



For Immediate Release

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\$1M USDA Grant Awarded to The Climate Trust to Build Conservation Investment Fund

Providing carbon finance to forestry, biogas and grassland conservation projects

PORTLAND, Ore. – On September 15th, The Climate Trust received a [\\$1 million Conservation Innovation Grant](#) from the United States Department of Agriculture (USDA) to launch their inaugural investment fund; structured to finance biogas, forestry and grassland conservation projects. To leverage this support, The Climate Trust is now raising private capital and preparing a pipeline of innovative projects for investment.

“Conservation-based agriculture and forestry projects offer tremendous opportunity to cost-effectively mitigate and sequester carbon emissions,” said Sean Penrith, executive director for The Climate Trust. “Carbon markets provide a unique opportunity for producers to be paid for effecting these emission reductions, but these projects face significant capital costs,” continued Penrith.

The Climate Trust’s research has found that upfront financing is vital to build infrastructure, acquire property, compensate landowners for easements and encumbrances—and to then develop the carbon offset project through listing, monitoring, verification, registration, issuance, and credit sales. Traditional investors and lenders are reluctant to provide this upfront financing because it depends upon the sale of credits from the nascent carbon market. In practice, this means lenders do not value potential revenues from carbon markets and require projects to be profitable in their absence.

Thanks to the USDA grant, The Climate Trust will be launching a climate investment fund to change this paradigm; actively raising at least \$4 million in private capital to invest in projects based on the anticipated value of the carbon credits they will generate. As a result, a new source of patient capital will be available to farmers, ranchers, and forest owners to adopt innovative conservation practices. A successful climate investment fund will demonstrate to private capital markets that emerging environmental markets can be relied upon to finance projects.

“This significant award from the USDA is a key ingredient in our plans to leverage our existing programs to attract private capital and amplify our impact,” said Peter Weisberg, program director for The Climate

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Trust. “The vital projects we’re looking to fund depend upon revenues from carbon markets to come to fruition. Collectively, these projects could make a big climate impact.”

The climate investment fund will invest \$4 million in agricultural and forestry projects that mitigate and sequester carbon emissions through proven conservation practices. In addition to making investments to overcome the financial barriers these projects face, the fund will help projects generate and sell carbon offsets in voluntary and compliance carbon markets. The proceeds from the sale of these credits will be used to repay investors in the climate investment fund. Remaining margins will be shared with producers and revolved into future conservation investments.

Investors perceive carbon markets to be very risky and therefore heavily discount the potential value they add to projects. The Climate Trust is in a unique position to manage delivery and market risks associated with carbon markets on behalf of projects and project developers.

Investments from the climate fund in conservation projects will result in the reduction of 800,000 metric tons of carbon dioxide equivalent emissions (mtCO₂e) over ten years. From a conservation perspective, this will ensure more sustainable management on more than 20,000 acres of land, and greatly improve water and air quality. Based upon its success, The Trust plans to scale the climate investment fund to become a \$200 million fund with the potential to reduce 40 million mtCO₂e over ten years.

The Trust will develop the financial methodology and investment structure for the fund to receive investments from private capital markets. This will link patient, low-cost impact investor capital to environmental markets and enable the fund to invest \$4 million into four to twelve agricultural and forestry conservation projects.

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The Climate Trust mobilizes conservation finance to maximize environmental returns. Building upon a legacy of innovation and leadership in the carbon market, The Climate Trust accelerates the pace of carbon mitigation through conservation finance. We value air, water and soil through the development, purchase and sale of qualified offsets and a relentless investment in people and projects with environmental purpose | www.climatetrust.org | [@climatetrust](https://twitter.com/climatetrust) | facebook.com/TheClimateTrust

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