

## TOWARDS THE OTHER END OF THE RAINBOW

### ON BEHALF OF OUR TREE BANK FARMERS, A COMPLIMENT ...

If you are one of our Tree Bank donors, then you are part of something that is far larger than its bottom line. The Earth Sangha's Tree Bank / Hispaniola program works to improve farm incomes and restore native forest along part of the Dominican Republic – Haiti border. (We focus on the Dominican side of the border because, among other things, that's where the surviving forest fragments are.)

Together, we Tree Bankers have created a small program with vast potential: It, or something like it, could help millions of impoverished tropical small-holder farmers and plant millions of wild-propagated trees. And while there is a precedent somewhere in the world for every element of our program, the package as a whole is probably unique. Your donations have built a system that is:

**Beneficial to both the economy and the environment.** That's a very difficult thing to do because development almost always degrades the environment. But our kind of development actually improves the environment: We're expanding the role of agriculture to include native forest restoration.

**Grass-roots to grass-roots.** The Tree Bank has no big, revenue-sucking administrative apparatus. We don't even have any institutional supporters; of course we have asked, but no companies or foundations thus far have helped us, so we just did it ourselves. Our little staff, our farmers, and you: Together, we built the whole thing.

**Real.** We don't do enviro-lite—we don't believe in "giving a nickel to save the planet," or similar simplistic hype. We do believe in being patient and adaptable. We know that the problems are a lot bigger than us, and we expect to struggle—just as our farmers do. But, like them, we're in this for the long term.

**Ecologically intelligent.** We don't practice invasive agroforestry—something that is, unfortunately, still very common. We don't plant alien "weed trees" all over the place and then declare success when they take over the countryside. Instead, our farmers work only with known farm species and with species native to their region. They collect their own seed to propagate native trees, just as we do for our DC-area nursery.

*Continued on the back page (column 2)*

### ... AND A REQUEST

We need your help to build the Tree Bank's Forest Credit program. Credit will help us serve more people and conserve more forest because credit is, by far, the most efficient way to use what little capital we have. Currently, we pay a small annual subsidy to Tree Bank farmers who agree to restore part of their land to native forest. This approach got us off to a great start: We created the program on a small scale, and we know that it works. But now we need to reach more people, make a bigger difference in their lives, and conserve forest on a regional scale. And besides planting new patches of native forest, we need to conserve established forest—something we can't afford to do in our current system.

Credit is the key to all this because credit keeps the money in the system: In exchange for preserving forest, our farmers can take out loans which they then pay back, with a little extra in the way of user fees. (For more on how all this will work, see pages 2 and 3.)

We and the farmers have worked through the details and we're all very excited about this next step—but we can't actually take it without your help. Please make a tax-deductible contribution to our credit program. See "How to Help" on page 2.



**Photos:** Above, a rainbow decorates a farm in Los Cerezos, the heart of our Tree Bank project region. Below, the countryside is full of kids! Their elders worry about the lack of economic opportunities for young people, especially on the farms.

# HOW THE CREDIT PROGRAM WILL WORK

Our Tree Bank farmers need reliable, low-cost credit to make their farms work better. In exchange, they have agreed to preserve remnant natural forests on their farms. Here's how that agreement will work.

Our farmers grow many different crops, but their main cash crops are just two: rice and beans, especially beans. These are expensive crops to grow, because of the cost of seed and fertilizer. An aside for the agriculturally inclined: Fertilizer is necessary because local soils are in poor shape; seed is necessary because our farmers generally cannot save enough seed from their harvests for planting. (Our farmers don't use hybrid seed.) Our farmers know that this system is hardly ideal, but this is the reality at present and we just have to work with it even as we try to change it. In our project region, it costs 1,000 – 1,200 Dominican pesos (\$27 – \$32) to plant one tarea of beans. (The tarea is the local unit of measure. There are 6.4 tareas in an acre, so the ratio works out to \$173 – \$205 per acre.) A small farm might devote 10 tareas—on its best soil—to beans.

Our farmers are highly skilled. They can produce a yield in places that most American farmers probably would not want to touch, but they have a lot of trouble paying for fertilizer and seed. The usual approach is to borrow against the proceeds of the future harvest. In business terms, the farmers need a line of credit—they need regular, short-term loans. (They usually borrow for three or four months.) But few lenders are interested in their business, and those that are charge exorbitant rates. The best rates are for government-subsidized bank loans, which are difficult to get. And even these loans charge interest that, on annual terms, works out to at least 40% APR. Private lending, as you might imagine, is even more loan-sharky.

