

The Living Earth: Moving Beyond the Extractive Economy



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Editor's Note

By **Aparupa Chakravarti**

Our Earth has a beating heart.

It seems particularly apropos that this heartbeat – “microseisms” discovered by scientists decades ago – pulses off the western coast of Africa, a continent that has long borne the disproportionate brunt of being treated as a repository of inanimate raw material and little else.

In his wonderfully humane *The Nutmeg's Curse*, Amitav Ghosh traces this tendency of relegating the earth to an inert, mechanical resource all the way back to the early 1600s. At the root of this narrow, extractivist relationship with the earth, he argues, is a violent flattening and erasure of global imagination and culture; a homogenisation that precludes us from envisioning a different relationship with our planet. If anything, Ghosh believes that we “...require a seismic shift in consciousness for those who remain wedded to the conception that humans are the only ensouled beings and that the Earth is an inert entity that exists in order to provide its rulers with resources.” I am inclined to agree.

In this issue of AB Intelligence, we attempt to catalyse – at the very least – a microseism in how we extrapolate market opportunities from nature, moving away from extraction as the default *modus operandi*. We reframe voluntary carbon markets as a principal-agent problem in order to rebalance capital, opportunity, knowledge, and power. We wrestle with the known unknowns of climate adaptation and make the case for an approach that shifts us from lifebelts to lifeboats by focusing on scale and domestic capacity. Finally, we invite you to reconsider what “fragility” means in conflict-affected contexts and view renewable energy investments as a precursor to – rather than contingent on – stability.

As you read our attempts to reconfigure our relationship with the Earth, consider asking yourselves, “What should market creation look like on a planet that has a heartbeat?” ■

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Fragility Is a Design Condition

By **Hubert Kinkoh**

The Mispricing Problem

Renewable energy in Africa's fragile markets will not scale on standard risk assumptions. Investors, Development Finance Institutions (DFIs), and peacebuilders need a different capital logic – one that treats fragility not as an exception to the model, but as a core feature of it.

The most consequential opportunities in African markets do not sit neatly inside sectors. They emerge at intersections – where conventional analysis is weakest and mispricing is most costly. Few intersections are more persistently misunderstood than energy, conflict, and capital. Renewable developers see fragile contexts as operational risk. Peacebuilders see them as governance challenges. Investors see them as capital hazards. In reality, all three are describing the same system from different vantage points.

That framing matters enormously. Across Africa's fragile and conflict-affected markets, the question is no longer whether renewable energy can function under instability – it already does. The real question is whether capital markets can catch up. Fragility is not simply a barrier to investment; it is a design condition.

What the Evidence Already Shows

Once that is understood, the investment logic shifts. In fragile settings, renewable energy transforms from mere infrastructure into a stabilising force with multiplier effects that can unlock a virtuous cycle. Shock-buffer financing, political-risk insurance, and interruption reserves should therefore be built into the capital stack as standard features of every investment thesis in fragile and conflict-affected settings.

The evidence is already visible. In eastern DRC, residents protected a solar mini-grid from armed threat because it had become integral to their daily security and economic life – keeping homes lit, phones charged, and local activity going after dark. Around Virunga, expanded hydropower near Goma has helped weaken a war economy that once funded armed groups, while simultaneously creating jobs and shifting farming households into a more stable system built around electricity, cold storage, and productive use.

Northern Nigeria tells the other side of the story. A 350-kW solar mini-grid was shut down following armed violence, resulting in months of lost revenue and an expensive restart. The technology did not fail; the project failed to absorb the shock of the environment it had entered. It had not been designed with sufficient conflict analysis, community protection, or operational resilience.

Risk Is Patterned – and Priceable

These are not isolated cases. Together, they reveal that investors routinely misprice risk because they ask the wrong question. The standard framing – “Is this market too risky?” – is reductive. The better question is: “What kind of capital structure makes this risk survivable?”



In fragile settings, risk is patterned. It surfaces in land disputes, elite capture, community exclusion, supply-chain interruption, and armed interference with infrastructure. That patterning makes risk legible – and once it is legible, it can be priced, buffered, and insured.

This reframing changes how value is understood. A mini-grid in Goma or Maiduguri is more than an energy asset: it simultaneously functions as a legitimacy asset, a livelihood asset, and a political-economy intervention. In South Sudan, fuel supply routes are costly, insecure, and mediated by armed chokepoints, taxation, and corruption, with no domestic refinery capacity to cushion the system. In that context, replacing diesel with decentralised solar is not merely a technical substitution – it is a way of reducing structural exposure to a war economy.

