

PUTTING IN PLACE AN ENABLING ENVIRONMENT FOR CARBON MARKETS IN AFRICA

“Unlocking Low Carbon Africa”

By

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The Two Cross-Cutting Constraints to Carbon Market Development in Africa

1) Lack of Finance

- Lack of project finance opportunities stifle low carbon project development
- All projects need to start with underlying project finance, irrespective of any future carbon credit potential.

2) Lack of Knowledge

- Lack of awareness, knowledge and competencies to leverage global carbon market at all levels:
 - Governments
 - Private sector (financial sector, project developers, etc)
 - NGO sector.



Consultative Process leading to the Creation of the Exchange

We closely consulted with the following:

- ❑ The Zambian DNA, MTENR
- ❑ USAID/PROFIT ZAMBIA
- ❑ Lusaka Stock Exchange (LuSE)
- ❑ Zambia Agricultural and Commodities Exchange (ZAMACE)
- ❑ Center for Energy, Environment and Engineering of Zambia (CEEEZ).
- ❑ Donor Community (Resident in Zambia)
- ❑ UNEP RISOE (UNDP, University of Cambridge, etc)
- ❑ Various Universities and Research Centres.



The Unique Design of ACCE

Africa Carbon Credit Exchange “Unlocking Low Carbon Africa”

Access to Finance

Low Carbon
Africa Fund
Portfolio

Access to Knowledge

The Green
Knowledge
Institute

Trading Platform

A Transparent
and Structured
Marketplace

PROJECT PIPELINE DEVELOPMENT



ACCESS TO FINANCE

Low Carbon Africa Fund Portfolio

- ❑ Innovative financing mechanisms to catalyze low carbon project growth in Africa
- ❑ Mandate to invest in the development of financially viable and environmentally sustainable low carbon projects throughout Sub-Saharan Africa
- ❑ Two investment opportunities with different risk profiles currently seeking capitalisation:
 - ❑ Low Carbon Africa Fund I
 - ❑ Green Technology Credit Enhancement Fund
- ❑ Both Funds are regulated by Zambian Securities and Exchange Commission.



ACCESS TO KNOWLEDGE

The Green Knowledge Institute

- ❑ Awareness and capacity building activities for Governments, Parastatals, NGOs, and private sector
- ❑ Knowledge hub for carbon market development in Africa
- ❑ Re-tooling of skills and knowledge base in Sub-Saharan Africa for 'green' development
- ❑ Development of African appropriate carbon methodologies
- ❑ Addresses other key constraints to African development - e.g. lack of project validators/verifiers
- ❑ Bureau for connecting required technical expertise to develop carbon offset projects.



TRADING PLATFORM

A Transparent and Structured Marketplace

- ❑ ACCE provides a regulated trading platform on which market players can buy and sell credible compliance and voluntary carbon credits generated in Africa
- ❑ A transparent price discovery mechanism is essential for African project developers to realize maximum value for carbon credits
- ❑ ACCE provides a medium for transaction, clearing and supporting structures in the form of a network of brokers and local partners across Africa
- ❑ The design of ACCE takes into account the barriers to success and lessons learnt from other Exchanges.



ONE CENTRE WITH A NETWORK OF BROKERS

**ONE
TRADING PLATFORM**

**NETWORK OF
BROKERS**



HOW PEOPLE/INSTITUTIONS CAN PARTICIPATE

By Becoming:

- ❑ A Broker
- ❑ A Buyer or Seller
- ❑ A trainer, resource-on-call
- ❑ A partner for curriculum development and delivery
- ❑ An Investor
- ❑ A partner in promoting ACCE
- ❑ A project implementing/ technical partner
- ❑ A DNA resource for the African DNA Platform
- ❑ An African DOE.



CONTACT DETAILS

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