



Global Energy Alliance
for People and Planet



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ECA

UN Climate Change
High-Level Champions

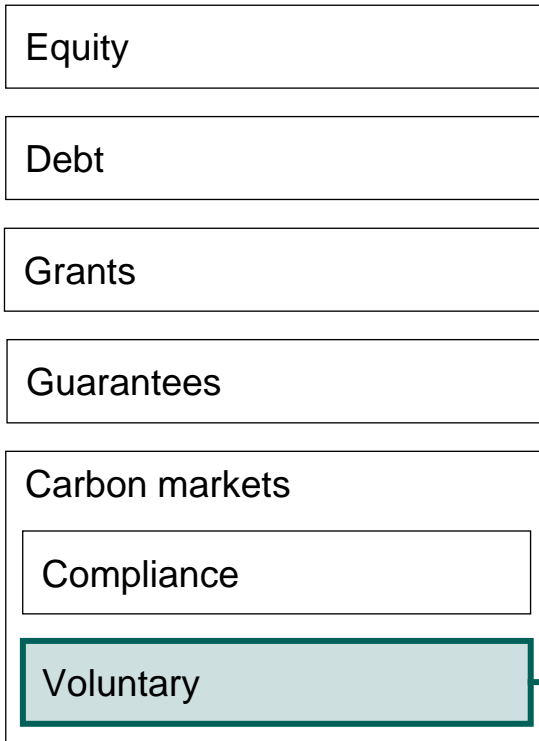


Africa Carbon Markets Initiative (ACMI) Overview

March 2023

Goal of the Africa Carbon Markets Initiative (ACMI) is to scale voluntary carbon markets across Africa

Climate financing sources



Why focus on voluntary carbon markets?

Voluntary carbon markets are growing and Africa has unrealized potential

- Globally, voluntary carbon markets grew at a compound annual growth rate of over 31% from 2016 to 2021 (based on carbon credit retirements¹)
- Companies will increasingly commit to net zero
- Africa currently produces only a small fraction of its total maximum annual potential

Producing carbon credits could be a transformational opportunity for Africa

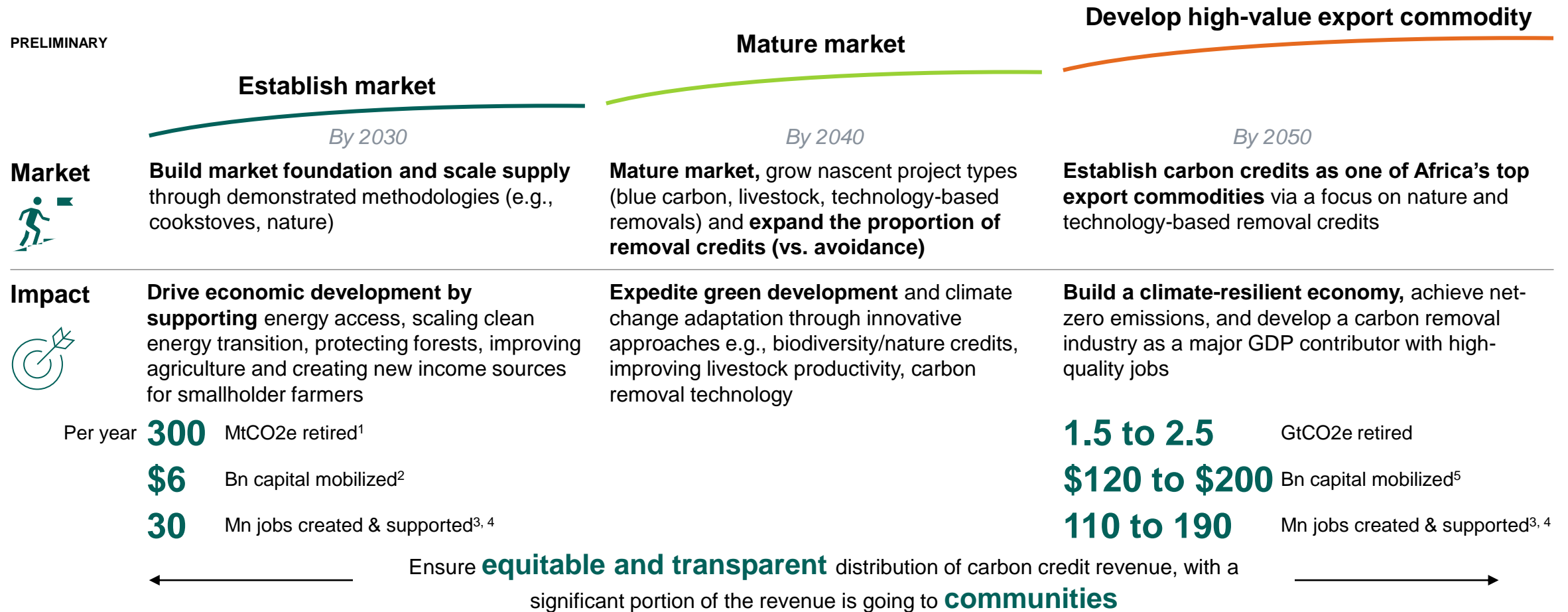
- “Carbon markets are gaining traction as a crucial way of funneling finance to developing countries”²
- Carbon credit projects cut across sectors and drive critical co-benefits
- Potential for carbon credits to be a meaningful commodity (e.g., the ‘next oil’)³

