

Regional Workshop on Article 6 & Carbon Pricing for West and Central Africa



United Nations
Climate Change

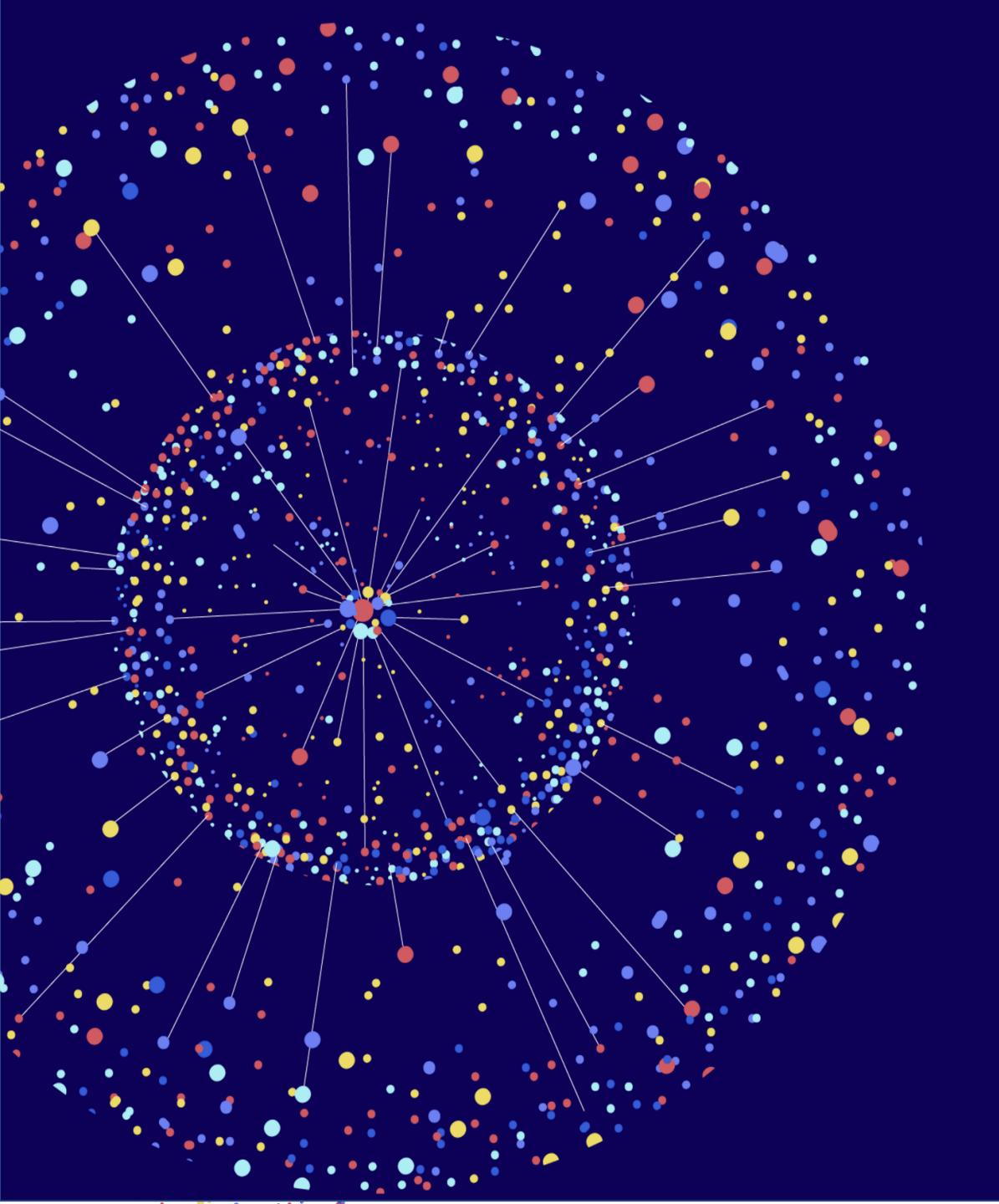


RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

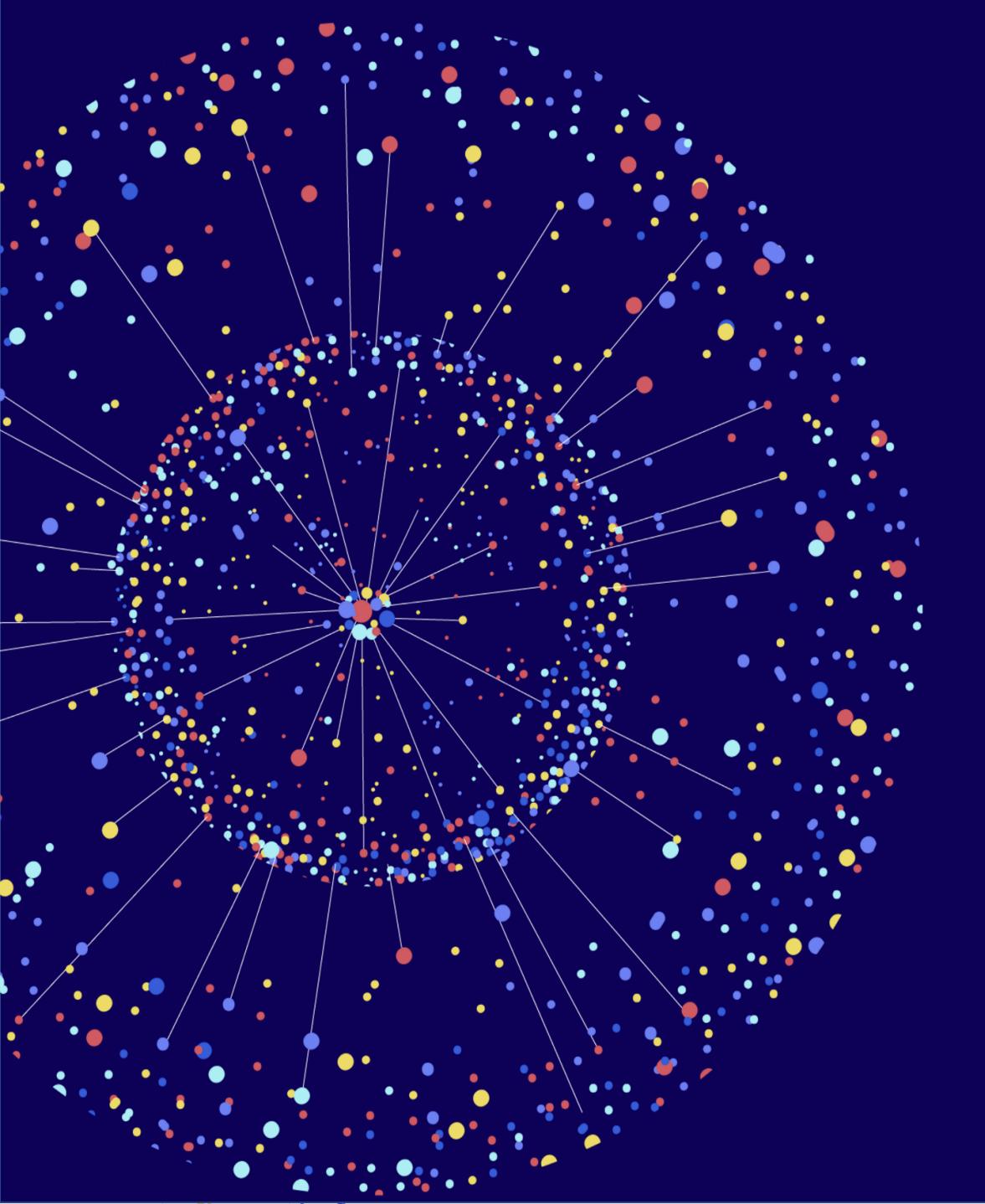


Government of Cabo
Verde

Welcome Remarks



Ousmane Fall Sarr
Coordinator
West African Alliance on Carbon
Markets and Climate Finance (WAA)