Darfur points in the same direction. After years of conflict, the collapse of the grid has driven communities towards grassroots solar adoption – faster, safer, and less exposed to fuel-linked conflict than alternatives. Even before the current war, large parts of the population lacked grid electricity, making decentralised renewables not a luxury but a practical response to both political and physical fragility.

Legitimacy Is a Performance Variable

Kenya offers a cautionary lesson: even technically world-class infrastructure can become politically toxic when communities are excluded from land decisions and benefit-sharing. The Lake Turkana Wind Power Project was technically successful but socially flawed. In fragile markets, consent and legitimacy are integral to project performance.

The Sahel raises the stakes further. Coups, insurgency, and grid fragility make the operating environment difficult, but the cost of inaction is higher. In areas where the state has been absent for years and armed actors have filled governance vacuums – offering dispute resolution, distributing resources and basic social services to communities – a decentralised renewable project enters a highly contested legitimacy landscape. If it delivers reliable services – clinic power, school lighting, water pumping – it moves beyond electricity provision into the politics of who governs, who benefits, and who is seen to matter. Getting the governance architecture right is, therefore, not a peripheral design detail; it is central to conflict prevention.



This is where peacebuilding becomes commercially relevant. Peacebuilding offers tools to understand local power, grievance, and legitimacy; energy delivers infrastructure with visible public value; capital provides the discipline to make it bankable. The opportunity lies in integrating all three. When they remain siloed, investors either overprice risk or miss the upside entirely.



Designing for Resilience – Not Just Return

The upside is real. Decentralised renewable energy is especially well suited to fragile settings: it can be built in stages, is less dependent on vulnerable fuel logistics, and generates early wins in clinics, schools, water systems, and local enterprise. Crucially, it also produces something investors should treat as a hard asset: social protection. When communities regard a project as theirs, they are more likely to defend it, maintain it, and help resolve disputes around it – functioning, in effect, as a form of distributed asset protection.

The implications are clear. Private capital should stop treating fragile markets as binary yes-or-no propositions; these markets require tailored capital architecture. DFIs and Multilateral Development Banks (MDBs) should move beyond broad-brush de-risking and build instruments capable of absorbing both operational and sovereign shocks. Insurers should design cover that reflects interruption, sabotage, and local disruption – not only conventional political risk. Policymakers should stop treating weak institutions as temporary anomalies: they are a permanent feature of the operating environment, and capital must be structured accordingly.

The real opportunity is to invest through fragility, with better-designed structures – financing that can survive temporary shutdowns, governance that gives communities a genuine stake, and underwriting that recognises legitimacy as a core component of project resilience. Market formation in frontier economies means building infrastructure and the conditions under which that infrastructure can endure – simultaneously, not sequentially.

Fragility is a call to design differently. The investors who grasp that first will not only find returns – they will help define the market itself. ■

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Africa's Voluntary Carbon Market: How Do You Price What Was Never for Sale?

By **Mwiya Musokotwane**

"When the missionaries came, we had the land and they had the Bible. They told us to close our eyes and pray. When we opened them, we had the Bible and they had the land."

Attributed to Jomo Kenyatta

The title of this essay asks a question whose stakes are rising. Natural capital is central to carbon sequestration, energy generation, and the mining of critical minerals in jurisdictions historically populated by indigenous peoples who communally own their ancestral lands.

To price an ecosystem, you must first cut it into units – verified carbon units (VCUs) – but the cutting severs the parts from the whole. Yet for ecosystems, the parts make the whole. The market does not price the forest. It prices

the abstraction imposed upon the forest, then enforces that abstraction back onto the territory. The important question is not whether to price what was never for sale, but why it is for sale in the first place.

The opportunity exists because Africa has resources the world needs: forests, rangelands, and mangroves for carbon offsets, and mineral belts for critical resources. The problem lies in the fact that local players and communities are often agents and recipients, but almost never proponents of the projects that seek to monetise these opportunities. Africa's natural capital does not face a pricing problem; it faces a principal-agent problem, which, if properly addressed, can revolutionise the way the continent owns and manages and, yes, prices its vast natural resources.

