Welcome to the latest edition of IC Intelligence Insights. Emphasis is growing on protecting biodiversity alongside climate action. In this issue, we discuss how this agenda is cohering by speaking to some of the leading experts globally. We also look at climate justice for developing countries, especially the issue of reparations for Africa through the loss and damage fund proposed at COP27.

Our Chair’s Letter, Lord Peter Hain urges us not to think in silos when it comes to climate action and preserving biodiversity. We also have a guest post from the Taskforce for Nature-Related Financial Disclosures (TNFD) that explains how they mobilise to get nature on to the balance sheet and the global agenda alongside climate. I also have an excerpt from an interview I did recently with leading UN negotiator and TNFD co-chair, Elizabeth Maruma Mrema, one of TIME’s most influential people of 2023, who spoke to us from Nairobi. We discussed the priorities for TNFD and whether the nature and climate COPs should be combined.

We then have a feature from two leading institutes at the London School of Economics. I summarise a recent event in London at the The Firoz Lalji Institute for Africa on Financing Climate Change in Africa with Bogolo Kenewendo, UN Climate Champions’ Special Advisor, Africa Director, and Annet Nakyeyune, International Institute for Environment and Development. We have a guest post from the Grantham Research Institute for Climate Change and the Environment, where doctoral researcher Martin Brown Munene writes for us on why biodiversity loss matters. He explains how one of the key frameworks within which biodiversity protection is being pursued is the Kunming-Montreal Global Biodiversity Framework (GBF), which was adopted in December 2022 at the 15th Conference of the Parties (COP-15) to the Convention on Biological Diversity (CBD) held in Montreal, Canada.

We also continue our proprietary research on the rapidly growing global voluntary carbon markets, and have an extract from a conversation I had recently with Dr Sherif Ayoub, who divides his time between Cairo and Vienna. Sherif is head of the African Carbon Markets Initiative, launched at COP27. I discussed with him how setting a fair price for carbon in Africa is one of the most pressing factors to make this market work for the African continent. We are also lucky to have a granular view on how cookstove carbon offset projects work on the ground to deliver on climate and environmental objectives from Sophie Odupoy who is Group Head Of Public Affairs at: KOKO Networks in Kenya, one of the leading cookstove projects globally.

Finally, we have a view from Australia on how indigenous knowledge and agency is integral to the conversation by Lisa McMurray and Rowan Foley from the Aboriginal Carbon Foundation, and Carl O’Sullivan from Central Land Council. I hope you enjoy reading this truly global edition.

Dr Desné Masie, Chief Economist, IC Intelligence
Not even climate change deniers can dispute that the world is now plagued by terrible weather extremes – from violent floods to searing droughts, from freezing snow storms to burning firestorms.

We seem to be trapped in a spiral of vicious heatwaves, followed by bitter cold, long droughts then torrential downpours, fierce winds and brutal hurricanes. One disaster after another. Not so much global warming as global weirding.

Yet there’s still a tendency in all of us to think and act in silos, when so many things are inter-connected, examples being entirely separate climate change and biodiversity summits, the United Nations Climate Change Conference (COP) and the United Nations Convention on Biological Diversity.

But surely it’s the case that healthy ecosystems and biodiversity are connected to a safe and sustainable climate? Equally, that climate change is massively impacting the very ecosystems upon which all life depends?

Consider just one example amongst countless others. In Spain over the past 10 years fires have destroyed nearly two million acres of forest because of climate change.

But also because of non-climate factors, notably rural depopulation as people have shifted to urban areas, meaning nobody is grazing the sheep which used for centuries to clear the very undergrowth in which fires can feed so rampantly.

A solution? Some have suggested reintroducing European bison which became extinct in Spain 10,000 years ago. Before then, they grazed and foraged, opening up dense parts of forest, letting in light. That in turn promoted grass growth which lowered fire risk as, even more so, did roaming bison herds’ habits of eating on forest floors masses of vegetation such as wood fibre, shoots and leaves.

But of course it could be risky re-introducing large animals like bison in the absence of the kind of predators and competitors they used to face when they were in their prime.

Biodiversity is the foundation for all human life: the food we eat, the air we breathe, and also a barrier against fire and flooding – in other words, climate failure.

