

Africa-Europe Working Group on Carbon Markets launched by the Africa-Europe Foundation to enhance cross-continental cooperation

High-level experts from Africa and Europe aim to support the creation of a more structured and fair market for the benefit of Europe's decarbonization and Africa's structural transformation.

A cross-continental Working Group on Carbon Markets was launched by the Africa-Europe Foundation at the 2023 Ibrahim Governance Weekend on 30 April in Nairobi. It is co-chaired by Damilola Ogunbiyi of the UN Secretary-General for Sustainable Energy for All and Jos Delbeke of the European Investment Bank.

The Working Group serves as a platform to strengthen the Africa-Europe partnership by doubling down on efforts to grow African carbon markets, merging the continent's large carbon potential with Europe's long-standing expertise and lessons learned in the field. Building on the 6th African Union-European Summit of February 2022, it aims to catalyse cooperation by bringing together experts and leaders from diverse organisational backgrounds to strengthen a sector which can play a valuable supplementary role in the reduction of global emissions.

The Group's first kick-off meeting provided an overview of the state of carbon markets in Europe and Africa - taking stock of relevant continental perspectives, the latest innovative initiatives, and policy developments associated with Article 6 of the Paris Agreement. It offered an opportunity for members to identify priority issues and possible avenues for enhanced cross-continental cooperation in the sector.

Key conclusions included:

- Carbon markets have the potential to be the next biggest export for the African continent, ensuring both environmental preservation and restoration while attracting substantive levels of fresh finance.
- Currently, Africa's voluntary carbon market is growing at a rate of 36%, of which 65% is taking place in five countries, with Kenya dominating. In order to scale-up continent-wide developers, capacity sharing and the creation of an efficient verification process for high integrity is key.
- To ensure better pricing and sustainability, end-to-end integrity of carbon markets is essential on both the demand and supply side, underpinned by robust governance frameworks.
- Solid measurement, reporting and verification systems, as well as communications are critical to increase trust and limit confusion on processes to attract private sector investment and advanced market commitments.

Moving forward, the Group will specifically look at realizing Africa's large carbon credit potential in a manner that promotes good governance, regulation, capacity, and incentive structures in regional and global carbon trade for both the compliance and voluntary markets. It will also look at opportunities associated with Article 6 of the Paris Agreement for Europe-Africa cooperation, and potential ways forward for carbon trading and offsetting.

It will engage with initiatives such as the [Africa Carbon Markets Initiative](#) (ACMI), launched at COP27 with the aim of raising the quality and integrity of African carbon credits to mobilize up to \$6 billion by 2030 while creating 30 million jobs and retiring 300 MtCO_{2e} per year in the same time frame. It will also explore complexities associated with both the EU Carbon Border Adjustment Mechanism (CBAM) and possibilities for exchange with the EU Emissions Trading Scheme (EU ETS).

Damilola Ogunbiyi and Jos Delbeke, co-chairs of the Working Group, jointly stated: "The Working Group on Carbon Markets will enable us to distinguish very clearly what can be achieved with compliance and voluntary carbon markets, notably in terms of exchange between Europe and Africa. It provides a platform to stress the importance of, and work towards, good governance to deliver high quality credits and narrow price disparities, while managing short-term expectations."

"The timely launch of the Working Group brings together experts from Africa and Europe at a critical juncture as both regions confront the twin crises of energy and climate," said **Joseph Nganga, Working Group member and Vice President for Africa at the Global Energy Alliance for People and Planet.** "While these challenges impact geographies differently, there is a growing recognition that working together can deliver longer-term economic and energy security gains for both regions, and for our planet."

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Contact

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Composition of the Working Group:

Co-chairs:

Damilola Ogunbiyi, CEO and Special Representative of the UN Secretary-General for Sustainable Energy for All, and Co-Chair of UN-Energy

Jos Delbeke, EIB Chair in Climate Policy and International Carbon Markets, School of Transnational Governance (EUI), former Director-General of the European Commission's DG for Climate Action

Members:

- **Alice Carr**, Executive Director, Public Policy, Glasgow Financial Alliance for Net Zero (GFANZ)
- **Angela Churie Kallhauge**, Executive Vice President for Impact, Environmental Defense Fund
- **Anokhi Parikh**, Climate Change Lead, Yellowwoods and Board Member, Africa Climate Foundation
- **David Otieno**, Cluster Coordinator Energy and Climate Uganda, Programme Director, Promotion of Renewable Energy and Energy Efficiency Programme (PREEEP)
- **Dirk Forrister**, President, International Emissions Trading Association (IETA)
- **Godrej Rustomjee**, Just Energy Transition Analyst, Africa Climate Foundation.
- **Jean-Paul Adam**, Director, Technology, Climate Change and Natural Resources, UNECA
- **Joseph Nganga**, Vice President for Africa, Global Energy Alliance for People and Planet (GEAPP)
- **Kandeh Yumkella**, Member of Parliament in Sierra Leone and Co-chair of the AEF Strategy Group on Energy
- **Laura Lahti**, Head of Impact, CAMCO Clean Energy
- **Matthieu Wemaëre**, Lawyer, Associate Researcher at IDDRI
- **Nathan de Baets**, Climate change mitigation and GHG management, EU Global Support Facility for Nationally Determined Contributions (NDCs)
- **Paula DiPerna**, Special Advisor, CDP North America.
- **Tariye Gbadegesin**, Managing Director and CEO, ARM-Harith Infrastructure Investment LTD
- **Wale Shonibare**, Director, Energy Financial Solutions, Policy & Regulation, African Development Bank
- **William Asiko**, Vice President, Africa Regional Office, The Rockefeller Foundation

About the Africa Europe Foundation

The [Africa-Europe Foundation](#) is co-founded by Friends of Europe and the Mo Ibrahim Foundation, in partnership with the African Climate Foundation and the ONE Campaign.

It is an independent platform for multi-stakeholder dialogue, frank debate and strategic analysis, working as a 'network of networks' in bringing together citizens and leaders from all walks of life united by a passionate belief in a deeper partnership between Africa and Europe.

About Sustainable Energy for All

[Sustainable Energy for All](#) (SEforALL) is an 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 towards the achievement of 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. SEforALL works to ensure a clean energy transition that leaves no one behind and brings new opportunities for everyone to fulfil their potential.