I. The Signings: Plus ça change, plus c'est la même chose

Bulawayo, 30 October 1888. Lobengula signs a document presented in Sindebele as a limited mining permission. The English text grants Rhodes complete and exclusive charge over all metals and minerals in the kingdom. By 1894, the kingdom is destroyed.

Lealui, 27 June 1890. Lewanika signs what he understands as a treaty of friendship with Queen Victoria. He has signed a perpetual commercial concession to a chartered company.

Monrovia, March 2023. Liberia signs a memorandum granting Blue Carbon, a Dubai-chartered entity, ecosystem rights across one million hectares, roughly 10% of the country. Similar memoranda follow with Tanzania, Zambia, and Zimbabwe.

Lake Kariba, October 2023. South Pole terminates the Kariba REDD+ project after investigations show baselines inflated five- to tenfold, tens of millions of credits retired by Gucci, Volkswagen, McKinsey, and Nestlé against work that did not happen, and the host community receiving a fraction of global revenue.



The exceptions, like Royal Bafokeng Holdings representing the economic interests of the Bafokeng people in South Africa, historically financed by platinum royalties from their ancestral mineral rights, prove the rule.

Over the centuries, the instrument has been updated. However, the architecture remains identical: foreign capital uses African resources, while locals provide labour and legitimacy, often on terms they do not fully understand.

II. The Arbitrage Architecture

Fundamental to this enduring architecture is a coordination game between two sides that are organised radically differently.

The demand side is coordinated three ways: through the Conference of the Parties (COP) architecture setting the rules of legitimacy; through compliance and voluntary buyers setting the clearing price; and through methodology bodies (Verra, Gold Standard, ART-TREES) owning the unit definitions and registry infrastructure.

The supply side is not coordinated, but rather atomised three ways: across thousands of community territories whose legal standing is mediated by counterparties they do not select; across a patchwork of foreign project proponents operating one project at a time; and across host states whose regulatory regimes are negotiated bilaterally rather than continentally.

When a coordinated side trades with an atomised side, the coordinated side sets the price. Atomisation is the new Lealui, conducted at continental scale.

The structural figure that captures the rent is the foreign developer, sitting between coordinated capital and atomised supply, carrying the technical capacity the community lacks, and taking the spread. This position is what (re)produces the behaviour.

III. Structural Problems Require Structural Changes

The standard response is to argue for higher benefit shares. Sixty-forty. Seventy-thirty. This is plausible in the same way that paying mineworkers higher wages is plausible. It does not change who owns the mine.

The benefit-sharing agreement is not a payment for the asset. Rather, it is a payment for the labour of protecting the asset. The community is hired to act as a workforce on its own land. It is not recognised as a proprietor. The structural position is identical to the colonial labour reserve, updated for nature-based solutions.

The difference, however, is the market, which creates room to challenge these underlying power dynamics in a way that would have been impossible in erstwhile colonial labour reserves. Communities disconnected from global markets, often themselves poor and underserved by the state, can, through carbon and biodiversity markets, finally translate centuries of stewardship into capital, returns, and reinvestment in the territories that hold the assets. However, for this to be possible, we must address the problem of sell-side coordination.

IV. The Coalition that Closes the Arbitrage

Closing the arbitrage requires changing not only what is bought and sold, but also how this transaction unfolds. The community must be the principal: holding the registered property right from which the credit derives, contracting the developer as service provider rather than proponent, and taking the residual rather than the wage.

Zambia shows what the inversion of this longstanding relationship looks like in statute. Community forest management groups obtain registered title to their forests – including carbon rights – from the state through the Forestry Department. Meanwhile, a proponent, or developer, working with the community has only secondhand rights, resting on: a community forest management agreement that novates those rights; the community's free, prior and informed consent; and a concession from traditional leadership.



However, the title settles the legal question, not the economic one. The economics live in the benefit-sharing agreement – legislated in Kenya, but a matter of negotiation in Zambia. Consequently, fair terms vary with the project: a low-capital project that simply avoids deforestation cannot carry the same split as a capital-hungry restoration programme. This is why it is critical that communities understand the project's methodology (how the carbon credits are actually calculated and valued), as this is the leverage they need to negotiate a fair deal.