For a century now there has been a terrible collapse in wildlife numbers – by about 2.5 per cent each year over the last decade or so. The cause: habitat loss, invasive species, pollution, disease – and above all humankind-induced climate change.

Freshwater systems – rivers, lakes and wetlands – have declined by over 80 per cent since 1970, even more than wildlife which has dropped by 70 per cent.

Stopping free flowing rivers by damming them damages migratory fish species. Polluting rivers and seas damages freshwater cetaceans, tropical amphibians and other marine species.

The Living Planet Index, published by the Worldwide Fund for Nature, estimates a 70 per cent decline in wild species since 1970: nearly thirty extinctions each and
every day, climate change their main threat.

More than a fifth of all reptile species are threatened with extinction. And that could have a devastating impact on our ecosystems. Scientists claim we would lose over 15 billion years of evolutionary history if this happened.

Because if you remove reptiles, you would increase pest insects, damaging the environment for people. Reptiles control rats, mosquitoes and other “pests”. They disperse seeds, especially in islands.

Most people are frightened of snakes. But snake venom has been used to develop important drugs to help treat ill people – not just as an antidote to snake bites, also for hypertension.

Researchers reckon over a tenth of plant and animal species could be lost by the end of the century, maybe over a quarter in a worst case scenario of global heating. There’s an accelerating spiral of extinctions: predators losing their prey, parasites losing their hosts, each in turn badly rupturing nature.

Supposing for instance antelope die off because soaring heat triggers catastrophic losses of grasses and leaves, then left without food their predators will also die off. So will parasites losing their hosts because of deforestation, and flowering plants losing their pollinators.

Yet humankind is completely dependent on our biosphere for the air we breathe, the food we eat, the water to fuel all life, as well as fibres, wood and medicines.

Without nature regulating and sustaining our planet, and therefore humankind, life as we have become used to it, will become impossible.

Early warnings of things breaking down completely are more and more zoonotic diseases – infectious diseases caused by a pathogen, an agent, such as a virus, that has jumped from an animal to a human who gets infected and transmits the infectious agent to at least one other human who then infects others.

Covid-19, SARS, Ebola and HIV-AIDS are each reminders that abusing nature is catastrophic for humans. Every species is connected to others and dependent on others, including us humans who are destroying so much of what sustains the very basis of life itself.

Merging climate change and biodiversity global summits could make a start in tackling that existential threat.

Lord Hain is a former UK cabinet minister and the chair of IC Intelligence. His two wildlife and political corruption thrillers, The Rhino Conspiracy and The Elephant Conspiracy are published by Muswell Press and in Africa, Jonathan Ball
Advocating for Nature and Climate on the global stage: Elizabeth Maruma Mrema and the TNFD

I was very lucky to catch up recently with Elizabeth Maruma Mrema, who is the United Nations Assistant Secretary General. She is also the Deputy Director of the United Nations Environment Program and the co-chair for the Taskforce for Nature Related Financial Disclosures. She is also one of TIME’s Most Influential People for 2023.

Desné Masie: Elizabeth, it is an honour. Please tell us more about the work of the Task Force for Nature Related Financial Disclosures (TNFD). I know you have a lot of other hats, but I would really like to focus on this convergence between nature and climate, which the TNFD aims to highlight. Please tell us more about the TNFD?

Elizabeth Mrema: The Task Force for Nature Related Financial Disclosures has members from 40 companies, representing over $20 trillion in assets under their management, and they’ve come together under our leadership to develop a framework and associated guidance for assessing and reporting on nature-related risks and impacts as well as their dependencies. Basically, these members are either investors, financial institutions, real estate management, or insurance companies. Their work is also supported by a group, what we call a task force forum of about 1,100 people who also meet regularly to share their best practices and experiences, which enables the Task Force members to keep on developing the framework. It is also composed of 18 Knowledge Partners, which include leading scientific institutions and many major corporate reporting standards organisations. Again, because the framework is science-based, there has to be that evidence, and that’s where these knowledge partners then become key. And then at national regional levels. So far we’ve been able to establish about 11 consultative groups around the world who together with dialogue with indigenous peoples and local communities, organisations, civil society, all collaborate on the ongoing work of the framework.

