner with external service providers to support project development or build that capacity within the CASH initiative and partners.

PHASE 1 PROOF OF CONCEPT
Oct 2023 - Mar 2025

CAPACITY
Democratize knowledge & tools

PILLAR 3 CAPACITY BUILDING AND KNOWLEDGE SHARING

AGROFORESTRY BEST PRACTICES
Sharing knowledge of smallholder agroforestry best practices among CASH members

CARBON LITERACY AT CASH MEMBER LEVEL
Equip CASH partners with fundamental knowledge regarding access to carbon markets and carbon finance.

CARBON LITERACY AT COMMUNITY LEVEL
Develop tools and education programs to ensure communities are equipped with fundamental knowledge regarding access to carbon markets and carbon finance.

PROJECT DEVELOPMENT
Assess whether to support in-house capacity for project development and certification of credits, or whether to set up a unit within CASH to provide services to all CASH members, or work with external service providers.

ACTIVITIES BEYOND PHASE 1

The Coalition aims to ensure all climate-mitigating activities practiced by smallholder farmers are valued and have buyers, enlisting the agency of hundreds of millions of land managers in coordinated work with verifiable impacts. The Coalition will focus on expanding the business case for carbon to a broader set of regenerative agriculture and payment for ecosystem services activities.

The CASH Coalition will build use cases for and assess evidence supporting soil carbon sequestration, avoided emissions, other regenerative practices, and scalable innovations implemented by smallholder communities. The Coalition will represent smallholder farmer interests to shape emerging policy, market, and development finance mechanisms for compensating ecosystem services, including water, biodiversity, nutrients, and pollination.

BEYOND PHASE 1
Compressed phases 2 & 3

SCALING AND GOING BEYOND CARBON
April 2025 - Onwards

POLICY UNLOCK DEMAND AND ACCESS

SUPPLY

CARBON STANDARDS
Continue to advance Standards to be more amenable to smallholder farmer climate mitigation activities.

BEYOND CARBON (NATURE) STANDARDS
Participate in the creation of new nature-related standards like the Science Based Targets for Nature to make sure they are inclusive of smallholder farming activities and use cases.

DEMAND

EXPAND CLIMATE MITIGATION DEMAND
Engage with voluntary and compliance market design as well as non-market climate mitigation regulatory structures to ensure smallholder Climate Solutions can participate in those markets and programs.

EXPAND NATURE - POSITIVE DEMAND
Engage with emerging market and non- market mechanisms that will drive corporate and government sourcing and payment for nature positive outcomes to ensure smallholders can participate.

MARKET PROVE FINANCIAL VIABILITY

SUPPLY

EXPAND CLIMATE MITIGATION ACTIVITIES
Continue to incorporate more types of climate mitigating activities within the CASH project scope including both removals and avoided emissions covering data collection, reporting and verification for those activities.

EXPAND NATURE POSITIVE ACTIVITIES
Expand the scope of CASH's measurement and reporting of outcomes to include biodiversity and ecosystem services and encourage uptake of more nature positive activities by smallholders through emerging compensation mechanisms.

DEMAND

EXPAND PRODUCT OFFERING
Include more types of climate mitigation activities within the CASH portfolio of products and add nature-positive products.

SCALE ADVANCED MARKET COMMITMENT
Continue to grow the off-take agreements for CASH climate mitigation and nature positive products through corporate and government buyers.

REFINE & SCALE PROJECT FINANCE
Continue to iterate on the blended finance or pure private finance required to launch projects and sustain their operations until they can cover costs through revenue from sales of CASH products.

CAPACITY DEMOCRATIZE KNOWLEDGE & TOOLS

BEST PRACTICES
Knowledge sharing of best practices among CASH members for smallholder adoption of climate-smart and nature positive land management.

CARBON AND NATURE LITERACY
Continue to equip CASH partners and communities with the knowledge to equitably participate in environmental markets and payment for outcomes programs.

PROJECT DEVELOPMENT SERVICES
Continue to expand the internal capacity within CASH to support project development, finance and sales services for both carbon and nature positive pathways.

PROPOSAL FOR PHASE 1

The CASH Coalition is seeking $5M for 18 months from philanthropic funders to launch Phase 1 of the initiative to (1) create a portfolio of prototype projects, (2) secure an advanced market commitment to purchase the credits produced from the initial portfolio, (3) begin carbon market policy reform activities, and (4) deliver core carbon capacity building support to CASH Coalition partners, and local partners and communities.