Our approach at Carbon Canopy is built on this context. An African company must serve the African commonwealth and its shareholders in harmony rather than tension: if communities are partners, they must hold the same information we do, and that parity must ground the benefit-sharing arrangement. But parity in principle is not enough. Communities often lack the legal infrastructure to house their equity so that it compounds alongside the immediate interventions they choose for themselves. There, our role resembles the Crown Estate's in the United Kingdom – helping communities build and manage the vehicles that allow their patrimony to withstand time.

For this to occur at scale, four things must move together. First, registered natural capital trusteeship at community, district, and provincial levels, with custodial authorities and elected leadership holding the property right in constitutional form. Second, large local developers with technical capacity, portfolio scale, methodology authorship, and capital access equivalent to foreign proponents. Third, continental coordination of the supply side, marketing aggregated African natural capital through a trading desk with seats at the methodology table. Fourth, locally-originated capital: pension funds, green bonds, and other domestic instruments funding feasibility, inventory, and project execution, displacing the foreign financiers who currently provide that capital and, in doing so, write the contractual architecture of every subsequent decision.

Collectively, this architecture converts large tracts of land presently generating little in GDP into balance-sheet assets that contribute to both national and local wealth.

The state is instrumental in mobilising locally-originated capital – by mandating pension allocation into the natural capital asset class through pension law and directing commercial bank green financing through central bank prescription. Moreover, states must take the lead in building national inventory systems that assess forest and ecosystem vitality at a standard equal to or better than private-sector consultants. These changes will allow the state to know what it and its people own; hold custodial responsibility for the collective ownership of the indigenous communities that have always governed the land; and be equipped to contract technically able developers as agents of the communities and the state, rather than as proponents who own the project and distribute rents downward.

The window is open. Only those countries that establish institutional architecture before the market matures will be price-setters. However, operating thoughtfully at the national level is not sufficient. Africa needs to coordinate at the African Union level, to operate as a coalition and give its people the chance to set their own terms of engagement, in a break from the past where the terms have always been set elsewhere.

The Question Returns

So, how do you price what was never for sale? You do not. The question is a binary that conceals a real choice: between pricing nature on someone else's terms or your own. The pricing question, properly posed, is a sovereignty question. Pricing was never the real problem – atomisation was; atomisation of power, of leverage, of ownership, and of knowledge. Inverting this process of atomisation is where the real work lies. ■

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Abandon Ship: Can Scale Solve Both Climate Adaptation and Mitigation?

By **Ebipere Clark**

The Governance Failure

The gradual submersion of Jakarta is not a climate story – it is a governance failure of the adaptation response.

The science was clear by the 1990s. 40% of the city sits below sea level. The worst districts sink twenty-five centimetres a year, not because of the sea or climate, but because of groundwater extraction: a political failure dressed as a natural disaster. The decision to leave came in 2019. Construction of Nusantara, Indonesia's newly planned capital city, began in 2022. Then in 2025, President Prabowo reclassified it from national capital to political capital. State funding fell from \$2 billion in 2024 to \$300 million in 2026. The city built to house 1.2 million people by 2029 currently holds ten thousand.

Jakarta is sinking because of misalignment: political tenure is four years, while sea-level risk is measured in decades. Every actor behaved rationally within their window. Yet the aggregate of rational decisions is a rapidly sinking city and a trapped population.

The standard response to any critique of adaptation finance is: give us better data, longer horizons, and more sophisticated instruments. However, climate adaptation is predicated on a series of unknowns, including tipping points that we cannot predict. In short, we will not be able to mathematically model ourselves out of climatic shocks. What we need is a completely different class of financing and policy decision architecture, one that will allow us to harness the scale of one policy problem to fund the solution to another.

With the right reframing, African governments, financiers, and developers can collectively reorient themselves to approach climate adaptation and the associated possibility of migration as a large-scale opportunity for sustainable infrastructure development, powered by domestic construction industries.

The Known Unknowns

In April 2026, as NPR reported Nusantara as a city of doubt, J.P. Morgan published *Tipping Points: Decision Making Under Deep Uncertainty*. The coincidence is instructive. J.P. Morgan's central finding was that climate tipping points sit in Knightian uncertainty. In other words, this is not calculable risk, but a domain where standard tools break down. Discounted cashflow (DCF) models with three-to-five-year forecast periods structurally misprice what is coming. We cannot accurately calculate or realistically establish outcomes to evaluate decisions.

The report recommends scenarios and tabletop exercises: the right tools for deep uncertainty. What it does not do is ask whether a different decision architecture might make the timing of the tipping point irrelevant.