The time to act is now

Goal: How can we scale voluntary carbon markets across Africa?

1. Growth of real demand (e.g., retirements)
2. Global impact of war in Ukraine: Energy crisis, UN Global Crisis Response Group on Food, Energy and Finance -
3. "Next Africa: As Oil Fades, Gabon Bets on Its Forests" Bloomberg

ACMI's ambition is to grow Africa's carbon market to 300 MtCO2e in 2030 and over 1.5 GtCO2e by 2050



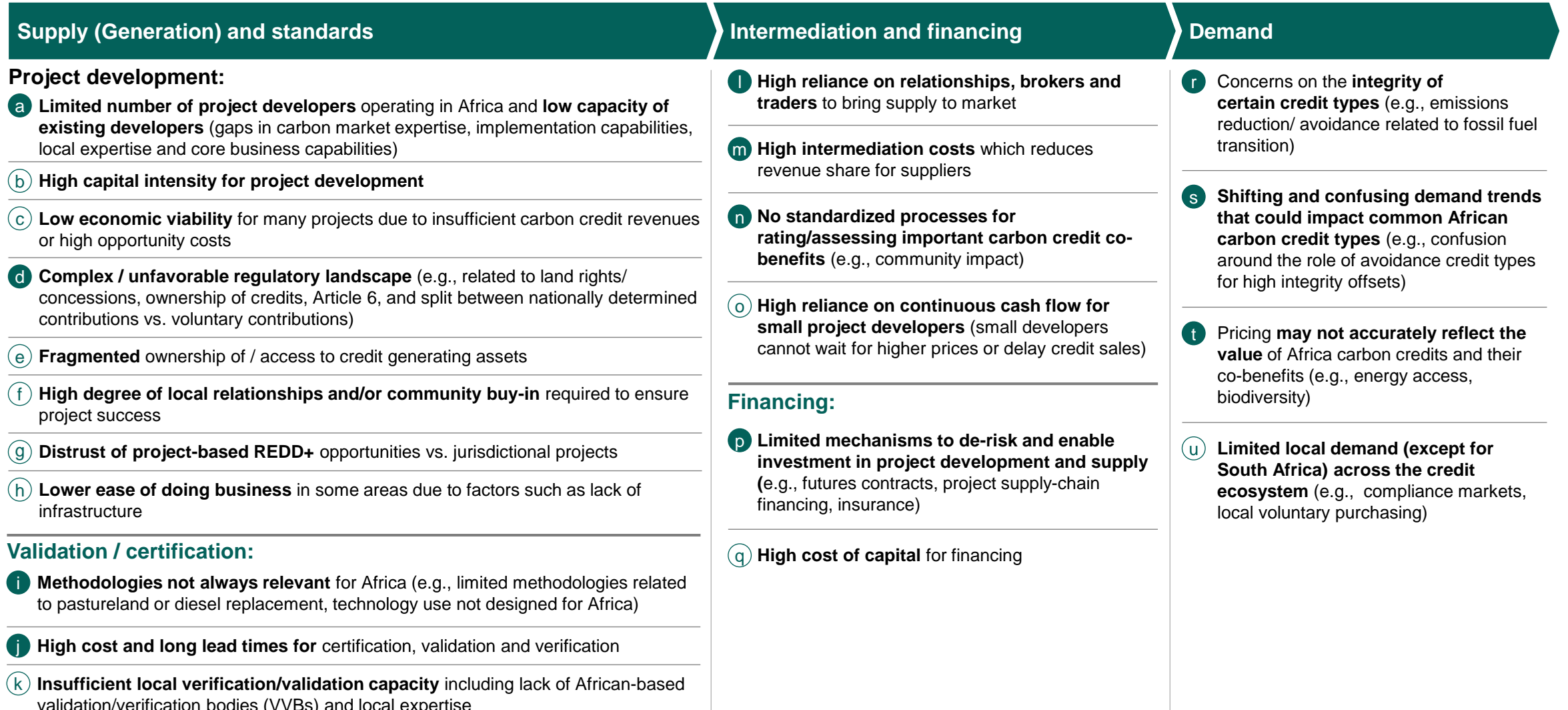
1. Assuming Africa's carbon retirement grows by ~19X from ~16 MtCO2e in 2020 (14x from 22MtCO2e in 2021)
2. Assuming carbon price of ~\$20/tonne in 2030 based on S&P and World Bank weighted average price
3. Includes direct and indirect jobs created and jobs supported (e.g., income increase). Calculated via a bottom-up estimation for NBS job impact leveraging the CAP-A nature-based climate change mitigation model and a top-down estimate of non-NBS jobs based on job multipliers including direct and indirect jobs; Assumed 75% nature-based projects in 2030 and 60% nature-based projects in 2050
4. Jobs include not only jobs created but jobs supported via additional income; Nature jobs can include temporary jobs in any given year (esp. for ecosystem restoration pathways e.g., planting trees)
5. Assuming carbon price of ~\$80/tonne in 2050 based on Vivid Economics VCM model for an accelerated policy scenario with projected global warming of 1.6 to 1.7 °C (Triangulated against additional sources: Bloomberg estimation between \$47 and \$120/tonne and TSVCVCM projection between \$150 and \$250 for technology-based solutions, Reuters estimates of at least \$100/tonne to reach net zero by 2050, Vivid Economics VCM model price projection between \$28 and 143)