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

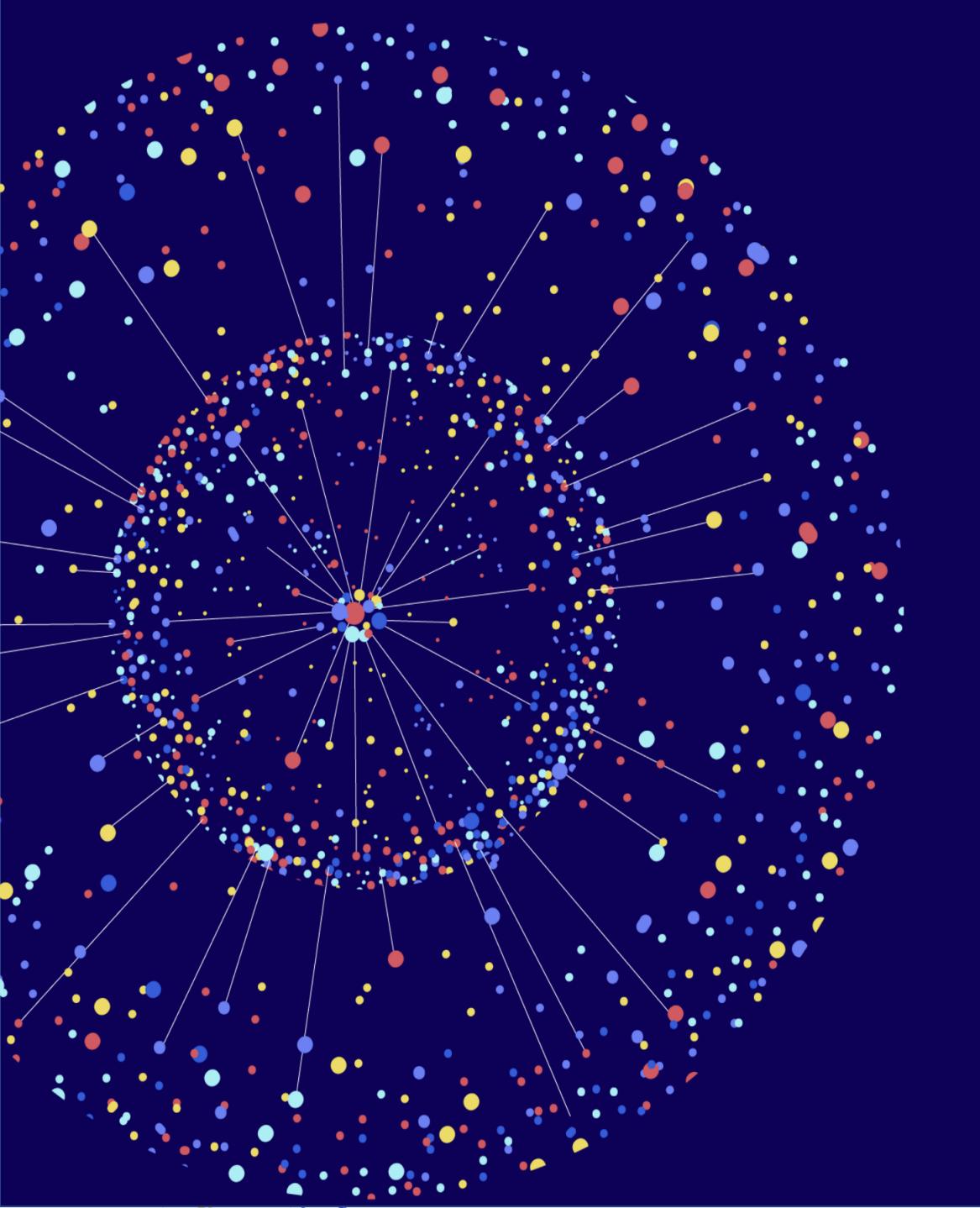


Government of Cabo
Verde

Welcome Remarks



YACOUB EL HILLO
Regional Director for Africa
UN Development Coordination Office (DCO)