The framework has so far produced four better versions, or one can say drafts. We are actually in the last one. The deadline for comments was actually a week ago or two weeks ago, in June. And actually the task force has been working on what we call an innovative approach in the sense that after every draft, which has been issued, we invite the private sector to look at the draft, to pilot test, to review and give us comments, which are considered and incorporated into the follow-up draft.

We have received, you can’t believe it, over 2,500 comments in the past year. Although the task force itself has been in existence now for two years. So it has really been running, instead of working, to get this framework in place. And the final version of the framework, which we are working on currently, will be launched in New York in September. September in New York is an important month. That’s when the General Assembly will be open. This year we’ll have the
Sustainable Development Goals Summit. We will have the Climate Action Summit led by the Secretary UN Secretary General, and during the same week, we’ll now finally launch the final version of this framework, which hopefully now we’ll invite the private financial institutions, corporate bodies to begin using [the framework] in terms of their reporting and assessing the risks and impacts of their activities on nature as well as their dependencies, and disclose those dependencies and opportunities. As you may know, the World Economic Forum had already told us about a year ago that 50% of the global GDP is dependent on nature and the services it provides specifically for the 4 trillion. So there’s a business case there for financial institutions and corporate bodies as well as to the world economy because if then nature continues to be plundered, continues to be destroyed clearly 50% of the global GDP or 44 trillion will be lost, hence the importance of this framework.

What is also important to underline, is many quarters will say nature was too late into the game. True, because for many years the world was talking so much on climate change and we already had recommendations from the Task-force on Climate-related Financial Disclosure (TCFD). So actually what TNFD has done was to build on the recommendations of the TCFD and literally put the nature angle into that so that when companies now report and disclose, they can do both and not consider it as an add on. And we have about 250 companies, which are currently pilot testing the draft T N F D framework. Actually, we have had few who have, are reporting on both climate and nature and we hope that’s the way it will be in the future. That’s briefly what the task force is, and what is going on at the moment, uh, ahead of the September launch. The framework will be accompanied with, as I said, associated guidance on metrics and on scenarios. And also guidance, on working with different stakeholders like indigenous peoples, local community organisations, and guidance on data. So all this will be basically to help companies with their reporting.

Desné: So some people are saying we should be combining the Nature and Climate COPs. What do you think?

Elizabeth: I have a few points on the same question, which is important. Many people have been asking this similar question now. It’s no longer disputable that nature and climate are intrinsically connected. And any solution to climate has to look at nature. Likewise, nature will look at climate and we can see that connection, especially when we see floods, wildfires, heat waves, and drought.

The media will always connect it with climate. What the media always forgets is that all this happens on ecosystems, on nature. And unless you deal with that nature, whatever we say, climate change will continue. The warming will continue to levels unimaginable. So again, you see that direct connection. And we now, know we also see that climate is already looking at nature as a solution for climate mitigation. And 37% of climate mitigation is expected to come from nature. That is the connection. But when you talk of why can’t we have climate and nature conferences of the parties combined, I think there will have to look at it differently. We can combine as conferences but we cannot combine as conferences of the parties (COPs).

Why? Because conferences of the parties of each have been established through the legal and institutional structure of the instrument that has established the secretariat and the governing body under the convention. So when you talk of combined COPs, it means amending those instruments. And I don’t think we want to go into amending the instruments, which were negotiated 30 years ago because the moment you do so would’ve opened a Pandora’s box because the issues between 30 years ago to today will come in and even assuming that negotiation is open, You will need countries to sign to go through the national legislative process to ratify or exceed.

So to me, we do not need to touch what has already been negotiated and agreed and working. What we can do is basically where we say, let us organize one conference to discuss the synergies, the commonalities, the interlinkages between climate and nature without touching what has already been legislatively established through the two conventions, the UN Framework Convention on Climate Change and the Convention on Biological Diversity.
The “30 by 30” Target

Target 3 is perhaps GBF’s most popularised under the catchy “30 by 30” phrase. It simply is the pledge to protect 30% of Earth’s land and marine areas by 2030. Currently only 17% terrestrial land and 10% marine areas are protected. The target essentially seeks to protect habitats and thus allow for biodiversity restoration and growth, considering that biodiversity loss is mostly driven by habitat loss and use. Habitat loss is fundamentally driven by humans’ conversion of natural areas (e.g., natural forests) into, say, agricultural lands or for infrastructural development (e.g., settlements, roads, dams etc), although ‘natural’ processes such as desertification also contribute to loss of biodiversity. Overexploitation of certain species – e.g., through fishing, hunting, or harvesting of forest products such as wood and timber - also contribute to biodiversity loss.