Source: CAP-A nature-based climate change mitigation model, TSVCVCM, Bloomberg, Reuters, McKinsey Vivid Economics, McKinsey MGI Economic Research, International Labor Organization (ILO), Global Trade Analysis Project (GTAP)

Key challenges must be addressed in order to scale voluntary carbon markets in Africa

Challenges

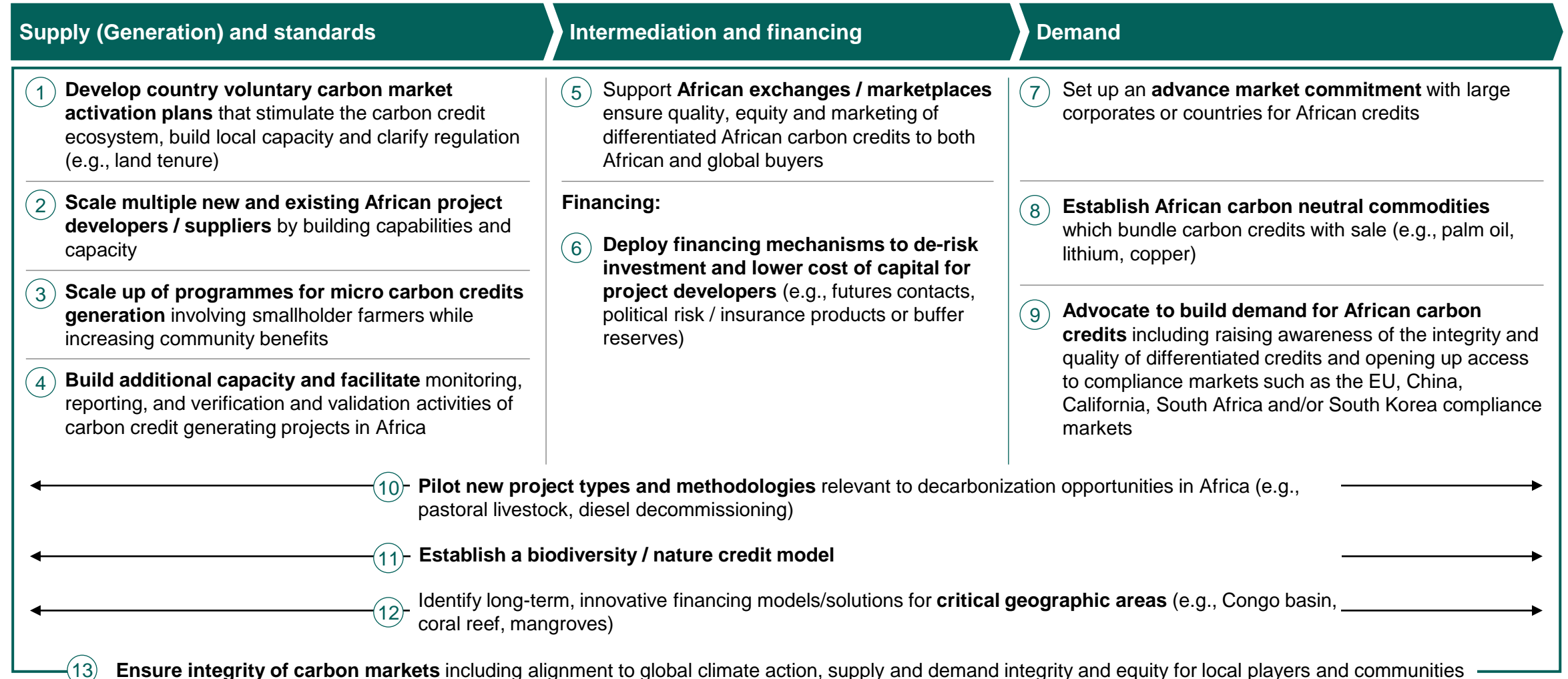
● Significant challenges


















Source: Interviews and surveys with experts

A set of action programs could be deployed to address challenges across the voluntary carbon credits market value chain

Action Programs



ACMI sponsors and steering committee

Steering Committee members		
African governments	 Yemi Osinbajo	Vice President, Federal Republic of Nigeria
Global expertise	 Iván Duque Márquez	Former President, Republic of Colombia
	 Annette Nazareth	Chair, Integrity Council for Voluntary Carbon Markets
	 Samuel Thevasagayam	Director, Gates Foundation
	 Gillian Caldwell	Chief Climate Officer, USAID
	 Bogolo Kenewendo	Africa Director, Special Advisor, UN Climate Change High-Level Champions
	 Kelley Kizzier	Director of corporate action and markets, Bezos Earth Fund
	Verification/registry agencies	 David Antonioli
Suppliers, financiers, intermediaries and buyers	 Sitoyo Lopokoiyit	CEO, M-PESA Africa
	 Ariel Perez	Managing Partner, Vertree
	 Riham ElGizy	CEO, MENA Voluntary Carbon Exchange
	 M. Sanjayan	CEO, Conservation International
	Partner collaborators	 Damilola Ogunbiyi
 Joseph Nganga		Vice President Africa, Global Energy Alliance for People and Planet (GEAPP)
 William Asiko		Vice President for Africa, The Rockefeller Foundation

Sponsors






Supporting partner

UN Climate Change High-Level Champions

Other Steering Committee contributors












Recap: Approach to setting up Thematic Groups

Engagement model

- Ad-hoc calls 1 times between each SteerCo