Forest Credit will turn this predicament into an opportunity. The Tree Bank will furnish low-cost credit, in exchange for an agreement from recipient farmers to protect, permanently, certain tracts of native forest on their lands. This type of arrangement is called a conservation easement; in our project region, it will not conflict with agriculture, because the surviving forests, by and large, are not growing on soils that are good for cash-cropping. This credit-for-conservation approach will reach far more forest than we could ever pull into our program with direct support payments. It will also make far more money available to the farms than we could possibly pay in direct support. (Currently we pay farmers a small annual subsidy when they

agree to create one of our native forest plantings.)

Here are the terms. One tarea of forest must be protected for each 1,000 pesos (\$27) in a farmer's line of credit. A simple fee—not compound interest—will be charged every time money is borrowed. (The fee will help create the incentives needed to keep the system stable.) The fee will be 5 pesos (less than 2 cents) per month, for every 1,000 pesos borrowed. Check the table below for a rate comparison with one of those “good” government-subsidized loans, and you'll see why our farmers are enthusiastic about our terms! Farmers will also be responsible for the small banking fees associated with their loans.

That's the start-off arrangement, but there's one more component, designed to reward responsible credit use, penalize late repayment, and make the forest easements more valuable over time. Every time a farmer pays back a loan in full and on time, his “credit limit” will go up, at the rate of 100 pesos (\$2.70) per tarea of forest protected (to a maximum of 2,000 pesos per tarea); conversely, late payment will reduce the limit by the same amount. We think our farmers are good credit risks—and microcredit programs in tightly knit communities like ours generally have low default rates—but we want to make sure that our system encourages responsible behavior.

There are about 25 farms active in the Tree Bank's partner organization, the Asociación de Productores de Bosques de Los Cerezos. Nearly all of these families would probably like to be included in our credit program—as, no doubt, would many other local families. We hope that you'll want to be part of the program too. Forest Credit donations could help a lot of people, and conserve a lot of forest.

## The Cost of Borrowing: Standard Rates vs. Tree Bank Rates

	After month:	1	10,300	10,050
	2	10,609	10,100	
	3	10,927	10,150	
	4	11,255	10,200	
	5	11,593	10,250	
	6	11,941	10,300	
	7	12,299	10,350	
	8	12,668	10,400	
	9	13,048	10,450	
	10	13,439	10,500	
	11	13,842	10,550	
	12	14,258	10,600	

The columns at right show amounts owed on a hypothetical 10,000-peso loan, month by month, up to a year. (Most of our loans would be for considerably less than a year.) The black column is for a favorable local bank loan; the green column is for a Tree Bank loan. (Our loan would also include small bank fees, not shown here.)

## HOW TO HELP

We need your help to build our Forest Credit system! You can help by making a tax-deductible donation to the Earth Sangha, and writing “Forest Credit” on the memo line of your check. (See the fine print on page 3 for our mailing address.) You can also donate on-line, at [earthsangha.org/act/join.html](http://earthsangha.org/act/join.html). (Point your donation to the credit program by typing “Forest Credit” in the designation field of the on-line form.) Please note that you will not yourself become a lender: Your contribution will remain a charitable, tax-deductible gift, as are all contributions to the Sangha.

