



## CASE STUDY

# SCALING CARBON MARKETS TO FINANCE CLEAN ENERGY IN AFRICA

📅 2022 – ONGOING

The Africa Carbon Markets Initiative (ACMI) is laying the groundwork to channel more innovative climate finance into clean energy projects and other climate change mitigation efforts on the continent.

## OUR PARTNERS



UN Climate Change High-Level Champions

APRIL 2023





I appreciate Africa Carbon Markets Initiative's recognition of the tremendous potential for governments and the private sector to work together to catalyze private capital to accelerate clean energy transitions in Africa — which I believe can be done credibly, transparently, and in line with science.



**JOHN KERRY**

US Special Presidential  
Envoy for Climate

## OBJECTIVE

Voluntary Carbon Markets (VCMs) allow individuals, companies, and organizations to purchase verified carbon credits to offset their greenhouse gas emissions in pursuit of voluntary climate targets. VCMs internationally have seen over 30 percent growth from 2016 to 2021, but their potential has yet to be realized in Africa. At the same time, the credibility and integrity of voluntary carbon transactions is rightly under scrutiny, to ensure that VCMs deliver on their promise. In 2022, Sustainable Energy for All (SEforALL) worked with a coalition of partners to develop a roadmap for the establishment of high-integrity VCMs in Africa, as one important mechanism to channel more international finance into clean energy projects on the continent, recognizing the high potential for social and environmental impact.

Released at the United Nations COP27 climate summit, a roadmap report for the Africa Carbon Markets Initiative (ACMI) outlined in detail the opportunity that exists in the creation of an African VCM. This includes the potential for significant development benefits alongside accelerated decarbonization of the continent's energy systems compared to business as usual.

## PARTNERS

SEforALL worked with a broad Steering Group of partners in advance of COP27, including the Global Energy Alliance for People and Planet (GEAPP) and The Rockefeller Foundation. Supporters included the UN Economic Commission for Africa (UN ECA) and the UN Climate Change High-Level Champions. The initiative received input from partners including the Bill and Melinda Gates Foundation, USAID, Bezos Earth Fund, the Integrity Council for Voluntary Carbon Markets (ICVCM), Verra, Conservation International and other organizations active in the carbon markets space.



The opportunity before us is tremendous. We can, and indeed must rise to the demands of the moment and seize it with both hands. Kenya therefore looks forward to working with initiatives such as the Africa Carbon Markets Initiative in substantially expanding carbon markets and carbon credit opportunities in our country and throughout the African continent.



**H.E. WILLIAM RUTO**

President, Republic of Kenya

## TECHNOLOGIES SUPPORTED

ACMI seeks to provide a framework for scaling carbon markets in Africa as a means for directing international climate finance to the continent in a manner that supports green job creation as well as multiple sustainable development co-benefits. A key focus area is supporting project developers in renewable energy, forestry and land-use, agriculture and soil sequestration, livestock management, e-mobility, and clean cooking. As part of the roadmap for implementation, ACMI is preparing to work on integrating technologies in the establishment of national carbon registries as well as digitizing the Measurement, Reporting, and Verification (MRV) process for carbon reduction projects in Africa.



We are excited to partner with the Africa Carbon Markets Initiative to scale carbon credit production across the continent and impact millions of lives. Already, Malawi has introduced key climate regulations such as the National Climate Change Management Policy and National Resilience Strategy to strengthen the country's resilience and reduce emissions



**H.E. DR. LAZARUS CHAKWERA**

President, Republic of Malawi

## OUR ROLE

SEforALL co-leads the Africa Carbon Markets Initiative alongside GEAPP and The Rockefeller Foundation. We also led the formulation of the ACMI Roadmap Report and its eventual launch at COP27. In addition, we are managing a 'Phase I' of the initiative's Implementation Roadmap, which includes establishing ACMI as an African institution, and corraling international support in the form of new Advance Market Commitments from the private sector to buy African carbon credits.



ACMI-hosted project developers' roundtable and networking event in Nairobi, Kenya on Tuesday, 28 March 2023.



## RESULTS

The ACMI Roadmap Report identified 13 Action Programmes needed to address current challenges across the VCM value chain in Africa. The Programmes revolve around the main themes of supply (generation) and standards, intermediation and financing, and demand. At the time of writing, we have secured Advance Market Commitments of approximately USD 200 million, working towards a targeted USD 1 billion by the United Nations COP28 climate summit.

## NEXT STEPS

We are working to establish an autonomous, Africa-centred institution with a well-defined structure and mandate, as well as an appropriate modus operandi for effective and efficient implementation of the 13 Action Programmes and other associated initiatives.

We are also finalizing a national Carbon Market Activation Plan (CMAP) for Kenya and preparing to launch a further three CMAPs for Rwanda, Nigeria and Ghana, with additional countries to follow. We are currently working on achieving results associated with the 13 Action Programmes, particularly scaling up project developers,

building capacity in the MRV process, supporting African exchanges and marketplaces, piloting project types and methodologies, and promoting the integrity of African carbon credits.

SEforALL is now working with partners to secure USD 1 billion in Advance Market Commitments from regional and global carbon credit buyers to drive momentum.

[LEARN MORE ABOUT ACMI →](#)



The Africa Carbon Markets Initiative can help us achieve a more rapid and equitable energy transition for Africa, a transition that supports lives and livelihoods with clean, reliable energy while countering the existential threat of our time, climate change.



### JOSEPH NGANGA

Vice-President, Africa, Global Energy Alliance for People and Planet

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## ABOUT SEFORALL

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Sustainable Energy for All (SEforALL) is an independent international organization that works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society and philanthropies to drive faster action on Sustainable Development Goal 7 (SDG7) – access to affordable, reliable, sustainable and modern energy for all by 2030 – in line with the Paris Agreement on climate change.

SEforALL works to ensure a clean energy transition that leaves no one behind and brings new opportunities for everyone to fulfil their potential. Learn more about our work at [www.SEforALL.org](http://www.SEforALL.org).