- Offline review and input of critical content or areas decision-making

x Q1 2023 deep focus **xxx** Thematic Group Chair

Involvement across all workstreams and action programs

 Thematic Group	 Action Programme	 SteerCo members	Technical members
A Country carbon market activation plans enabling environment	1 Country carbon market activation plans	<ul style="list-style-type: none"> • H.E. President Iván Duque Márquez • Bogolo Kenewendo • Gillian Caldwell 	↑ <i>Technical, non-SteerCo members to be added to each Thematic Group</i> ↓
	B Project development – enablement	<ul style="list-style-type: none"> 2 Scale African project developers 3 Scale up smallholder programs 	
C Project development – investment and carbon financing	5 Support African exchanges/marketplaces	<ul style="list-style-type: none"> • H.E. Vice-President Yemi Osinbajo • Ariel Perez • Sitoyo Lopokoiyit • Riham ElGizy 	
	6 Deploy financing mechanisms to de-risk investment		
	7 Set up and advance market commitment (AMC)		
	8 Establish carbon neutral commodities		
	12 Identification of long-term innovative financing model		
D MRV, integrity, and advocacy	4 Build additional MRV capacity	<ul style="list-style-type: none"> • H.E. Vice-President Yemi Osinbajo • Annette Nazareth • Samuel Thevasagayam • David Antonioli • Kelley Kizzier • Gillian Caldwell 	
	9 Advocacy to build demand for African carbon credits		
	10 Pilot new project types and methodologies		
	13 Promotion of carbon markets integrity, equity, and transparency		
E Biodiversity / nature credit model	11 Establishment of a biodiversity/ nature credit model	<ul style="list-style-type: none"> • H.E. President Iván Duque Márquez • M. Sanjayan • David Antonioli 	
Engine room		<ul style="list-style-type: none"> • Damilola Ogunbiyi • Joseph Nganga • William Asiko 	

To download ACMI's roadmap report

Please visit
seforall.org/ACMI

