



RMB establishes carbon market trading and financing capabilities

The carbon credit market is growing rapidly both locally and globally. In 2023, a joint venture between two RMB divisions, the investment banking division (sustainable finance) and global markets, was established to focus on carbon project development, financing and trading, as well as the procurement of verified carbon credits (VCCs).

During 2024, key activities to develop RMB's capabilities included:

- Developing operational ability to act as intermediary for placement of VCCs on behalf of sovereign and corporate clients, and winning mandates to do so.
- Building internal skills and operational readiness to transact VCCs as a principal. This included:
 - assessing the regulatory landscape with regards to treatment of VCCs and implications on tax and accounting;
 - calculating friction costs;
 - establishing a deal capture system; and
 - setting up registries.

Progress was made on building the necessary capability to transact in regulated markets such as the European Union Emissions Trading Scheme and International Renewable Energy Certificates. This includes expanding relationships with sovereigns, project developers, buyers and investors. Progress made in Africa and Europe resulted in a growing list of sovereign and corporate clients across a range of sectors. In addition, several African governments have sought input from RMB regarding market readiness.

RMB continues to assess new carbon methodologies whilst growing its institutional carbon knowledge so as to be able to fund a broader array of projects.

KOKO Networks

In December 2023 RMB arranged a long-term debt facility for KOKO Networks, a Nairobi-based provider of carbon-financed clean cook stoves and bioethanol fuel. This facility secures cash flows from future carbon credit sales, aiding cooker expansion in Kenya and other markets.

In Africa, over 900 million people cook with polluting fuels such as charcoal, directly resulting in the deforestation of millions of hectares of land and more than 600 000 deaths from household air pollution each year. The resultant greenhouse gases emitted are similar in scale to those of the global aviation industry. To solve this problem, a continent-wide energy transition to clean and modern fuels is required.

KOKO is leading this transition, replacing demand for charcoal through supplying over 1.2 million homes with bioethanol cooking fuel. The fuel is distributed through a network of high-tech KOKO fuel filling stations resembling ATMs, located in thousands of corner stores across urban Kenya.

KOKO's initiatives reduce charcoal and kerosene use, address deforestation and lower emissions while providing significant discounts to Kenyan households. This financing aligns with RMB's goal to lead in carbon trading and finance in Africa, supporting climate change mitigation and improving living standards.