How Carbon Markets Save Lives And Slash Poverty

Soma problems are common. Others are simple. And often the issues overlap.

Take, for example, the complex challenge of climate change. It’s caused by almost everywhere we do. It impacts us in ways that are difficult to track. And finding it will require us to completely update the global energy sector.

Contrast this with the fairly straightforward problem of indoor air pollution. This one is caused by traditional stoves that burn dirty fuels inefficiently. It kills four million people every year. Finding a solution will require us to replace about a billion traditional stoves with cleaner varieties.

Simple? Yet not so easy, because those billion stoves are scattered all across the world, and replacing them also requires marketing, education and training. Aid agencies, nonprofits and commercial manufacturers have spent decades building successful regional programs, but many are finding it difficult to get that extra bit of finance that can turn medium-sized efforts into larger ones and larger ones into massive ones.

Increasingly our research shows that the critical, real pieces of finance are coming from a surprising source. 

Stoves and, for pile, it turns out, pump-hundreds of millions of tons of carbon divide into the atmosphere every year. That makes them part of the climate-change problem, which means we all have an interest in replacing them.

Over the years, standard setting organizations like the Global Standard and the Clean Development Mechanism have made it possible to generate carbon offsets by helping distribute clean cookstoves. In some cases, the credits provide deep discounts for poor people and aid agencies, but most of the money goes towards manufacturing, marketing, distribution and then stoves and cooking fuel – activities that support a sustainable market that generates reductions many times higher than the number of credits generated.

Last year, carbon markets funneled more than $46 billion into clean cookstoves distribution, according to our most recent report prepared in partnership with the Global Alliance for Clean Cookstoves and unveiled by former US Secretary of State Hillary Clinton last week in New York. That’s a huge proportion of the $9 billion that carbon revenues have contributed to the stove sector over time.

The Funding Mosaic: Carbon Finance Is One Piece Of The Puzzle

The Alliance

The Alliance itself has more than 800 partners around the world, and its aim is to get these efficient stoves into 100 million households by 2020. Our research shows that Alliance partners distributed 8 million stoves in 2014 – up from 3.6 million the year before – and that carbon finance helped pay for about half of them.

It’s that especially good news for women – because it not only means better health, but less time spent gathering and more time spent doing other things that improve their lives. Indeed, a recent report found that 77% of the Alliance partners had made it a priority to empower women.

Armed with this understanding, social entrepreneurs are now tapping into carbon finance to attack other seemingly intractable social challenges – like women’s rights, indigenous experience and sustainable forestry.

To promote this understanding, the Shell Foundation supports Forest Trends, the environmental nonprofit that publishes Ecosystem Marketplace and puts efforts like the Social Carbon Project in Brazil. Forest Trends was created by foresters to explore the intersection between carbon, economy and ecology, and it’s been invited to participate in the Social Entrepreneur Challenge. Launched on September 9 by the Shell Foundation and Huffington Post, this is the largest Crowdrise campaign ever, involving scores of social entrepreneurs to help solve the world’s problems by shooting us on Huffington Post or sponsoring us on CrowdRise, where we aim to raise $4,000,000 by November 22.

As in so many ways, often a little goes a long way. If enough of us meet our goals, Shell will step up with matching funds that we’ll use to expand our outreach into these fascinating and important movements.