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

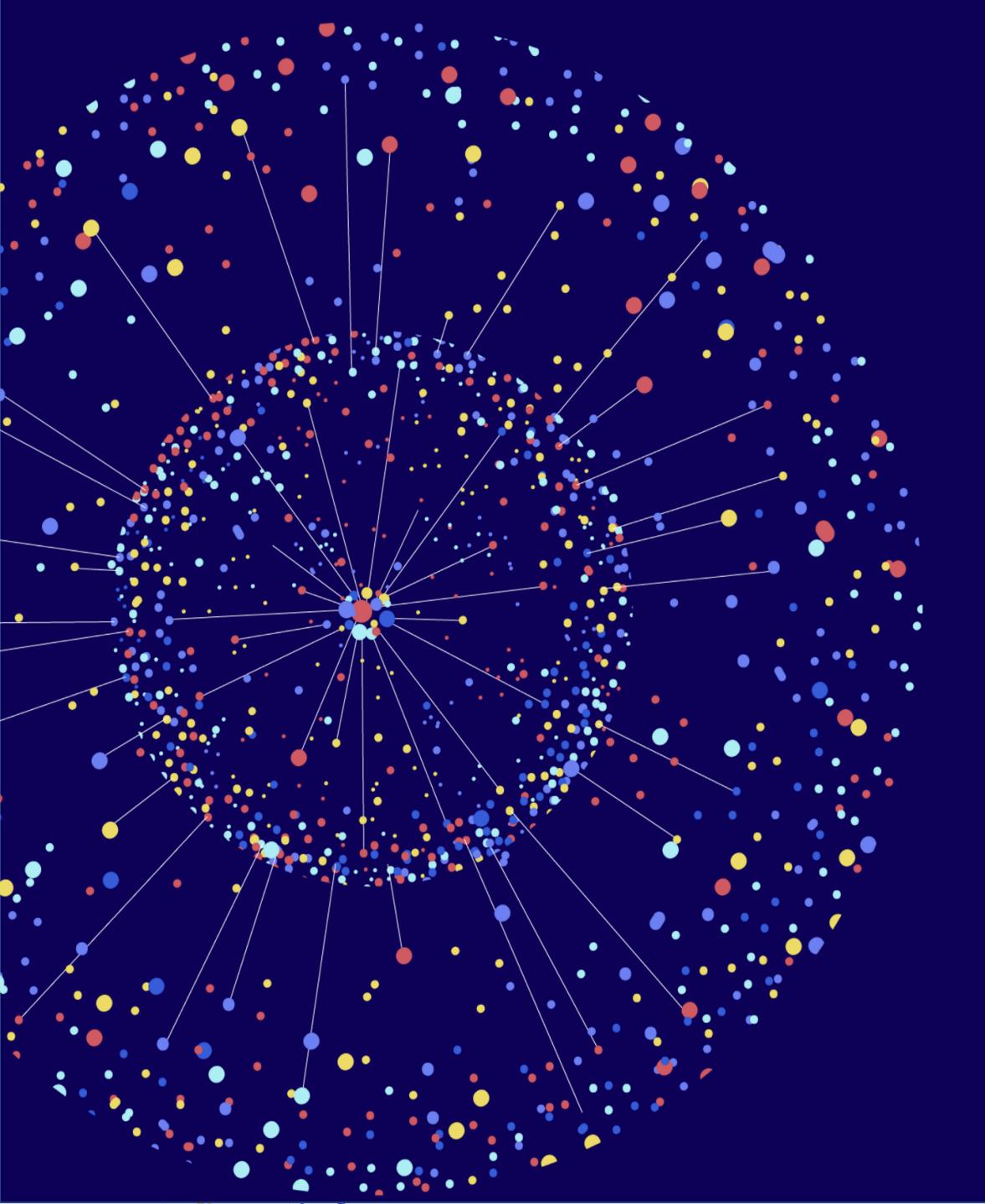


Government of Cabo
Verde

Welcome Remarks



Mr. Perumal Arumugam
Manager, UNFCCC



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

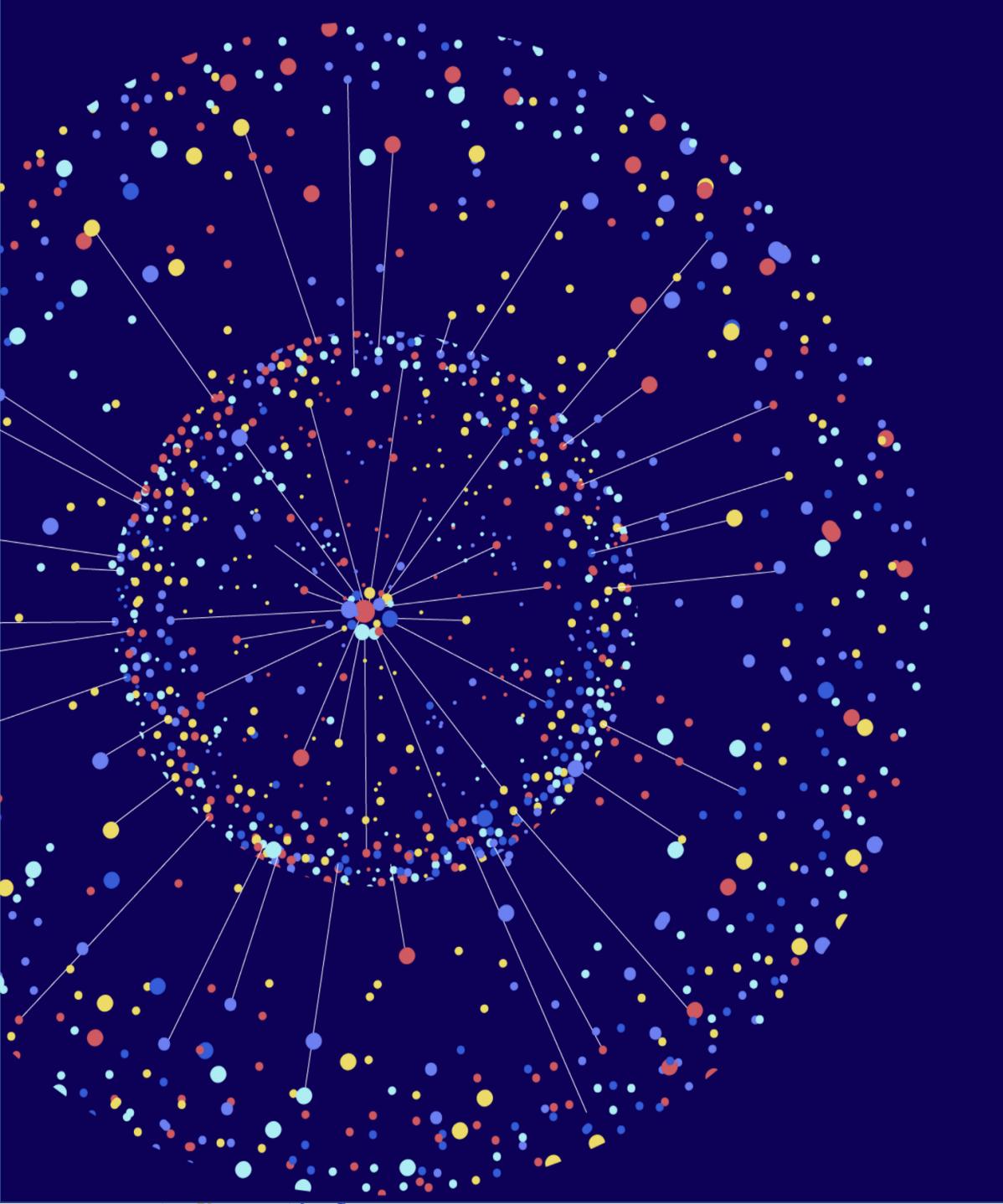


Government of Cabo
Verde

Welcome Remarks



Ms. Patricia Portela De Souza
United Nations Resident Coordinator
for Cabo Verde



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

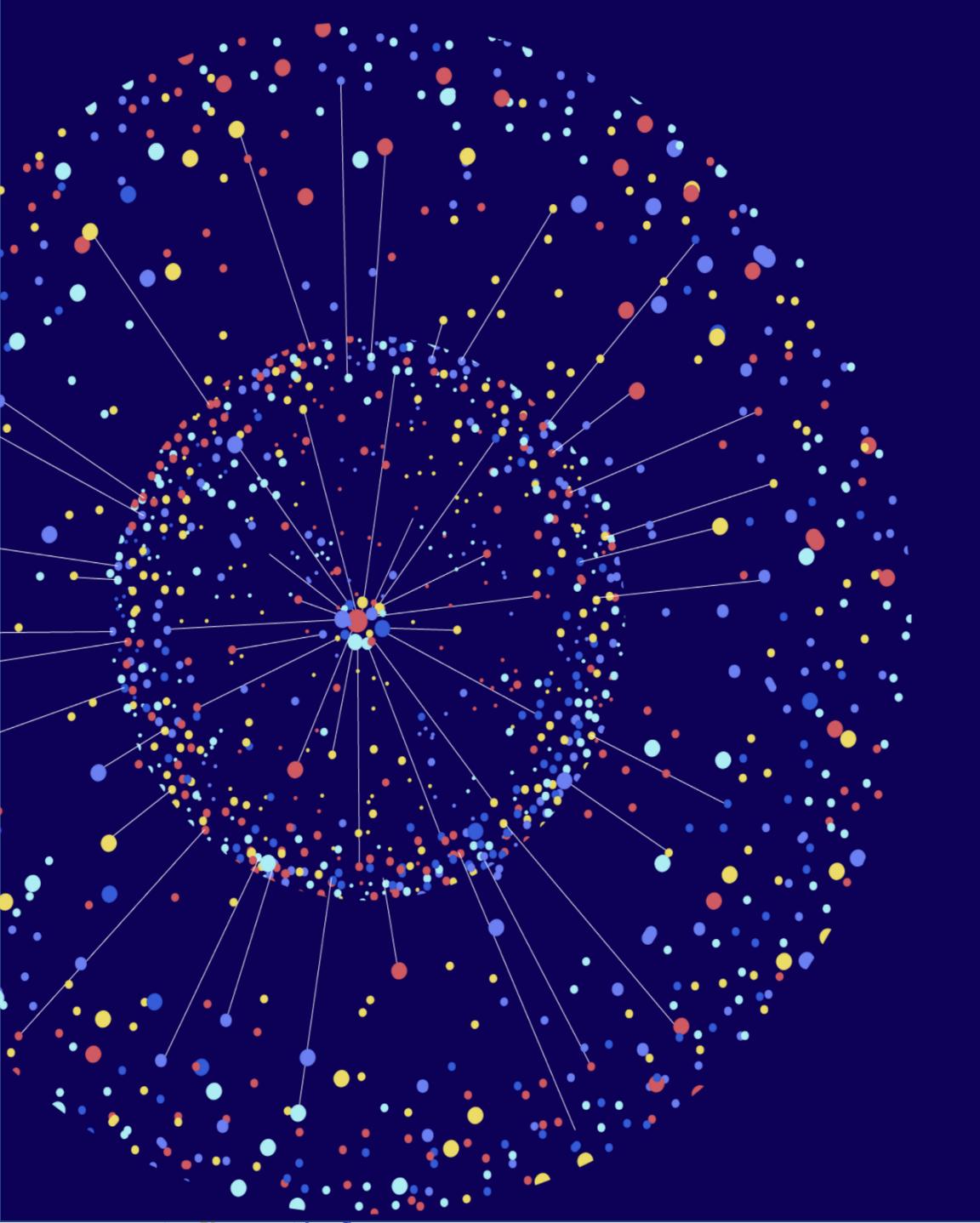


Government of Cabo
Verde

Welcome Remarks



Mr. Pedro Lopes
Secretary of State for Digital Economy
– Ministry of Finance of Cabo Verde -



United Nations
Climate Change



West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Group Photo & Tea Break

Daily Agenda

Day 1	29 Oct 2024	Understanding Carbon Markets and Navigating Carbon Pricing (REDICAP Focused)
Day 2	30 Oct 2024	Operationalizing Article 6 in West and Central African Countries
Day 3	31 Oct 2024	Operationalizing Article 6 in West and Central African Countries
Day 4	1 Nov 2024	Operationalization & Action Planning, Article 6 in West and Central African Countries

