EQUITY GROUP HOLDINGS PLC

Unlocking Africa's High-Integrity Carbon Markets

From Capacity Building to Bankable Climate Economies

> Africa does not lack climate assets. What we lack is the institutional, technical and financial architecture to convert those assets into high-integrity, bankable investments at scale.

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THE BAR IS RISING

The Global demand is shifting toward high-integrity carbon projects

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What Buyers & Investors Expect

The global carbon market is undergoing a structural shift from carbon volumes to credible climate impact.

Integrity Council VCMs + CCPs

a) **Governance and Transparency**
- Effective governance
- Tracking & registries
- Transparency
- Independent validation & Verification

b) **Environmental/Emissions Integrity**
- Additionality
- Permanence
- Robust quantification
- No double-counting

c) **Sustainable Development Benefits & Safeguards**
- Social & Environmental safeguards
- Contribution to net-zero transition

Enormous Natural Capital

Unmatched potential across forestry, restoration, regenerative agriculture, and clean energy.

Potential is not supply. The fundamental bottleneck is moving from thousands of promising concepts to a pipeline of high-integrity, investment-ready projects.

The question is therefore not whether Africa has carbon potential. It is whether we can build the systems that allow that potential to become investable. Credible governance, rigorous measurement, transparency, safeguards & demonstrate climate impact

The shift is positive for Africa because it rewards quality. But it also raises cost, complexity & technical requirements for carbon projects. Who will bare these costs?

AFRICA HAS THE ASSETS, BUT THE PIPELINE IS UNDER-DEVELOPED:

Main Challenges Regarding Carbon Project Development

A promising climate concept encounters multiple structural barriers before generating a single carbon credit:

Regulatory & Article 6 readiness	Evolving rules on authorization, national accounting, corresponding adjustments & registries	
Feasibility & Prep	Limited early-stage capital for feasibility, MRV design & certification	High upfront costs & scarce risk capital
Data & MRV	Limited local technical capacity, data infrastructure & affordable validation & verification	Gaps in local data & technical infrastructure
Tenure & Rights	Unclear rights, tenure issues, consent, benefit-sharing mechanism & complex stakeholder interest	Complex legal & benefit-sharing rules
Financing Failure	Carbon revenues are uncertain & back-ended, making conventional project finance difficult. Fragmented & small projects face high transactional costs & limited ability to reach investible scale	CRITICAL BOTTLENECK

- *The missing resource is not only technical knowledge.*
- *It is patient capital willing to absorb development risk before carbon revenues materialize.*
- *It is the cost and complexity of converting potential into high-integrity, scalable & financeable projects*

THE CAPACITY GAP: WHAT IS STILL MISSING

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STRATEGIC PARADIGM SHIFT

KNOWLEDGE TO TRANSACTIONS TO CLIMATE ECONOMY

FROM KNOWING THE MARKET TO MAKING THE MARKET WORK

POLICY, REGULATION & ARTICLE 6

- Operationalize carbon market & article 6 frameworks
- Carbon rights, authorisation & benefit-sharing
- NDC accounting, corresponding adjustments & registries

Can African govts create & operate the rules that give the market legal certainty & env integrity

TECHNICAL INTEGRITY & MRV

- Carbon accounting, data & MRV systems
- Local auditors, VVBs & technical specialists
- Verification, additionality, permanence &integrity requirements.

Can Africa consistently produce carbon credits that buyers can trust

TRANSACTION & MARKET DEVELOPMENT

- Carbon contracts & bankable offtake agreements
- Pricing, risk allocation & buyer negotiation
- Aggregation, monetisation & access to markets

Can African project developers actually execute carbon-market transactions – not just develop projects

FINANCIAL SECTOR CAPABILITY

- Carbon project credit appraisal & carbon cashflow valuation
- Price, delivery, permanence, and counter party risk assessment
- Financing structures, portfolio finance & refinancing
- Mobilisation & deployment blended finance

Can African financial institutions under-stand carbon-related cash flows well enough to finance them

- *The missing piece is no longer only the capacity to develop carbon projects. It is the capacity to regulate, verify, transact and finance them.*
- *The other mission piece is building ecosystems—not another standalone training programme or small fragmented carbon credit project.*

BUILDING THE ARCHITECTURE FOR A CLIMATE ECONOMY

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Equity Group Holdings/Equity BCDC/DRC Government/MM GreenTech Partnership

SOVEREIGN

- Legal & regulatory carbon frameworks
- Carbon rights & clear benefit-sharing
- Sovereign carbon registries & infrastructure
- Alignment with national climate targets

PIPELINE

- High-integrity project selection
- Robust MRV & social safeguards
- Community project aggregation
- Verifiable, credible carbon assets typology

FINANCE

- Early-stage project prep capital
- Risk mitigation & guarantees
- Pre-financing & long-term offtake
- Scale commercial capital crowding-in

Integrated Tri-Partite Model: Carbon markets become transformational when sovereign rules, project pipelines, and private capital are designed to operate as one system.

For Equity, this is not simply about financing carbon credits. It is about partnering with countries to build the financial architecture through which natural capital can support a climate-first economy.

TURNING CARBON VALUE INTO CASH FLOWS

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Commercial banks cannot finance carbon projects on climate ambition alone

Bankable Projects are required anchored on 4 pillars:

Legal Certainty

Enforceable rights over carbon assets, transfers, and future cash revenues.

Revenue Certainty

Credible long-term offtake agreements providing predictable cash flows.

Risk Mitigation

Guarantees and first-loss capital that absorb non-commercial risks.

Project Scale

Aggregation structures lowering transaction costs for institutional capital.

THE FINANCING CONTINUUM

Grants / TA › Risk Capital › Guarantees › Offtake Finance › Commercial Capital

Key Message for MDBs & DFIs: The objective is not to replace commercial finance with concessional finance, but to use catalytic capital to make commercial finance possible.

CAPACITY BUILDING – TRANSACTION CAPABILITY – CLIMATE ECONOMY

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GOVERNMENTS

Build predictable enabling architecture: carbon rights, Article 6 frameworks, registries, and benefit-sharing mechanisms.

DFIs & MDBs

De-risk pipelines: shift climate finance toward project preparation, first-loss facilities, risk guarantees, and local banks.

BUYERS & MARKET ACTORS

Create credible demand: sign long-term offtakes, offer fair pricing for high-integrity credits, and fund local African MRV capacity.

AFRICAN FINANCIAL INSTITUTIONS

Finance the transition: develop bespoke products, risk frameworks, and balance-sheet solutions connecting assets to capital.

Africa should not aspire merely to become the world's supplier of carbon credits. Africa should **build climate-first economies** in which carbon value mobilizes investments, rewards communities, protects natural capital, and finances sustainable development."

Thank you

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