The implication is clear. If the tool that prices risk cannot price this risk, the tool is simply wrong. The analytical path to climate adaptation is closed.



However, we have been here before – in deep uncertainty – for mitigation. China provided a response to that challenge.

China did not wait for certainty before acting on decarbonisation. It identified a simultaneity: the scale of renewable deployment would be the engine of domestic industrial policy. It did not solve decarbonisation and industrialisation sequentially. It used the scale of one to fund the other. Solar panels, electric vehicles, battery storage – each sector built on guaranteed domestic offtake before it competed globally. The result was the fastest manufacturing cost-curve descent in history.

Ultimately, China did not need to know when peak oil demand would arrive. It only needed to know that it would, and that the scale of its response would determine who manufactured its own transition.

Adaptation economics has not learned this lesson. Many have called it incomplete; J.P. Morgan suggests it is unknowable. Regardless of both epistemic criticisms (incompleteness and deep uncertainty), adaptation is still pricing and financing each seawall against each flood scenario, instrument by instrument – piecemeal. This is mitigation's original sin, now applied to adaptation and resilience. The answer is to change the scale of the response until the valuation problem becomes moot.

Lifebelts and Lifeboats

What we have today is in many respects a “lifebelt” climate adaptation architecture. Seawalls, resilience bonds, parametric insurance are all built on one assumption: the population stays, the assets are worth defending. Adaptation finance prices the cost of holding a location. It has no instrument for leaving one – the lifeboat. This is the incompleteness problem. J.P. Morgan says that tipping points mean that we cannot determine what is required – whether lifebelt or lifeboat – until certainty arrives. By then, it will be too late.



Africa's seven largest coastal cities will grow 40% by 2030, adding twenty-one million people to already-exposed coastlines. Permanent flooding of parts of Lagos, Cotonou, Dar es Salaam, and Alexandria is projected under mid-range scenarios by 2050. Meanwhile, the blue economy these cities anchor is on course to grow from \$296 billion to \$405 billion by 2030. The adaptation finance directed at protecting it is not operating at the same scale. Simultaneously, the receiving city – wherever displaced populations relocate – remains entirely unfinanced.

If we are able to transition away from simply holding the line towards executing a managed retreat, we may be able to produce a fiscal and developmental catalyst.

The Unknown Knowns

Every coastal city that crosses the threshold from defence to retreat can generate a construction demand event. New settlements require modular construction, climate-adapted urban design, water management, distributed energy, and digital infrastructure. African governments that structure that demand domestically, using managed retreat as the anchor off-taker, would be applying the same structural logic China applied to decarbonisation.

When done incorrectly, the receiving city is built with imported technology and imported supply chains. In this case, the fiscal multiplier exits, and the currency crisis enters. Africa gets the displacement without the development.

The Jakarta case is instructive precisely because Nusantara is being built on foreign capital. In fact, what the city is built from, and by whom, was never central to the decision. Nusantara is a national migration project dependent on the confidence of strangers in Indonesia's ability to repay their investments in full and on time. There is no simultaneity; there is no synergy. There is only the familiar and fragile sequencing under pressure, as budgets, ambitions and timelines are scaled back.

Who Builds, Who Pays

China scaled through one state, market and industrial policy; Africa must scale outward from cities and national markets. The test for Africa is whether this urban demand builds its domestic industry, construction capacity and local-currency finance. Unfortunately, most projects fail. Senegal's Diamniadio and Kenya's Konza are locally owned or initiated, but both rely heavily on external finance, foreign contractors and engineering. In Nigeria, Enyimba Economic City comes closest in industrial intent, yet its first phase remains dollar-financed. Eko Atlantic is the clearest partial exception: its developer's group produces concrete, aggregates and glass, although reclamation was foreign-contracted. Across these cases we see a consistent pattern: domestic actors own the city; foreign actors finance and build its highest-value components. Closing the gap requires reversing that hierarchy: domestic materials, contractors and currency at the core; foreign expertise only where and when necessary.

In Africa, current adaptation strategies are predominantly centred on lifebelts and not lifeboats. The window of opportunity is not defined by when the tipping point arrives, but rather by whether the question of building is answered before or after our cities – like Jakarta – sink under the sea. Will we defend or will we strategically retreat?

In this case, the real loss is not in abandoning ship. Rather, it is in building the wrong ship entirely. ■

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