Detailed Agenda

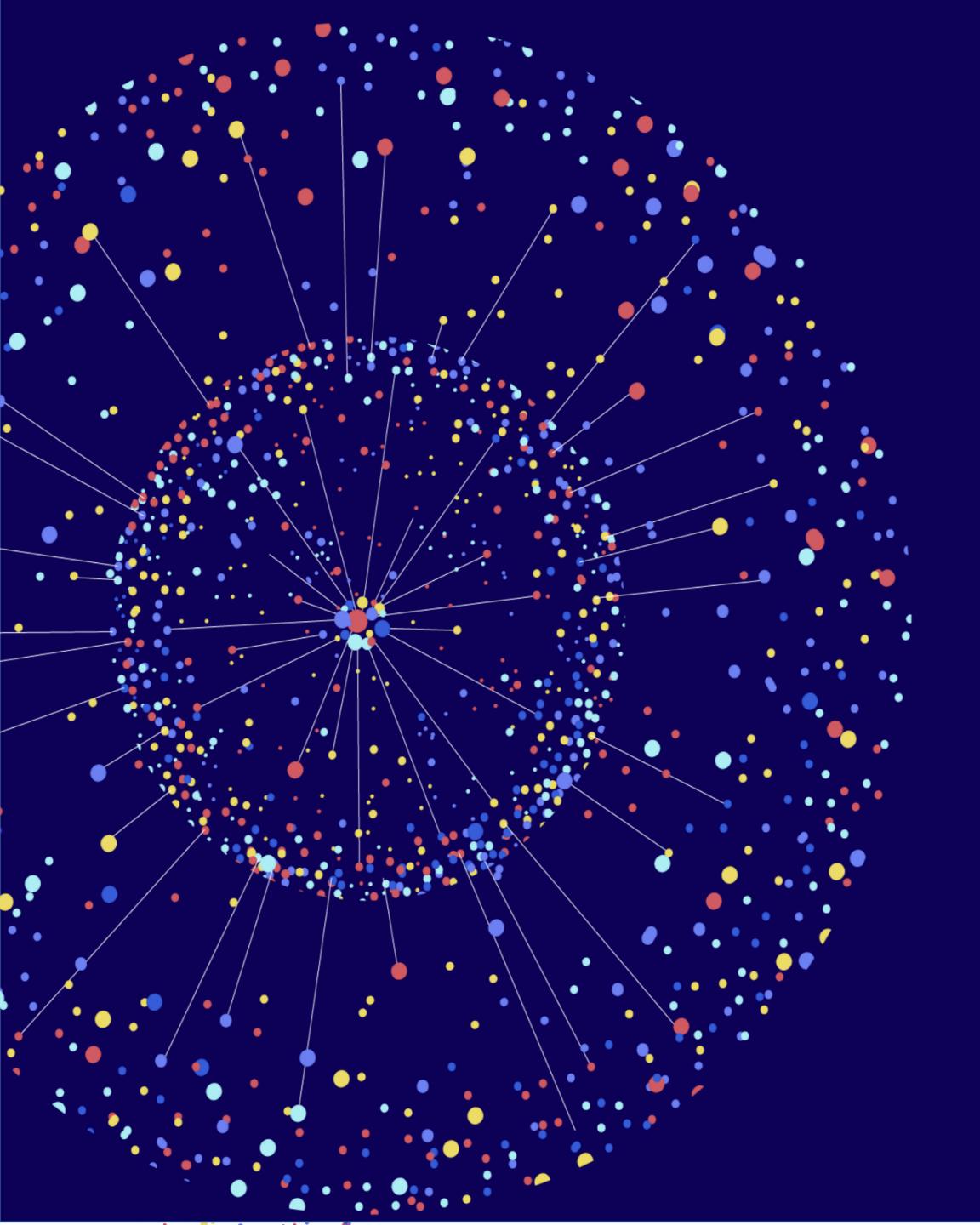




Article 6 Abbreviations



Day 1 Presentation



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

DAY 1

Understanding Carbon Markets & interlinkages with NDCs

Mr. Perumal Arumugam
Manager, UNFCCC

