

# The Climate Trust secures first \$5.5 million for US land-based offset fund

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US-based non-profit The Climate Trust is ready to start disbursing cash to land-based offset projects after securing \$5.5 million from the David and Lucille Packard Foundation, in the first step of what the company hopes can grow into a \$500 million global carbon investment vehicle.

With the funding in place, The Climate Trust aims to start signing contracts with selected developers by the end of 2016 for projects that can generate offsets for the California cap-and-trade scheme and voluntary carbon markets, it said in a statement on Wednesday.

The investments are expected to enable the development of four anaerobic digesters, three forestry projects and one grassland conservation program that can collectively reduce 978,157 million tonnes of CO<sub>2</sub>e over their 10-year lifetimes.

The Climate Trust launched a 'request for proposals' process to find suitable projects early in the year but is still seeking further proposals as it plans to deploy an additional \$10 million over 2017 and 2018 with funding either from the Packard Foundation or new partners.

Based upon its initial success, The Climate Trust has plans to scale the fund to become a \$500 million investment vehicle with the potential to reduce significant emissions in land-based sectors both domestically and abroad, the statement added.

"We believe that offset projects can be an important and cost effective contributor to the US' stated climate reduction targets under the historic Paris Agreement," said Kristen Kleiman, director of investments for Climate Trust Capital, the unit of The Climate Trust set up to administer the fund.

The fund had previously secured initial grant money from both the David and Lucille Packard Foundation and the US Department of Agriculture.

The NGO said it will manage the sale of the offset credits, and is also structuring \$22 million in existing funds in a way that allows it to be a buyer of last resort, to guarantee the offsets have a minimum value.

The Climate Trust is a long-standing participant in US carbon markets, committing to buy over \$31.6 million in carbon financing for greenhouse gas emission reduction projects.

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