Evaluation

Despite its ambition, this target is more political than scientific, and has been critiqued as being quite an arbitrary one. Protecting areas is not the same as protecting biodiversity – in fact, it has been observed that biodiversity has declined over the past decades despite an increase in protected areas. The target is established within the GBF’s clear recognition of local communities and indigenous communities that have been custodians of biodiversity for millennia. However, renewed protectionist approaches in its pursuit are likely to create negative relationships with local communities in many places, especially where these communities own land. In fact, these communities have already been victims of dispossession by governments and multilateral actors in the name of development and climate response measures. To make it work, the implementation of this target – and others too – must be sensitive to the social and governance dimensions within and beyond where it is implemented even as the environmental goal is pursued. This will require vigilance from and by the private and public actors - including the civil society and community groups. In many countries, these will necessitate a review of existing policies and strategies or development of new ones.

Financing is going to fundamentally determine the extent to which this target is achieved. There must be
a substantial increase in public and private funding is required to close the NBS financing gap. Data from the 2022 *State of Finance for Nature* report indicates that currently, only US$154 billion is flowing into NBS financing, a paltry year-on-year growth of 2.6% against the US$150 billion report in the 2021 report. This amount is 40% of the US$384 billion needed annually by 2025. This is also barely 32% of the US$484 billion investment required by 2030. Private financial flows amount to US$26 billion, or just about 17% of the required annual NBS finance. To meet the close the financing gap for 30 by 30, the private financial flows must be boosted significantly. Without these financial flows, the 30 by 30 target may be missed by a large margin.

Considering that US$22 billion (or about 96%) the US$23 billion spent annually on management goes to protected areas on terrestrial land, much more is required towards conservation of marine ecosystems and resources. Majority (US$19 billion, or 83%) of this spending is in Europe (US$10 billion) and North America (US$9). Africa only accounts for about 3% (or about US$1 billion), suggesting a huge need and potential for accelerating NBS investments in this vast continent. NBS and its financing are going to be central points of discussion in the upcoming Africa Climate Summit 2023 (ACS23) in Nairobi, Kenya, from 4th to 6th September. In fact, ACS23’s six key thematic areas - climate finance; mitigation and green growth; climate adaptation and resilience; loss and damage; climate-vulnerable groups; and research innovation and technology – are potentially fertile grounds for the advancement of tangible actions in the area of NBS. In addition, the ‘five core growth thrusts’ of its current agenda include ‘natural capital’ and ‘sustainable agriculture, land and water/ocean use’ which are particularly central to NBS and the 30 by 30 target. The other three - energy transition/ renewable energy; Green minerals and manufacturing; and sustainable infrastructure and urbanisation – are also areas where NBS investments have potential to transform the continent, considering its vast natural resources and young population. These two elements – natural capital and demographics – have led to Africa being termed as the ‘continent of the future’.

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By Dr Desné Masie, Chief Economist, IC Intelligence

Financing Climate Change in Africa

On 14 June, at this year’s LSE Festival, ‘People and Change’, the session ‘Financing Climate Change: Inspiration for Change from African Thinkers’ hosted by the Firoz Lalji Institute for Africa provided important insight on how the dial needs to be changed for Africa in relation to climate finance. While African nations are among the most affected by the consequences of climate change, policymakers are attempting to address this inequity through climate credit, debt exchanges, and the Loss and Damage Fund. Bogolo Kenewendo, UN Climate Champions’ Special Advisor, Africa Director, and Annet Nakyeyune, International Institute for Environment and Development, considered the ways in which climate change mitigation will be financed. They also addressed the environmental and ecological challenges the continent faces and critically evaluated climate capitalism.