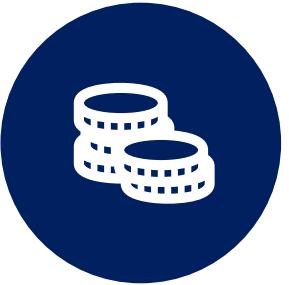
Day 1 : SESSIONS



**Taking stock of the
Carbon Markets - Main
Instruments and
Trends**



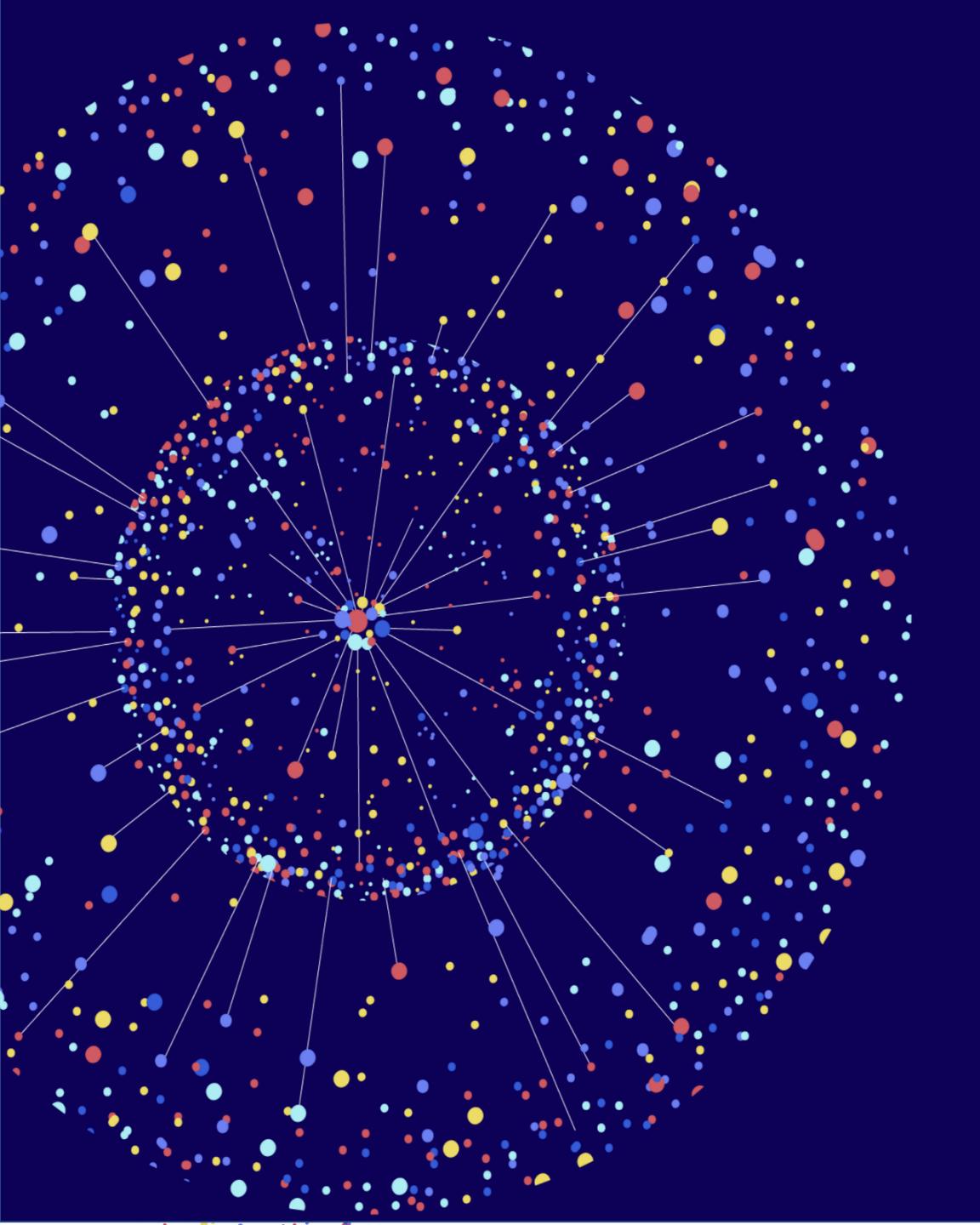
**Leveraging Carbon
market Instruments for
NDC achievement and
progression**



