



**REGIONAL
CLIMATE
WEEK**

Africa

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Hosted by the government of Kenya

Kenya

Carbon Market Conversations at Africa Climate Week: A Summarised Report

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Kenya's government held the Africa Climate Week this year from September 4–8, 2023. The events scheduled for the week were planned in conjunction with the Africa Climate Summit, ACW 2023, and all regional climate weeks to give decision-makers, practitioners, businesses, and CSOs a forum to discuss how to address climate change, what obstacles need to be removed, and what opportunities are currently being realised across different regions.

ACW 2023, one of four Regional Climate Weeks held this year, builds momentum before the conclusion of the first Global Stocktake and the UN Climate Change Conference COP 28 in Dubai. It is aimed at helping connect the path towards attaining the goals of the Paris Agreement and to provide region-focused contributions to the Global Stocktake¹.

Four systems-based tracks, each focusing on a distinct theme, make up ACW 2023:

- Energy systems and industry
- Cities, urban and rural settlements, infrastructure and transport
- Land, ocean, food and water
- Societies, health, livelihoods, and economies

According to delegates and experts at the three-day Africa Climate Summit, if the vast potential of its carbon credit market is fully realised, Africa can raise a significant percentage of the requisite capital needed to finance its climate action needs.

William Asiko, the Managing Director of the Rockefeller Foundation for the continent of Africa, encouraged the rapid expansion of the continent's supply of carbon credits, boosting it from the meagre 2% of global carbon credit it currently produces today to 40% by 2030. The carbon markets in Africa, according to Asiko, "can serve as a model for others across the Global South region and accelerate the transfer of financing from high-income countries to low and middle-income countries."

However, the adoption of carbon markets as a strategy to combat climate change has been questioned by the continent's climate advocates.

The African Group of Climate Change Negotiators (AGN) predicts that by 2025, the continent will require between \$750 billion and \$1.3 trillion annually in climate finance for climate change mitigation and adaptation². The figures were included in AGN's presentation at the

¹<https://www.unep.org/events/conference/africa-climate-week-summit-2023>

²<https://www.uneca.org/stories/african-group-of-negotiators-consolidate-common-draft-position-in-lead-up-to-cop-27>



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COP27 Conference of Parties to the UN Framework Convention on Climate Change, which took place in Sharm El Sheikh, Egypt, last year.

Unfortunately, the goals may have proven to be very ambitious, with big environmental polluters in the Global North expressing no interest in reaching such standards. Similar circumstances applied to the 2009 agreement, which called for the Global North to provide \$100 billion in annual climate funding by 2020.³

The African Carbon Market Initiative (ACMI) was established by the Rockefeller Foundation, Sustainable Energy for All, and the Global Alliance for People and Planet to support unlocking the possibility of a voluntary carbon market for Africa. William Asiko continued.

The goal of ACMI is to expand production of verified African carbon credits by a factor of 20 while guaranteeing that the money generated from these credits is distributed fairly and openly.⁴ This improvement intends to increase commerce to 300 MT annually, utilising Africa's tremendous potential for using natural solutions to address the unpredictability of climate change. Notwithstanding, experts on environmental issues in Africa and non-state entities have harshly criticised the initiative.⁵ They argue it would encourage polluting industries and hinder efforts to control emissions, according to Friends of the Earth Africa, a coalition of independent organisations working with grassroots communities on environmental and rights-based campaigns. Africa receives less than \$10 per tonne of carbon on the global market. For the same tonne of carbon, other places can receive more than \$100. For the purposes of carbon trading, each credit given corresponds to one tonne of carbon dioxide or another greenhouse gas removed from the atmosphere.

The Pledges for the African Carbon Market: Additionally, at the summit, hundreds of millions of dollars were pledged towards purchasing African carbon credits, with the United Arab Emirates pledging to purchase \$450 million worth from ACMI.⁶

The announcement of the pledge couldn't have come at a better time, considering that African leaders are pushing for market-based finance tools like carbon credits, which allow infamous polluters to offset emissions by undertaking initiatives like funding renewable energy projects and planting trees. The Emirati group's goal is to establish itself as "a leading

³ <https://www.reuters.com/investigates/special-report/climate-change-finance/>

⁴ <https://www.seforall.org/our-work/initiatives-projects/ACMI>

⁵ <https://www.middleeasteye.net/news/emiratis-carbon-credit-deal-during-africa-climate-summit-toxic>

⁶ <https://carboncredits.com/uae-invests-450m-in-african-carbon-credits/>



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hub for high integrity, high-quality carbon markets" for the sale of carbon offsets. They aim to connect the strong demand from the Middle East with the high integrity supply of African carbon credits.⁷

Despite the critiques directed towards the market, the demand for carbon credits is predicted to increase significantly on a global scale. According to industry forecasts, the market for carbon offsets is expected to expand to \$250 billion by 2050.

Likewise, the spotlight was placed on boosting the potential market for African credits, ensuring their participation in international markets, and developing frameworks for intergovernmental trading mechanisms. Former Secretary of State and US Special Presidential Envoy for Climate Change, John Kerry, has added his voice to the appeals, saying that Africa needs carbon credit market infrastructure now more than ever.⁸



President William Ruto noted that Africans seem to be besieged by anxiety about their present and future security, dignity, and prospects of well-being. “The poverty, fear, suffering, and humanitarian distress haunting the victims of conflict, drought, famine, flooding, wildfires, cyclones, deadly disease outbreaks, and other disasters are the outcomes of sustained violation of the most essential principles and the systematic neglect of humanity’s dearest values, which lie at the very foundation of the Charter of the United Nations,” he stressed. He urged Africans to let go of their victim mentality while advocating for carbon credits and other market-based tools as sources of climate financing. “We are not

⁷ n.7 above

⁸ <https://www.voaafrica.com/a/us-climate-change-envoy-laments-climate-change-impact-on-africa-/7253582.html>



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here to catalogue grievances and list problems; “we are here to scrutinise ideas and assess perspectives so that we can unlock climate solutions,” said Ruto.

The Nairobi Declaration

Nonetheless, the Nairobi Declaration, which demanded "a new financing architecture that is responsive to Africa's needs, including debt restructuring and relief," was adopted at the conclusion of the week-long summit.⁹

This plan has garnered mixed comments, with Mohamed Adow claiming that such a charge would not be enough to deter pollution. Adow, the director of the Power Shift Africa think tank in Nairobi, believes that tighter regulation is needed to limit fossil fuel production. This, he claims, will redirect investment into green energy, making it more inexpensive in the long run.

Although the statement demands advanced nations pay \$100 billion annually in climate reparations, it is unclear how these funds will be used.

Conclusion

The summit served to get Africa ready for the upcoming UN climate change conference, which will be held in Dubai in December. The voluntary carbon market, which may continue to dominate throughout Africa, has been beset by worries about its integrity and openness. Environmental groups are concerned that such an agreement is permission for further polluting.

⁹ <https://nation.africa/kenya/health/africa-climate-summit-adopts-nairobi-declaration--4360128>