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## PRESS RELEASE

### **First all-Africa Carbon Forum boosts carbon market interest, activity and funding on the continent**

(Dakar, 5 September 2008) - Africa's carbon market community has wrapped up three days of intense networking and deal-making, keener and better able to take part in the fast-growing global carbon market.

Africa is expected to be the continent hardest hit by climate change, but has until now been largely relegated to the margins of the carbon market, created by the Kyoto Protocol to help address this global challenge.

"It's clear that when you bring all of the key market players together, the buyers, sellers and financiers, all with the same purpose to boost the number of carbon offset projects, you are bound to do business," said Sidy Gueye, Director of Cabinet, Minister of the Environment, Senegal.

The Carbon Forum attracted more than 600 participants from 60 countries, including 40 project developers and 36 government representatives responsible for initial approval of emissions offset projects.

There were clear indications that business was done at the Forum, for example the signing of an emission reductions purchase agreement, between the Senegalese Rural Electrification Agency and the World Bank on behalf of the Community Development Carbon Fund. The programme will spread the use of energy-efficient light bulbs through rural Senegal.

Another positive outcome was consolidation of private and public sector support for the Africa Bio-fuels and Renewable Energy Fund (ABREF) project. Several governments, including most of the West African countries, have endorsed the fund and made initial pledges totalling USD20 million, even before its official launch.

"The fund will look at projects up to 2012 and beyond. We already have 68 projects in our pipeline. These three days of the Africa Carbon Forum proved to be a perfect venue for us to find projects; we even started discussions with buyers here," said ABREF project Director Thierno Bocar Tall.

The Africa Carbon Forum was an initiative under the Nairobi Framework. The Framework was set up in November 2006 to spread the benefits of the Kyoto Protocol's Clean Development



Mechanism (CDM), especially in Africa. Under the CDM, emission reduction projects in developing countries can qualify to earn saleable emission offset credits. The credits can be used by countries with emission limitation/reduction commitments under the Protocol to cover a part of that commitment.

“Much remains to be done in the form of awareness raising and capacity-building before African countries can take full advantage of the CDM, but progress is being made, and we saw it here,” said Daniele Violetti of the United Nations Framework Convention on Climate Change (UNFCCC) secretariat on behalf of the Nairobi Framework partners, UNFCCC, United Nations Environment Programme, United Nations Development Programme and the World Bank.

On the eve of the Forum, the World Bank released a comprehensive report that indicated tremendous potential for the CDM in Africa. For the 44 countries and 22 technologies considered, the study team estimated a technical potential of more than 3,200 low carbon energy projects. This could translate into more than USD200 billion in capital investment.

There are currently 27 registered CDM projects in Africa, a small share of the 1150 plus registered CDM projects worldwide. Still, the number of projects in Africa is growing (there are 44 projects in the validation/registration pipeline) and the projects already registered are expected to stimulate several billion dollars worth of capital investment.

**Note to journalists:**

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