Executive summary

VCMs are critical to unlock Africa’s carbon credit generation potential, with powerful co-benefits (such as clean air, renewable energy, healthier homes), but also support sustainable development, meet global climate targets, and drive the transition to a net-zero future.

ACMI is a fruit of collaborative effort of several organizations (incl. Global Energy Alliance for People and Planet, Sustainable Energy for All and Rockefeller Foundation) with ambition to dramatically scale up VCMs in Africa.

Become a climate catalyst for African carbon credits by joining ACMI’s Advance Market Signal (AMS) and enjoy additional benefits.

While voluntary carbon markets (VCMs) in Africa are growing steadily, Africa still has huge untapped potential.
Voluntary carbon markets in Africa are growing steadily

Estimate of African carbon credits issued and retired (MtCO2e)

Retirement compound annual growth rate  Issuances  Retirement  Retirement value $ Mn

Source: Retirement and issuance volumes from McKinsey Vivid Economics Carbon Credit Database (Data from VCS, GS, CAR, ACR, and Plan Vivo market registries at the end of August 2022); average global price of carbon credits from Ecosystem Marketplace (2016 is $4.1, 2017 is $5.3, 2018 is $4.3, 2019 is $3.9, 2020 is $4.2 and 2021 is $5.5)

1. Retirement value is calculated as the African retired volume in that year multiplied by the average price of Africa-sourced credits in that year (regardless of vintage)
Africa has huge untapped potential; five countries account for ~65% of carbon credit issuances with over 70% of projects in forestry/land use.

**2016-2021 carbon credit issuances, by country, MtCO_2E**

- **Issuances above 9.5 MtCO_2E**
- **Issuances below 9.5 MtCO_2E and above 3.5 MtCO_2E**
- **Issuances below 3.5 MtCO_2E**
- **No issuances**

**Africa total credit issuances (2016 – 2021), MtCO_2E**

- **Renewable energy (incl. energy efficiency)**
- **Household devices**
- **Forestry and land use**
- **Others including: Industry gases (including industrial manufacturing), waste management, agriculture and soil sequestration, and blue carbon**

Source: Vivid Economics carbon credit database including data from Verra, Gold Standard, and Plan Vivo registries
Unlocking Africa’s carbon credit generation potential spans many sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Projects</th>
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<tbody>
<tr>
<td>Renewable energy (incl. energy efficiency)</td>
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<td>Industry gases (including industrial manufacturing)</td>
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<td>Engineered Carbon Dioxide Removal (CDR)</td>
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<td>Livestock</td>
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<td>Forestry and land use</td>
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<td>Household devices</td>
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<td>Waste management</td>
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<tr>
<td>Transport</td>
<td>Transport</td>
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<tr>
<td>Agriculture and soil sequestration</td>
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<tr>
<td>Blue carbon</td>
<td>Blue carbon</td>
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Driving Climate Impact: Prioritizing high quality and integrity could reduce emissions and help remove CO2e from the atmosphere, generating tangible climate benefits.

Supporting Climate Resilience: COP27 has underscored the critical importance of directing climate finance to vulnerable countries affected by climate change, with a particular focus on Africa.

Africa’s Carbon Credit Potential: Carbon credit projects can be implemented across Africa by the private sector, providing diverse opportunities for sustainable investment and long-term climate impact.
Invest for Africa's Growth with Co-Benefits for Health, Poverty Reduction, Gender Equality, Clean Air, Sustainable Farming, and Green Employment

**Nature**
- Forestry and land use: Africa hosts a quarter of global biodiversity that could benefit from increased protection and community awareness

**Farmers**
- Agriculture & Soil sequestration: Africa’s farmers could be propelled to improve soil and optimize shade cover resulting in higher yield

**City dwellers**
- Renewable energy: Africa could benefit from increased energy access as well as improved air quality from decommissioning fossil fuel solutions

**Households**
- Household Devices: Africa could see significant health benefits from switching to clean cookstove solutions

**Pastoralists**
- Livestock: Africa’s pastoralists could better manage carbon sinks as part of improved livestock management techniques.

**Workers**
- Green Employment: Africa could benefit from green job opportunities across the carbon market ecosystem
African VCMs offer a unique opportunity to support sustainable development, meet global climate targets, and drive the transition to a net-zero future.

- **Achieve holistic benefits**, addressing both climate mitigation and the attainment of the SDGs.
- **Contribute to climate action** while simultaneously promoting social, economic, and environmental progress outlined in the SDGs.
- **Demonstrate commitment to** the Paris Agreement, while simultaneously delivering tangible and measurable progress towards the attainment of the SDGs.
- **Drive transformative change**, leveraging carbon credit investments to advance sustainable development, enhance livelihoods, protect biodiversity, and foster clean and affordable energy access in Africa.
ACMI is a fruit of collaborative effort of several organizations…

The Africa Carbon Markets Initiative (ACMI) is focused on sustainable development and climate resilience

ACMI is led by a Steering Committee of African leaders, CEOs, and carbon market experts

ACMI’s has a roadmap of 13 Action Programmes to unlock potential across the carbon markets value chain.