Kenewendo emphasised how the narrative around green development has been strengthened with the support of Kenya’s president William Ruto. She also said that having the loss and damage fund on the agenda is a good signal of recognition of these issues alongside the strengthened narrative from non-state actors on adaptation and resilience. Kenewendo worries that currently African countries are financing adaptation and resilience with debt and this has become a big burden on their fiscus. She believes that in terms of climate action it is important to define what financial infrastructure actually means, and what the financing options for developing countries really are, and if they are sufficient. These issues are now being pushed through at the Paris Summit and will be pushed on at the Africa Climate Summit in Kenya in September and will also look at multilateral development bank (MDB) reform. Nonetheless, she is cautiously optimistic despite the history around climate action of big pledges being made and nobody following up, or coming to an agreement and then it takes long to establish funds. This is where she fears, however, the loss and damage fund is finding itself stuck on. She says: “I feel there is a re-energised sentiment because everyone knows that we have no other planet and everybody knows that we have to take responsibility for climate action if we are to reach any of our long term climate goals. But it is still quite differentiated and there are arguments at the moment about who really needs to take responsibility. But I am hopeful that the conversations that we will have around unlocking finance in Paris will move the needle further. Action, particularly in developing countries, will be moved through green finance.”

Nakyeyune said that while she would like to share Kenewendo’s optimism she really wanted to speak about how disconnected the climate finance architecture is to local African needs. “What are we doing with readily available finance? Are we achieving what we are meant to achieve?” she asks. She believes there is a lot of potential for governance to go wrong because climate action happens at the local level - “so how do we create those linkages in the climate finance value chain? Who are these actors and where are the connections? How can we ensure that climate finance flows in such a way to help with resilience and to help people to cope better with the changing climate?”

Nakyeyune is adamant that until local level actors...
are included in decisions about climate finance, Africa doesn’t stand a chance of achieving resilience and adaptation. So the initiatives being pushed must be connected to people at local level both national and international initiatives. Only 18% of finance pledged internationally goes to Africa.

A lot is being said about carbon finance being potentially transformative but should carbon credits not be issued by local communities? Nakayeyune says “We need to shift power back to local communities so that they can be supported”.

Kenwendo says that it should be remembered how varied Africa is on the ground. “What works where? What works in Botswana will not work in Uganda.” Furthermore, she emphasised the need for patient flexible funding schemes and the need to reform international financial infrastructure to make it inclusive and equitable. She asks: “How do we crowd in private sector financing and work with the MDBs towards credit enhancements? That is really where the issue is. That Africa only attracts 18% of green capital even though it has been exponentially growing shows there is clearly a basis in the global monetary system that needs to be dealt with. We keep hearing there is no pipeline of projects to invest in and it’s not true ... There are projects. But they are not packaged in a way that London or New York based actors would respond to.”

Kenewendo says African countries need to urgently challenge market perceptions of developing countries including risk and perception of risk. She counters that there are constant issues of verification and start-up investment for local communities and yet “we know from players like Afrieximbank and AFDB, who are players on the ground that risk is lower than what it is perceived to be in New York or London”. The problem, as she sees it, is a lack of appetite for investing in learning how things work in other markets, and moreover that climate finance should be “extra concessionary”. Kenewendo is right, this was just advanced by the World Bank that debt relief will now be offered for countries that have been affected by climate change, especially extreme weather events. But more can be done in exploring innovative and blended mechanisms to help scale climate finance flows such as philanthropic funding and biodiversity credits, as she argues.

Bogolo Kenewendo, Africa Director for the UN Climate Change High-Level speaking at the COP27 Summit, Sharm El-Sheikh, Egypt
Scaling Voluntary Carbon Markets in Africa through fair price discovery with Dr Sherif Ayoub

The African Carbon Markets Initiative (ACMI), led by Sharif Ayoub, is a collaborative effort supported by Sustainable Energy for All, the United Nations (UN), the Global Energy Alliance for People and Planet (GF), and the Rockefeller Foundation. The initiative aims to create, amplify, and sustain Africa’s participation in the voluntary and Article six carbon markets, with the future possibility of entering the compliance markets. ACMI focuses on providing comprehensive support to stakeholders throughout the carbon credit value chain, including credit generation, trading, and sales. ACMI has identified three key areas of focus: demand side, supply side, and intermediation. The initiative aims to retire 300 million tons of CO2e by 2030, mobilize $6 billion in capital, and create 30 million jobs. Looking ahead to 2050, ACMI aims to retire 1.5 to 2.5 Gt CO2e, mobilize $120 to $200 billion in capital, and create 110 to 190 million jobs. These targets serve as guiding principles to ensure Africa’s sustainable and inclusive growth through carbon market participation.

