
Case Study Summary:

Carbon Project Risk Assessment for Development Finance Investment

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Project Description: Carbon project investment due diligence and technical evaluation.

Key Outcome: Investment made with modified project plan and expectation and risk mitigation milestones.

Client Type: European Development Bank.

Location: Africa.

Value: EUR 25 million.

Scale: 15K ha.

Other Stakeholders: Plantation development company, local NGOs and stakeholders.



The challenge: Review carbon-credit assumptions, plantation development forecasts, and project viability for expansion and development of ARR project in Africa. Identify key risks for investor and recommend mitigation strategy.

Approach: Conducted field assessment and forest inventory analysis of existing plantation areas and degraded land areas. Carbon baseline assessment and production forecast calculations.

- Technical validation, data review, field sampling
- Financial modelling
- Risk assessment
- Scenario analysis
- Benchmarking against industry best practice
- Sustainability and land use assessment
- Logistical and infrastructure assessment



Recommendation: Following the detailed analysis, project modification was recommended including:

- Revised carbon baseline assessment, including growth rates, net planted area and production forecast.
- Staggered investment and clear project milestones to trigger capital release.
- Monitoring and review programme, rolling risk assessment strategy.

Result: The due diligence identified material risks in baseline assumptions, plantation establishment rates, and implementation logistics. Our recommendation included a phased investment structure, tied to operational milestones, reducing investor exposure while preserving long-term project viability.