…with ambition to dramatically scale up carbon markets in Africa

Achievements to date
Gathered ~$200 Mn advanced market signal for purchase of African carbon credits by 2030
20 countries signalled interest to develop country carbon market activation plans

ACMI’s objectives
Create, amplify and sustain the generation of high-integrity carbon credits in Africa
Improve financial flows from international carbon buyers/investors to projects in Africa

Highlight efforts on the road to COP28
Create a large scale advanced market signal for purchase of African carbon credits by 2030
Publish a catalogue of African carbon credits to increase transparency on supply
Support development of a first set of country activation plans, starting with Kenya
ACMI’s long term ambition is to grow Africa’s carbon market to 1.5+ GtCO2e and mobilize ~$120+ bn per annum by 2050

Per year

**By 2030**

Build market foundation and scale supply

- 300 MtCO2e retired
- $6 Bn capital mobilized
- 30 Mn jobs created & supported

**By 2050**

Develop high-value export commodity

- 1.5 to 2.5 GtCO2e retired
- $120 to $200 Bn capital mobilized
- 110 to 190 Mn jobs created & supported

Ensure **equitable and transparent** distribution of carbon credit revenue, with a significant portion of the revenue is going to **communities**

## ACMI sponsors and steering committee

<table>
<thead>
<tr>
<th>Steering Committee members</th>
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<tbody>
<tr>
<td><strong>African governments</strong></td>
<td><strong>Yemi Osinbajo</strong>  <strong>Vice President, Federal Republic of Nigeria</strong></td>
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<tr>
<td><strong>Global expertise</strong></td>
<td><strong>Iván Duque Márquez</strong>  <strong>Former President, Republic of Colombia</strong></td>
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<td><strong>Annette Nazareth</strong>  <strong>Chair, Integrity Council for Voluntary Carbon Markets</strong></td>
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<td><strong>Samuel Thevasagayam</strong>  <strong>Director, Gates Foundation</strong></td>
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<td><strong>Gillian Caldwell</strong>  <strong>Chief Climate Officer, USAID</strong></td>
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<td><strong>Bogolo Kenewendo</strong>  <strong>Africa Director, Special Advisor, UN Climate Change High-Level Champions</strong></td>
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<td><strong>Kelley Kizzier</strong>  <strong>Director of corporate action and markets, Bezos Earth Fund</strong></td>
</tr>
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<td><strong>Verification/registry agencies</strong></td>
<td><strong>David Antonioli</strong>  <strong>CEO, Verra</strong></td>
</tr>
<tr>
<td><strong>Suppliers, financiers, intermediaries and buyers</strong></td>
<td><strong>Sitoyo Lopokoiyit</strong>  <strong>CEO, M-PESA Africa</strong></td>
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<td></td>
<td><strong>Ariel Perez</strong>  <strong>Managing Partner, Vertree</strong></td>
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<td><strong>Riham ElGizy</strong>  <strong>CEO, MENA Voluntary Carbon Exchange</strong></td>
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<td><strong>M. Sanjayan</strong>  <strong>CEO, Conservation International</strong></td>
</tr>
<tr>
<td><strong>Partner collaborators</strong></td>
<td><strong>Damilola Ogunbiyi</strong>  <strong>CEO, Sustainable Energy for All (SEforALL); Special Representative of the UN Secretary-General for Sustainable Energy for All</strong></td>
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<td></td>
<td><strong>Joseph Nganga</strong>  <strong>Vice President Africa, Global Energy Alliance for People and Planet (GEAPP)</strong></td>
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<tr>
<td></td>
<td><strong>William Asiko</strong>  <strong>Vice President for Africa, The Rockefeller Foundation</strong></td>
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</table>
AMS is a means of aggregating and showcasing declarations of intent from multiple international buyers to purchase African carbon credits by 2030, aiming to support development of African carbon markets by:

- Creating a transparent number showing the scale of demand interest into African credits
- Supporting high integrity engagement with carbon markets
- Helping raise awareness and attract additional interest from buyers and investors not currently focused on African carbon markets

Buyers/Investors can join ACMI’s AMS by signing a non-binding Letter Of Intent stating:

1. Indicative intended purchase value of African credits by 2030
2. Clear intent to respect ACMI integrity principles

Current LOI signatories

Be a Climate Catalyst for African Carbon Credits by joining ACMI’s Advance Market Signal (AMS)
AMS buyers/investors can purchase credits through AMS purchase cycles, other platforms, or by their own means, provided credits meet ACMI integrity principles.

