

Briefing note

Unlocking the potential of Sierra Leone's carbon credit market: Learning from best practice

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Executive summary

- Sierra Leone has strong potential to be a global leader in carbon credit generation due to its low emissions and diverse geography
- The country can develop varied carbon projects, including forest conservation, clean energy and regenerative agriculture
- A hybrid carbon market model is recommended, enabling continued voluntary market participation while preparing for compliance markets under Article 6 of the Paris Agreement¹
- Adopting international best practices is critical for success and for avoiding missteps
- Ghana serves as a leading regional example of a structured hybrid carbon market model, with other African nations such as Uganda, Kenya and Rwanda also having vital insights to share.

¹ Article 6 of the Paris Agreement provides frameworks for international climate cooperation on the reduction and trading of emissions. It includes market-based approaches, such as the transfer of emission reduction credits between countries, and non-market approaches, which promote collaboration through knowledge sharing and technology transfer.

Regional best practice: Ghana

Ghana provides a strong example of how a well-structured hybrid market can be developed:

- **Simplicity of regulations:** Ghana has emphasised clarity in its carbon market framework design, making it an attractive country for international investment
- **Policy leadership:** Ghana is actively implementing Article 6.2 of the Paris Agreement², supported by clear draft regulations and a coordinated, multi-tier governance structure
- **National registry:** A voluntary carbon credit registry has been established, complete with a Grievance and Appeals Mechanism to ensure transparency and accountability
- **Community benefits:** Local communities are directly involved in project implementation and benefit through preferential fee structures and equitable revenue-sharing
- **Market differentiation:** Voluntary credits are not subject to full authorisation but must be reported to the Carbon Market Office, while compliance credits follow stricter rules with clearly defined project categories and benefit allocations.

Key takeaways for Sierra Leone: Lessons from international best practice

- Establish a centralised coordinating body with a multi-level institutional framework:
 - Ghana has created a centralised coordinating body to oversee a clearly defined, multi-tier government structure. This framework assigns specific responsibilities across entities for authorisation, regulation, validation and implementation of carbon credit activities
 - **Sierra Leone should act early to establish a similar body**, which will strengthen coordination, reduce duplication and ensure coherent policy development
- Enact a dedicated legislative framework for carbon markets:
 - Uganda's National Climate Change Act provides a strong legal foundation, aligning domestic policy with international commitments and outlining clear institutional roles for emissions tracking, financing and market participation
 - **Introducing a carbon market-specific law in Sierra Leone** would demonstrate commitment, define roles and rights, and create the legal certainty needed to attract investment
- Develop a carbon market monitoring and reporting mechanism:
 - Ghana has introduced a voluntary reporting system to track carbon market activity via its Carbon Market Office, even before full regulation is in place. This provides transparency and government oversight without stifling project development
 - **Sierra Leone should adopt a similar approach**, establishing early oversight mechanisms to increase market credibility and prepare for future compliance regimes
- Embed explicit protections for local and indigenous communities:
 - Rwanda has embedded community rights into its carbon credit system, contributing to both sustainability and market value

² Article 6.2 specifically refers to bilateral and multilateral cooperation, allowing countries to transfer emission reduction credits to support the achievement of their Nationally Determined Contributions (NDCs).

- **Sierra Leone should ensure that existing community rights protections are incorporated into its carbon market framework**, which will raise the value of its credits and safeguard local livelihoods
- Leverage regional and international capacity-building platforms:
 - Kenya is actively engaged in global initiatives such as the World Bank’s Carbon Initiative for Development, the Voluntary Carbon Markets Integrity Initiative and the Africa Carbon Market Initiative, while other countries have developed bilateral partnerships, such as the one between Ghana and the Swiss State Secretariat for Economic Affairs
 - **Sierra Leone should proactively engage with these platforms** to access technical support, policy guidance and regional cooperation opportunities for capacity building and market readiness.

Conclusion

Sierra Leone has a unique opportunity to establish itself as a credible and competitive leader in the global carbon market. By adopting a hybrid market model, learning from international best practices, and proactively developing a clear legal, institutional and monitoring framework, the government can ensure that carbon markets deliver long-term benefits for communities, investors and the state. With the right foundations in place, rooted in transparency, equity and strategic governance, Sierra Leone can unlock significant climate finance, support sustainable development and protect its natural resources for future generations.

This briefing was prepared by Invest Salone in collaboration with the Association of Carbon Conservation and Reforestation (ACCR), a formal business membership organisation established in 2024 to represent carbon credit project developers in Sierra Leone. Its membership includes the country's most established project developers. The content is informed by two rapid situational analysis reports produced by Cadmus for Invest Salone:

- [Analysis of the Carbon Market Landscape in Sierra Leone](#)
- Risk Analysis of the Carbon Market Landscape in Sierra Leone (to be published in due course)

For further reading see:

[Africa Carbon Market Initiative](#)

[Carbon Initiative for Development](#)

[Voluntary Carbon Markets Integrity Initiative](#)