

As the African Climate Summit gets underway in Nairobi, Kenya, this week, a new report by climate think tank Power Shift Africa and partners details the dangers of carbon credits and why African leaders must avoid falling into the trap of adopting them on the continent.

On Monday, the Rockefeller Foundation and others were hell-bent on pushing the carbon markets agenda from the start. Hundreds of millions of dollars were pledged on Monday, including \$450 million by the UAE Carbon Alliance, to boost Africa's carbon credit production 19-fold by 2030.

Others who committed money for carbon projects are Britain (\$62 million), Germany (\$65 million) and Climate Asset Management (\$200 million).

Real action to tackle the climate crisis.

The African Carbon Market Initiative (ACMI) is the latest carbon credit scheme being pushed by a motley crew of politicians, businesses and some philanthropists, with claims that it will be the silver bullet that fixes Africa's climate distress.

The report by African climate experts, however, shows that the initiative is riddled with deficiencies and inconsistencies and will only fling open the floodgates of pollution by Global North governments and companies whilst yielding obscene profits for carbon credit financiers.

Backed by scientific evidence and expert analysis, the report instead proposes several climate action alternatives to the leaders to ensure real action to tackle the climate crisis.

The flawed theory behind a carbon market, the report argues, is that part of the money paid by the corporations for these carbon credits, which authors dismiss as "permits to pollute", would go towards development projects in Africa that avoid or reduce emissions.

Authors of the report, however, note that the reality is that polluting companies in rich countries buy dodgy pollution permits instead of cutting their emissions. Report author Mohamed Adow, Director of Power Shift Africa, said: "For rich polluters, this is a silver bullet and a painkiller that allows them to keep pumping greenhouse gases into the atmosphere. But for Africa, they are a placebo drug that ends up making the pain of climate change far worse."

Mohamed added “Africa has so much potential to lead the response to the climate crisis caused by rich nations. We have an abundance of clean renewable resources, we have some visionary leaders, and we have a youthful population, who will benefit from climate friendly development. The carbon market initiative is a solution to someone else’s problem, repackaged – once again – to fool us. There are real solutions out there and we need to embrace them.”

Delta Airlines, for instance, is the incarnation of the folly of carbon markets. They claimed to be carbon neutral, in part down to the purchase of tens of millions of carbon credits per year. Meanwhile, they continue to operate 4,000 flights a day.

The report warns that if the African Carbon Market Initiative met its claimed ambition, private companies would be at liberty to emit up to 2.5 billion tonnes of additional carbon per year by 2050 in exchange for their purchased pollution permits. This will drive pollution beyond the limits the climate and our planet can tolerate.

Further, the authors have dared African leaders being wooed by the initiative to also follow the money and interrogate who the actual beneficiaries of the scheme are. In reality, two players benefit from carbon markets more than anyone else.

The first is fossil fuel companies who see their product legitimised, because polluters can continue to burn it by buying pollution permits. Without these permits, the world would be staring at the imminent death of coal, oil and gas.

With these permits, however, oil and gas companies have years of profit and pollution ahead, the report shows.

The other big beneficiary is carbon credit traders who are in line for hefty profits. One study found that some brokers sell credits for three times the price they pay to the project that actually created them. A market claimed to be worth \$100 could actually be due to a single \$10 credit being traded ten times.

Decisive response to the climate crisis

African countries will be sorely disappointed when the actual flow of funds is well below the market value they are promised, the authors warn.

The report highlights that instead of falling for the claims of the carbon credit pushers, African leaders should take control of the deliberations about how to

finance the continent's decisive response to the climate crisis.

The report proposes a new 'polluter pays' funding mechanism, where polluting businesses channel money towards climate mitigation and adaptation in an environment where Africa defines its own needs. The amount they pay would increase over time to incentivise companies to stay within the limits of the Paris Agreement.

The money would also boost Africa's capacity for clean, resilient and affordable development led by local communities. Crucially, it would eliminate market brokers and middlemen and maximise money disbursed to projects, shows the report.

The report has been endorsed by Climate Action Network International (CAN), Muslims for Human Rights (MUHURI), Africans Rising, Africa Coal Network (ACN), 350 Africa and the Africa, Water Justice Network.

The endorsers call on the countries involved in the African Climate Summit to withdraw from and take no further interest in the ACMI and all carbon market mechanisms.