**Implementing Carbon
Pricing for Climate
Action**



**Article 6 - Cooperative
Approaches**



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde



Taking stock of the Carbon Markets - Main Instruments and Global Trends

Mr. Perumal Arumugam
Manager, UNFCCC

Carbon Markets

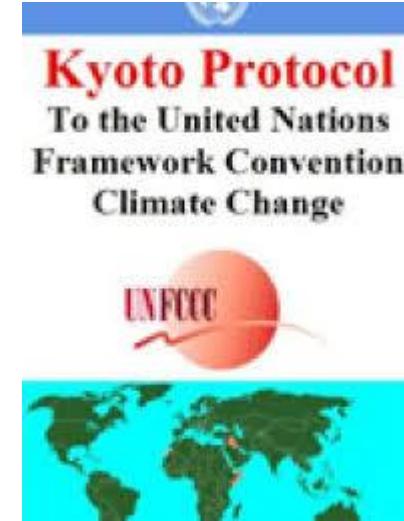


- Carbon markets are trading systems in which carbon credits are sold and bought → **Emission Trading**
- One **tradable carbon credit** equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas reduced, sequestered, or avoided (1 tCO₂e).
- **Carbon finance will be key for the implementation of the NDCs**, and the Paris Agreement enables the use of such market mechanisms through Article 6.
- Around the world, interest in carbon markets is growing – **83 percent of NDCs** state the intent to make use of international market mechanisms (A6) to reduce greenhouse gas emissions.



Carbon Market background

The first carbon market began operating in 2005 with the **Kyoto Protocol's Clean Development Mechanism (CDM)**, allowing developed countries to invest in emissions reduction projects in developing countries and receive credits in return



- This created a market where entities could **buy and sell these credits** to meet their emissions reduction obligations more **cost-effectively**.
- Since then, carbon markets have evolved and expanded. Regional and national cap-and-trade systems and carbon pricing mechanisms being implemented around the world.

Carbon Markets



Voluntary market

For compensating emissions as part of **net-zero or climate neutral targets**

Motivation = self-set targets

Buyers = corporates / individuals

Units: voluntary credits/Article 6.4 MCUs

Self-regulations – codes of best practice emerging

Compliance market

For achieving **NDCs domestically**

Motivation = compliance with **mandated pricing instrument** (carbon tax, ETS, etc.)

Buyers = compliance entities (corporates)

Units: emission allowances & offset credits

Domestic or sectoral regulations

Article 6 can be used for both compliance and voluntary

Article 6 market

For achieving **NDCs cooperatively**

Motivation = to increase NDC ambition / achieve NDCs more flexibly

Buyers = Parties

Units: Internationally Transferred Mitigation Outcomes (ITMOs)