On the Supply Side ACMI works with project developers across various sectors, such as clean cooking, blue carbon, peatlands, smallholder farmers, and mangroves, to enhance their capacity in generating carbon credits. The initiative focuses on curriculum development, engagement with accelerator platforms, and access to finance to overcome challenges faced by project developers. Additionally, ACMI addresses regulatory aspects related to land rights, taxation, and infrastructure development, aiming to create an enabling environment for carbon market growth. On the Demand Side ACMI recognizes the increasing demand for carbon credits in the voluntary and Article six markets. The initiative encourages international buyers to consider African carbon credits, highlighting the co-benefits associated with projects on the continent. For instance, clean cooking projects in Rwanda save lives and improve health, while diesel displacement projects enhance rural farmers’ economic and health conditions. ACMI has already secured commitments from companies like Standard Chartered, RY, TPG, and Nandos, and aims to attract more global buyers in the future.

Intermediation and Fair Pricing: Intermediation plays a crucial role in facilitating the efficient exchange of carbon credits between project developers and buyers. ACMI explores various platforms, both local and global, to ensure seamless trading of carbon credits generated in Africa. The initiative acknowledges the price disparity between African and European carbon credits and advocates for fair pricing to ensure justice and equity in the global carbon market. ACMI also seeks to reduce transaction costs for project developers, enhancing their share of the benefits. While ACMI focuses on the voluntary and Article six markets, it remains cautious about entering the compliance markets, as it could potentially disrupt economic growth in Africa. However, the initiative aims to engage global bodies to consider opening compliance markets to African credits, providing a transformative opportunity for micro and small-medium enterprises (SMEs) in Africa. ACMI also emphasises the need to address challenges related to transaction fees, verification processes, and access to regulatory frameworks to create a more favourable environment for African carbon market development.

The African Carbon Markets Initiative strives to advance Africa’s participation in carbon markets, focusing on the voluntary and Article six markets. By creating an enabling environment, supporting project developers, attracting global buyers, and advocating for fair pricing, ACMI aims to unlock Africa’s immense potential in carbon credit generation. As the initiative progresses, it will continue to work towards sustainable and inclusive growth, promoting the co-benefits.
I was lucky to have a conversation with Dr Sherif Ayoub recently and below follows an extract from our conversation, when I asked him how ACMI can help set a fair price for carbon in Africa.

“You’ve touched on a sore spot. I think when you take a look at, for example, how a carbon credit is a carbon credit [whether from Africa and Europe]. Now, assuming that, both carbon credits, whether it’s generated out of Iceland and Norway or any other global north country and the one that generated in Africa, assuming that they’re both at the same level of the, as far as integrity, there is no particular reason why the African or the European carbon credits or Japanese carbon credits selling for 109, 110, and then African ones sell, selling for nine, eight, sometimes even less. So I think that particular price disparity is a cause of concern for us. It’s something that we’re becoming more vocal about in terms of speaking to the global bodies, whether it’s within Europe or in Japan or other countries as well. So this is something that we hope that we can get much faster traction on. For the sake of justice and equity. Again, assuming that obviously we’re not, as we always say, we’re not we’re not trying to sell kind of a free lunch to African credits. So this is, as far as the selling crisis is concerned, part of the reason why the European ones sell for 109, 110 is the ETS scheme [the compliance market]. So the countries who are over emitting need to be able to, by law or by regulation, issue carbon credits within that space. And what we’re trying to say here is that, and if you can get support on this design, that would be great. As part of this conversation here is to open up as part of the support of the global north to Africa, in this case, to open up the compliance markets in Europe to African credits. And I think that can have a transformative effect of channelling some of these resources from the compliance markets in the global north to, in this case, Africa. I think when I talk to some policy makers the view is perhaps it [is feared that there] could be an “inundation” of African credits within the compliance markets in Europe. I just don’t think the data supports that. I think the compliance markets in Europe, what we’re talking about here is, you know, 700 billion plus per annum and the ones in Africa are actually quite, quite low in comparison. So I, I don’t believe that the data supports that, you know, there’s going to be an inundation effect of some sort.

