**Postcard from Marrakesh: Day 1 of the Africa Carbon Forum**

On Monday 4 July, the ‘who’s who’ of the Africa carbon market gathered in Marrakesh, Morocco, for the third Africa Carbon Forum (ACF). The ACF brings together national climate change teams, governments, the private sector and international organisations to share the latest knowledge about carbon investments on the continent.

The ACF is not just about knowledge sharing. Project developers have the opportunity to showcase their projects to potential carbon buyers.

Marrakesh has a strong resonance in the carbon markets world –the Clean Development Mechanism (CDM) started here ten years ago with the Marrakesh Accords. The CDM, established under the Kyoto Protocol, allows industrialised countries to invest in projects that reduce greenhouse gas (GHG) emissions in developing countries, ‘offsetting’ their emissions in order to reach their targets and contributing to sustainable development.

Day 1 of the ACF began with plenary sessions. Steve Thorne of SouthSouthNorth – the organisation representing CDKN in Africa – presented on the challenges and opportunities for expanding the continent’s carbon market.

Steve tackled the burning question: why does Africa only account for just over two per cent of all CDM projects registered to date? One potential barrier has to do with the types of emission sources in Africa: some are large (like agriculture and timber, mining processes, power) but many sources are small and disparate (like burning firewood, coal and other fuels for household cooking and heating). Accounting for these micro sources and allowing emission baselines to increase as a result is crucial for unlocking CDM potential.

How? Assume Least Developed Countries (LDCs) and Middle Income Countries (MICs) would use more energy if they could afford it, or had better infrastructure. This concept of ‘supressed demand’ allows LCDs and MICs to generate carbon income by accounting for predictable increases in future energy usage – and allowing projects to avoid future emissions and leap to cleaner technologies and development pathways. Supressed demand – or accounting for poverty of lack of infrastructure – has begun to gain momentum and is recognised by the CDM Executive Board. But it is yet to be fully operational and may require tools to predict future emissions. Much discussion took place in the plenary about the types of suppressed demand and how to deal it in projects and programmes.

**On the move…**

Despite these barriers, the carbon market is growing in Africa – especially as the 2012 deadline looms for the end of the first commitment period of the Kyoto Protocol. Steve reported that the first three months of 2011 saw as many projects as all of 2010. Processing times for project registration have shortened and methods for calculating emissions reductions are simpler and more consolidated.

In the run up to 2012, however, some important questions remain:

* Will there be a carbon market? UN regulated or other?
* Will the market be for LDCs alone?
* Will local carbon trading evolve?
* Will avoided emissions be recognised?
* How will sustainable development and carbon trading play off post-2012?

These questions will be top of mind at this year’s ACF.