The CASH Coalition has the reach and credibility to create a robust market for smallholder carbon that addresses climate change while advancing solutions to other global problems, including biodiversity loss, food security, and improving smallholder livelihoods. By realizing our Action Plan, we will resource farming, indigenous, and local communities to transition to income-generating forms of regenerative agriculture and ecosystem services, adapt to climate change, make a profit, and advance the 2050 climate goals.

TIMELINE AND KEY STRATEGIC DATES

1. **June 19, 2023, London CASH Coalition Convening**
2. **September 2023, Kenya, Africa Climate Summit:** Design workshop
3. **September 18-22, 2023, New York Cl**imate Week (USA): Reach out for 1:1 Discussions with potential partners and funders
4. **November/December 2023, COP28, UAE**, under consideration:
    1. Announcement of a portfolio of carbon credits that meet criteria (list of criteria TBD).
    2. Press conference with a group of buyers
    3. Bring some smallholders to talk to COP
    4. Activity with registries
    5. Announcement of a coalition representative of all sectors party to a well-functioning VCM (involves CASH and other VCM players) to work towards increasing benefits to smallholders derived from carbon markets.
    6. Work announced at COP28 will entail at least a 15-24 month plan, building towards COP30 in Brazil.
5. **November/December 2025, COP30, Brazil**: Of strategic importance.

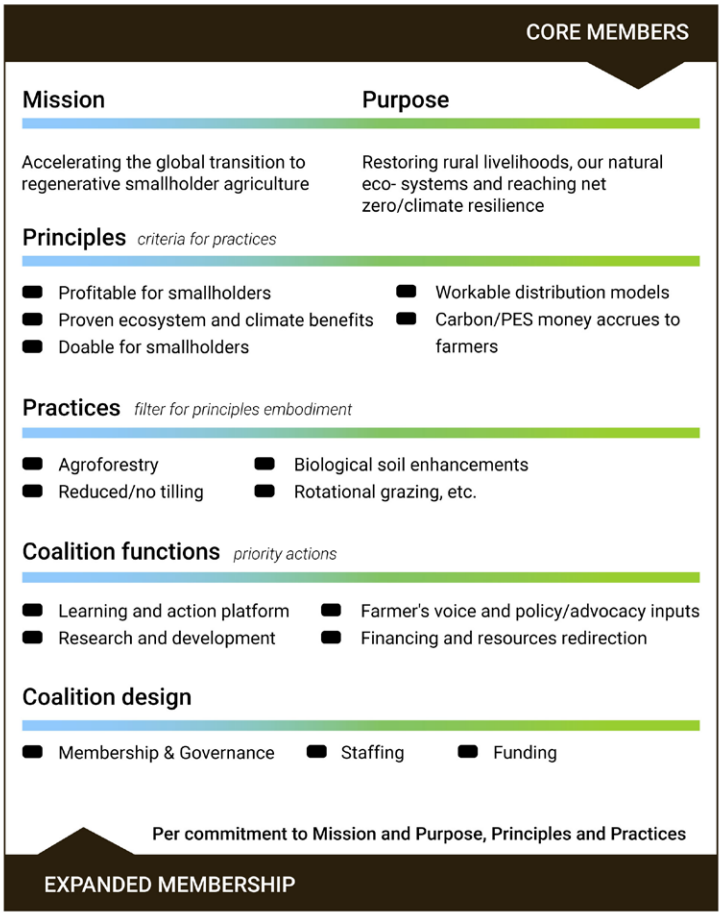
photo credit Babban Gona

APPENDIX

The CASH Coalition

The CASH Coalition's goal is to make regenerative agriculture and climate action profitable for smallholder farmers. The Coalition is comprised of thirteen mission-driven organizations with deep and longstanding relationships in the smallholder agricultural, indigenous, and agroforestry communities of the Global South. As peer social enterprises with decades of experience supporting poor rural agricultural communities, CASH can realize significant scaling gains for the communities we serve through greater cooperation and intentional complementarity to advance climate action for smallholders.

Before the constitution of The CASH Coalition, each member and partner organization worked to address the climate crisis through successful but individual social enterprise models. We recognize the inefficiency of this approach and that we may be missing significant opportunities for collective action and learning.



Member Organizations

1. Acceso
2. Babban Gona
3. Climate Action Platform Africa (CAP-A)
4. Community Markets for Conservation (Comaco)
5. Conexsus
6. Digital Green
7. Forest Trends
8. Landesa
9. Mafisa
10. myAgro (currently on CASH Sabbatical)
11. One Acre Fund
12. Proximity Designs
13. Root Capital

Partner (as of July 2023)

1. Encourage Capital

photo credit Root Capital

CASH COALITION

cashcoalition.earth