AMS buyers declare intent to respect ACMI integrity principles, and commit to purchase a certain number of African carbon credits by 2030 (through LOI).

Buyers can purchase credits through:

- **ACMI AMS catalogue and/or purchase cycles** *(to be confirmed)*
- **ACMI partner platforms / intermediaries** (e.g., exchanges, marketplaces)
- **By own means** (OTC or through other intermediaries)

ACMI proposes to help temporarily catalyse market growth by organizing purchase cycles.

ACMI will encourage existing intermediaries to increase focus on Africa and adopt ACMI principles.

To count towards AMS target, all **credits must comply with ACMI quality / integrity principles**.
Achieving net-zero emissions by 2050 is within reach – carbon markets are part of Africa’s climate solution

- African carbon markets harbor the ability to achieve sustainable economic and social development

- Carbon markets provide a sustainable means for a green energy transition in Africa

- Africa offers a huge untapped potential and a remarkable expected future trajectory for carbon credit buyers/investors

- African carbon markets host co-benefits that are linked to numerous Sustainable Development Goals (SDGs)

- ACMI is working collaboratively with its global, regional, and national partners to ensure the generation of high integrity African carbon credits

- The ACMI Supplier Catalogue provide the opportunity for buyers/investors to buy African carbon credits that meet their requirements
To signal your interest, please contact us at info@africacarbonmarkets.org

For more information about ACMI and to download our Roadmap Report, please visit africacarbonmarkets.org
Appendix

01 LOI template

02 ACMI integrity principles
**Letter Of Intent (LOI) for buyers to join ACMI’s Advance Market Signal – relevant extracts**

**Introduction**  
[Brief description of the organization and of ACMI]

**Indicative interest to purchase African credits**  
We understand that an indication of demand for African carbon credits could support the development of voluntary carbon markets (VCMs) in Africa and consequently play a positive role in the reduction of carbon emissions, carbon removal from the atmosphere, and poverty alleviation.  
We hereby wish to **signal our interest in purchasing [approximately [US$ ● million]] of high-quality and integrity** African carbon credits by 2030. We also wish to continue our engagement with ACMI in relation to the development of African voluntary carbon markets.

**Intent to respect ACMI principles**  
Additionally, confirm that we will **respect the ACMI integrity principles for buyers**, including (i) aligning with the Integrity Council for Voluntary Carbon Market’s Core Carbon Principles, the Science Based Targets initiative (SBTi), and the Voluntary Carbon Markets Integrity Initiative’s recommendations; (ii) working towards setting a globally accredited net-zero target (e.g., Race To Zero, VCMI Claims Code of Practice) and a plan to achieve it; (iii) prioritizing reduction of scope 1, 2, and 3 emissions [as defined by the Greenhouse Gas Protocol] in line with science-based targets; (iv) only using carbon credits simultaneously to direct emissions reduction efforts (e.g., to neutralize residual emissions to reach net-zero, or to compensate emissions during the transition to net zero); and (v) prioritizing purchase of credits offering co-benefits.

**Legal status of LOI**  
This letter does not create a legal relationship between [Insert name of entity signing up to LOI] and any of the addressees or constitute, create or give effect to an association or business entity of any kind. This letter does not constitute an offer or a commitment to provide any financing or funds by us or by any of the addressees or other binding obligation or commitment, nor does this letter create any rights in ourselves, any of the addressees or any third party.
ACMI’s integrity principles

Create a high integrity market and ensure fair revenue sharing with local communities to deliver broader socio-economic co-benefits

High integrity suppliers should:

- Certify credits against a standard and programme compliant with the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles
- Provide accurate and transparent reporting for MRV\(^1\) entities, buyers, and the public to make informed decisions on integrity; published in a standardized and accessible format
- Report co-benefits and share of proceeds going to local implementer / communities (articulate aspirations, report on effective delivery)
- Prioritize the supply of recent vintage over older vintage to accelerate new climate impact

Transparent and fair intermediation should:

- Provide transparency on co-benefits as well as the share of benefits between market participants
- Ensure fair share of benefits with local communities and asset owners
- Set quality and integrity standards for credits traded and require data disclosure from buyers and sellers
- Encourage retirement of credits
- Fairly reflect supply side costing in price discovery

High-integrity buyers should:

- Work towards setting a globally accredited net-zero target (e.g., race to zero, VCMI claims code of practice) and a plan to achieve it
- Prioritize reducing own operational (scope 1, 2) and value chain (scope 3) emissions, in line with science-based targets
- Only use carbon credits simultaneously to direct emissions reduction efforts (e.g., to neutralize residual emissions to reach net-zero, or to compensate emissions during the transition to net zero)
- Prioritize purchase of credits offering co-benefits

1. Measurement, Reporting and Verification