What will help though is that it will give the ability to the micro and SMEs, particularly in Africa, to benefit from the compliance markets that exist and from the carbon market space in Europe. So I think this is one that’s close to our heart as close to, my heart in particular. Another thing that I want to mention as well is that, so you have the African project developer who is, you know, selling the credits for 7, 9, 10, 11, 12, whatever it is around that range. But they tend to pay anywhere from a third to two-thirds of that as transaction costs. What are these? These are the market process, which is the measurement, reporting and verification. A lot of times you would have to have an auditor because there’s not a lot of auditors and accredited agencies within Africa, which is something I see for all we’re trying to help with as well at ACMI. You’ll have to have somebody fly in from Europe or India to be able to audit the generation of credits. These auditors, these flight tickets are not cheap, particularly for a micro project developer. And then obviously the fee that does have to pay for a various standards. And, and then the auditing process itself. So I think this is something that we want to examine as well.
So if you’re, if we’re saying that an African project developer is selling it for far less than a global price, they are paying anywhere between a third and two thirds in transaction fees. What ends up coming to the project developer in the communities that they support quite often is, is extremely meagre.

And this is, we shouldn’t be surprised when we take a look at the numbers in Africa for generating carbon credits, just cause the economics sometimes don’t support it. And we have to give our hats off to the ones who’ve persevered through the process, and actually generate carbon credits in this particular environment. So these are two areas that we need to take a look at. Transaction fees to reduce those as much as possible by using whatever digital tools that we can have and automation. But then also to re-examine the access to compliance markets in a global north.

“...there is no particular reason why the African or the European carbon credits or Japanese carbon credits selling for 109, 110, and then African ones sell, selling for nine, eight, sometimes even less.”
**Cookstove carbon offset projects: a view from the ground with supplier KOKO Networks**

With a highly specialised, fully integrated team of over 1,800 staff operating in Kenya, India, Singapore and the UK, KOKO Networks is a fearless innovator for the good of people and the planet. KOKO brings new ways of thinking and operating to solve the complex, urgent challenges threatening people and the planet.

KOKO’s first mission, KOKO Fuel, centres on protecting Africa’s forests. It does so by tackling Africa’s primary driver of deforestation: charcoal, used across the continent for cooking.

Today, 2.4 billion people across the world still cook on open fires or use stoves fuelled by charcoal, biomass, or coal. In Africa, 923 million people lack access to clean cooking and rely on highly polluting fuels such as wood and charcoal. The charcoal industry – which dominates the market for cooking fuel in Africa – is responsible for the loss of 5 million hectares of African forests every year.

KOKO Fuel exists to tackle Africa’s deforestation crisis by providing low-income households with a healthier, more convenient and affordable alternative fuel to charcoal for cooking.

The company uses smart technology to deliver affordable bio-ethanol clean cooking fuel to over 925,000 customers across 8 urban networks in Kenya, enabling families to choose healthier and safer ways to cook that protect the plant.

Bioethanol is stored in reservoirs at fuel stations before KOKO Fuel’s Micro Tankers deliver clean fuel to a network of more than 2,000 convenience stores across 8 urban networks in Kenya. KOKO Fuel Points are conveniently within a few minutes walk from any household in the cities they serve. Meanwhile, agents are creating meaningful new revenue streams while reporting higher footfall in their stores as a result of selling KOKO Fuel’s products.

KOKO Fuel uses carbon finance to compete with charcoal and accelerate a clean energy transition in the absence of government subsidies.

This summer, KOKO Fuel celebrates its 1 million customer milestone in Kenya and will soon roll out its operations in Rwanda.
There is a lot of pressure on Indigenous people to conform, to think and to act like Europeans. There is an unspoken belief that it would be much easier for all concerned to simply use European models and accepted western ways of doing things.