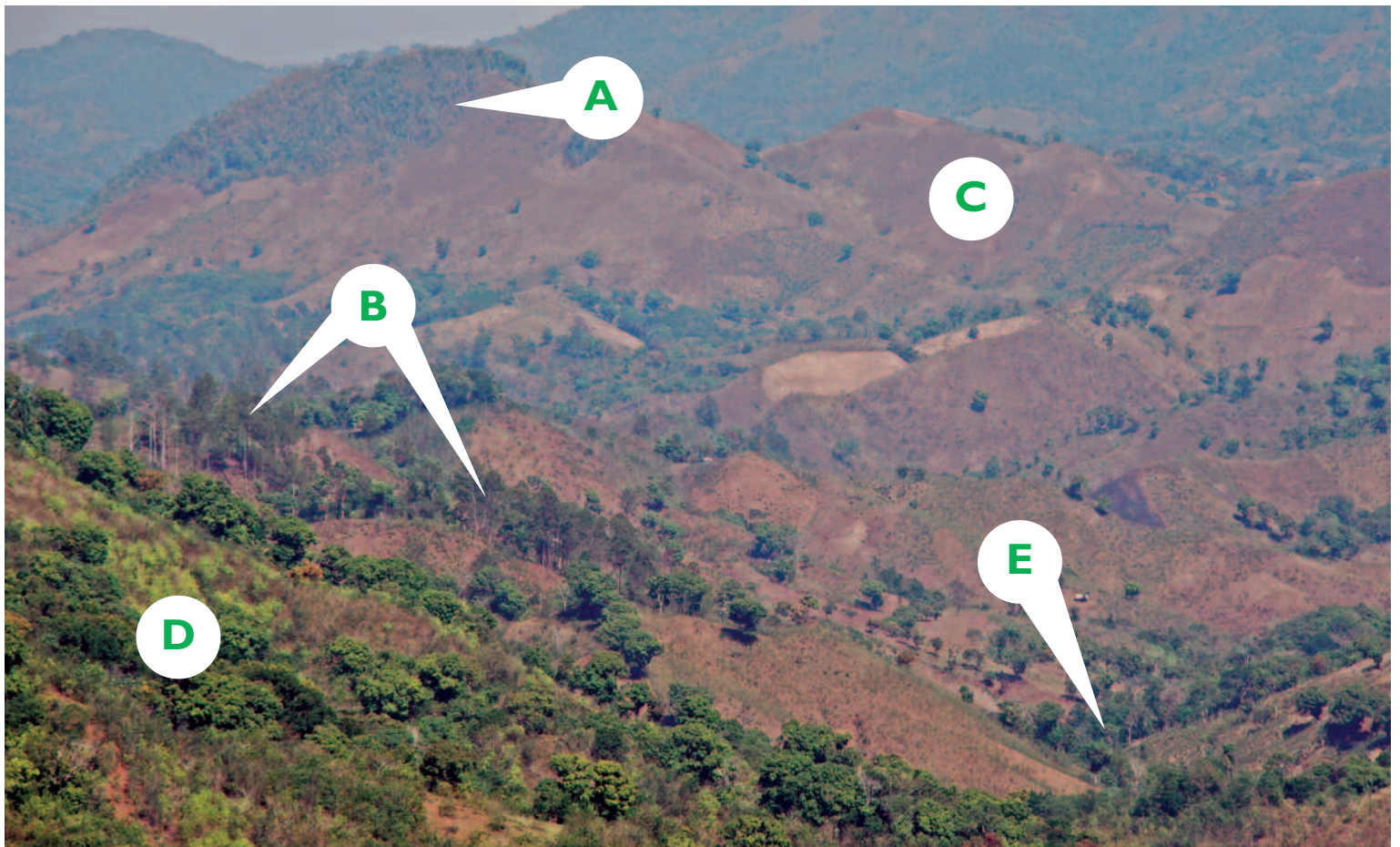
We hope to make our first loans in October or November. After that, we'll publish some details of loan recipients on our website. We hope that you'll take the time to read about them!

**Photo:** A family in Los Cerezos shells beans for dinner. Beans are essential to the local menu—and the local budget.

**On line:** For more on the Tree Bank, go to [earthsangha.org/tb/tbmsn.html](http://earthsangha.org/tb/tbmsn.html).







## FOREST CREDIT WILL HELP HEAL THIS LAND

The photo above shows a typical dry-season landscape in our project region. It's beautiful, but it's also highly dysfunctional. Credit could help restore it to health. A brief diagnosis follows, keyed to the letters superimposed on the photo.

**A and B:** These are ridge forests dominated by Hispaniolan pine, the only large native tree still widespread in our region. This tree is very important to both the local ecology and economy. It's compatible with agriculture because it grows on thin soils that do not support high-value crops, and it's the only remaining local source of high-value timber. Unfortunately, mature stands of pine are rapidly being cut. Tree Bank credit could restore and conserve a network of pine ridges.

**C:** Virtually all of the region was once forested but much of it is now covered by low scrub or sparse, tough, exotic grasses. These areas are used intermittently for grazing or planting, but the soils no longer support intensive annual production. Tree Bank credit could retire some slopes to forest to buffer established forest and help rebuild soil.

**D:** A swidden patch. This area is in a fallow period, so that forest growth can restore some of the soil's fertility. (This type of farming pattern is called swidden.) In a few more years, the patch will almost certainly be cut, burned, and planted again. Tree Bank credit could allow some swidden to return to mature forest.

**E:** A bit of zig-zag riparian forest lining a stream between two hills. These little riparian forests are among the most valuable natural resources remaining in the region because they contain the most diverse surviving forest communities. They survive because stream banks are too unstable and steep for farming, but they are threatened because they are used as woodlots. Tree Bank credit could preserve the best surviving riparian forests and restore riparian forest where it has been lost.