We disagree. In developing a new standard for the environmental, social and cultural core-benefits of carbon projects that uses Indigenous-to-Indigenous ways of working, we have created a new, truly Aboriginal-owned carbon farming system.

Practically, this system leverages savannah burning; an Indigenous Australian practice that reduces the frequency and extent of late, dry season fires in northern Australian savannahs. By stimulating cool burns early in the dry season – May, June and July – when fires are smaller and patchier, savannah burns offset huge amounts of carbon that would be released by large, hot, late season wildfires. Those who remember the Black Summer bushfires of 2019/20 will recall just how destructive these can be.

These offsets can be quantified and sold in one of two Australian marketplaces. The first, an auction run under the auspices of the Emissions Reduction Fund, where the Australian government purchases carbon credits to incentivise businesses to reduce emissions, focuses on ‘lowest cost abatement’, with little-to-no scope to pay for the kinds of benefits Aboriginal carbon farming can provide. On the voluntary market, however, where corporations, institutions and individuals seek to offset their carbon footprint, there is significant appetite for our ‘premium’ carbon credits.

What are core-benefits?
Our carbon credits attract a premium because of their core-benefits. In contrast with co-benefits, where selling carbon for income generation is the primary agenda, core-benefits reflect the intense environmental, social and cultural ‘goods’ of indigenous-led carbon farming.

Environmental core-benefits
Decreased carbon emissions and incidence and intensity of wildfires by burning country the ‘right way’ is one concrete ecological benefit of savanna burning carbon farming. Due to the reduction of wildfires, the lives of humans, animals and flora are protected. Through the protection of fauna and flora native species, environmental biodiversity is recovered and enhanced where in the past it may have been endangered. Additionally, intentional land management can reduce the numbers of invasive species, and help control the ecological impact of tourism.

Social core-benefits
The social benefits of savanna burning are plentiful. At the community level, the projects generate increased social capital as community members come together to work on them. They also foster opportunities for women to participate, and in some communities, discrete women ranger groups have been established. The strengthened community-level economy and development of other community projects financed by carbon income has led to an increased sense of control and greater certainty within communities over their finances, reducing welfare dependence and financing infrastructure.

Most exciting, however, is the confidence people feel when involved in a project. The ‘social determinants of health’ literature has affirmed that peoples’ perception of control over decisions that affect them is one of the most important contributors to emotional and physical wellbeing, with self-worth, a sense of purpose and pride in self and community all linked to savanna burning projects. For communities that are rebounding from the inter-generational effects of trauma and colonisation, this sense of pride is seen as a crucial catalyst for human empowerment, actualisation and agency. As
anthropologist Jon Altman wrote in 2006, meaningful work for remotely based Aboriginal Australians must align with traditional interests and values. Savanna burning along with performance and art, hunting, tourism and environmental services provides a secure and meaningful employment opportunity for people living in remote communities.

Cultural core-benefits
The ‘holy grail’ of savanna burning core-benefits, sits of course, within the cultural dimension. Tradition and culture for Australian Indigenous people are the essence of life itself. The protection of sacred sites through savanna burning and the rediscovery of cultural heritage, hidden in some cases for decades due to European land management practices, sees culture being retained and flourishing. The maintenance and ‘passing on’ of traditional knowledge and language and the education of children by Elders is crucial for individual and cultural identity.

Improved spiritual wellbeing through the regular completion of cultural obligations to country, increased exercise and physical activity by working on the land, and increased nutrition through access to and availability of traditional foods not only makes culture strong, but also improves health outcomes. This is significant for a cultural group whose life expectancy is ten years shorter than non-Indigenous Australians. As a 2009 report in the Medical Journal of Australia found, there exists a substantial relationship between Indigenous health status and working on country, with a number of positive outcomes in relation to BMI, blood pressure, type 2 diabetes, cholesterol and cardiovascular risk.

Resisting eco-colonialism
Colonisation of our lands by European governments has actively been resisted for many years. The models, policies and legislation they used, even in search of environmental outcomes, were not designed to serve an Indigenous population. In developing Indigenous ways of thinking and working together that support our independence, we intend to promote a ubiquitous ‘right way’ for environmental policy that can see Indigenous people thrive.

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