# EARTH SANGHA

BUDDHIST VALUES IN ACTION

The Earth Sangha is a nonprofit 501(c)(3) charity based in the Washington, DC, area and devoted to ecological restoration. We work in the spirit of Buddhist practice, but our members and volunteers come from a wide variety of religious and secular backgrounds.

**Want to contact us or make a donation?** You can support our work by becoming a member. Membership starts at \$35 per year. Donations are tax-deductible. You can mail us a check (made out to "Earth Sangha") or donate on our website. We will send you a receipt and include you in our mailings. (If your name and address are correct on your check, there is no need to send us anything else.) Contact us at: Earth Sangha, 10123 Commonwealth Blvd., Fairfax, VA 22032-2707 | (703) 764-4830 | earthsangha.org. Complete program information is available on our website.

**Want to volunteer or meditate with us?** We work with volunteers at our Wild Plant Nursery and our field sites in northern Virginia. We meditate in the Del Ray section of Alexandria on Tuesday and Wednesday evenings. For more information see our website or call Lisa Bright at (703) 764-4830.

**The Acorn:** Our newsletter is produced with "print on demand" technology, which consumes far less energy and materials than does conventional printing. This paper is 100% post-consumer waste recycled, process chlorine-free, and manufactured entirely with wind-generated electricity. This issue © copyright 2010, Earth Sangha.

**One of the best:** The Earth Sangha is recognized by the *Catalogue for Philanthropy* as "one of the best small charities in the Washington, DC, region."



GREATER WASHINGTON



# MORE & MORE THE WAY IT OUGHT TO LOOK



## AN UPDATE FROM NORTHERN VIRGINIA

**T**he photo above shows a more-or-less natural mid-Atlantic forest-edge meadow taking shape—a medley of native plants already growing on the site, plus a diverse mixture of locally-propagated native trees, shrubs, and herbaceous (nonwoody) plants introduced from our DC-Area Wild Plant Nursery. (The tree tubes are none too natural but we need them for deer protection.) We’re creating such spaces as fast as our funding allows! More in the next *Acorn*. In the meantime, just two DC-Area updates:

In August, we signed a “sole source” contract with Fairfax County, Virginia, for the provision of local-ecotype native plants. (“Local ecotype” means derived from local, wild populations. That’s the best kind of stock to use in restoration and it’s the only kind that we grow.) The County is now supposed to buy its native plants from us, if we have what the County needs. We aren’t sure what the contract will mean economically, but we think this is an important step forward. As we understand it, this is the first time that the County has designated a vendor specifically for native plants. And it’s fortunate that the County picked the only such vendor that is able to propagate directly from the County’s own natural areas.

And in September, we signed a cooperative agreement with the US Fish and Wildlife Service, for ecological restoration at the Service’s Occoquan Bay National Wildlife Refuge, along the Potomac River in eastern Prince William County, Virginia. We’re going to be working on a 12.5-acre tract of grassland, controlling invasive alien plants and restoring it as a more diverse native grassland that will better support the Refuge’s birds. We hope that this agreement will be just the first step in a long-term relationship with the Fish and Wildlife Service.

**Photos:** Above, one of our Virginia restoration sites in September, along Long Branch Stream in Fairfax County’s Rutherford Park. At right, Tree Bank Project Director Gaspar Pérez Aquino and granddaughter Wilma start down the mountain, from Los Cerezos to Loma de Cabrera, the nearest town. (Gaspar’s house is in Loma.)

**On line:** For more updates, go to [earthsangha.org](http://earthsangha.org) and select “news” on the main menu.

## AND MORE COMPLIMENTS!

*Continued from page 1*

Your generosity has proved that these principles work. You proved it by building our Dominican nursery, where we are growing 11 native Hispaniolan tree species so far, all of them in decline in the wild and some of them red-listed (meaning that they’re in serious trouble). You equipped that nursery with a pickup truck—in our region, a rare tool for such an enterprise. The truck has greatly increased the land area available for restoration. You planted thousands of tropical fruit trees and cheap farm-timber trees. And thus far, you have planted 13 acres of native Hispaniolan forest. That’s just a start but it’s already new wildlife habitat, the beginnings of a brake on deforestation, some climate mitigation, and a promise to local agriculture—a sign that forest can be valuable while it’s standing, and not just when it’s chopped down. You’ve done all that, since the program’s inception in June 2006, for a little over \$103,700. That’s for everything through the end of August 2010—nursery construction, supplies, staff time, research, the truck and truck expenses, travel, everything. Together, we Tree Bankers are redefining what giving can do.



**¡HASTA LUEGO!**