International oversight/ rules

Emissions Trading Worldwide



58%



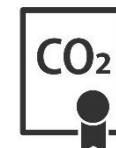
JURISDICTIONS MAKING UP 55 %
OF GLOBAL GDP ARE USING EMISSIONS
TRADING

$\frac{1}{3}$



ALMOST 1/3 OF THE GLOBAL
POPULATION LIVES UNDER AN ETS IN FORCE

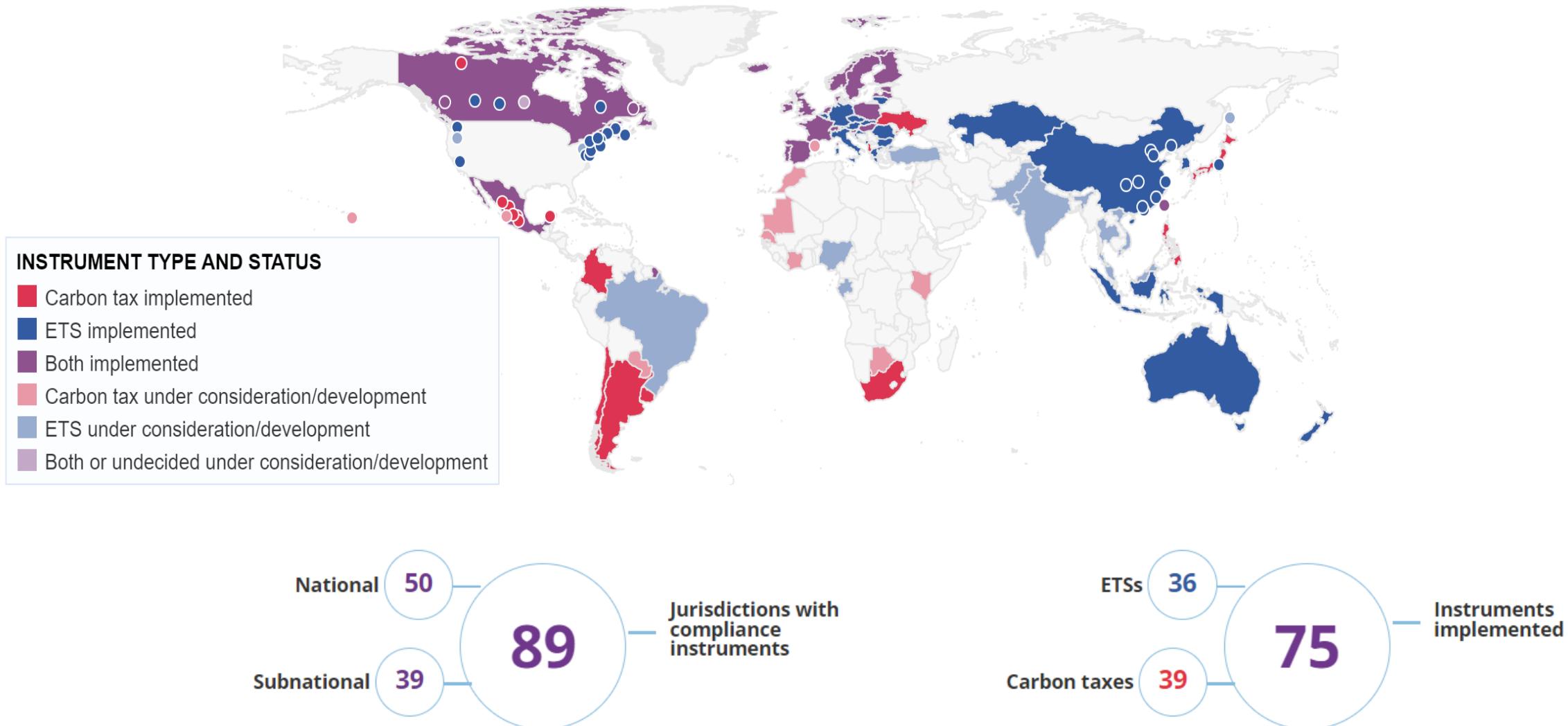
17%



OF GLOBAL GHG
EMISSIONS ARE COVERED BY AN ETS



Compliance carbon pricing instruments around the world, 2024.



Source: World Bank Group

Overview: Sources of demand

- Demand for carbon credits from four segments:
 - The NDC compliance market
 - The CORSIA compliance market
 - The market for compliance against domestic carbon-pricing scheme
 - The voluntary carbon market (VCM)

The NDC compliance market

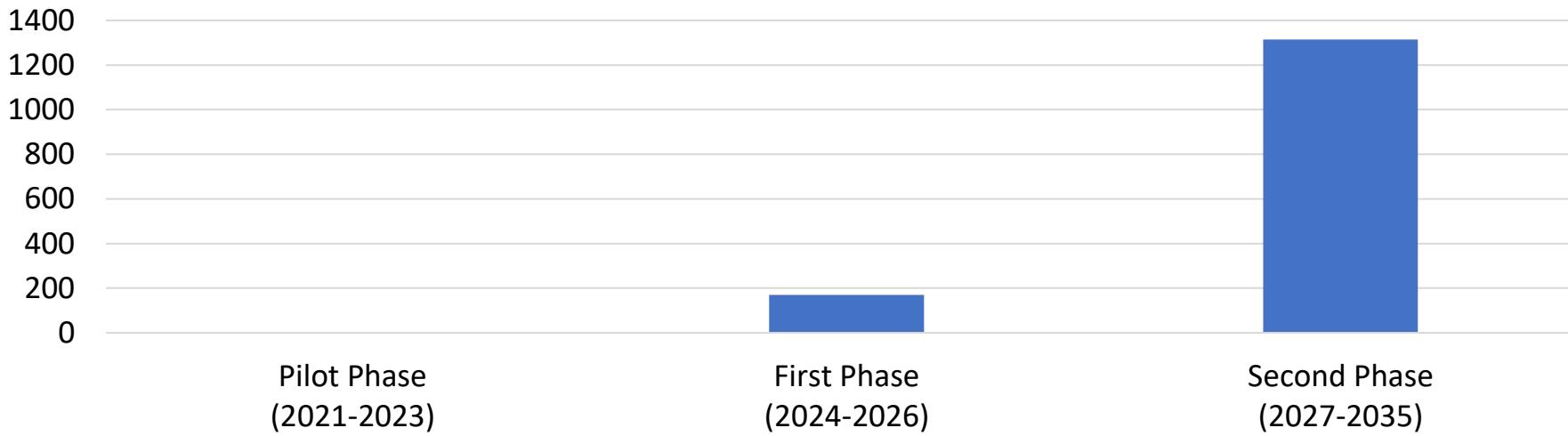
- Demand: Demand for ITMOs for NDC compliance remains small, ranging from 0.178 to 1.5 Gt by 2030.
 - Low demand scenario: Total of announced acquisition of ITMOs by five Parties which have ITMO acquisition plans.
 - High demand scenario: Total of the NDC implementation shortfall of nine countries engaged in ITMO development and acquisition.
 - Factors affecting demand: Countries beyond those considered in the analysis may also become ITMO buyers.
- Opportunity: The introduction of the Article 6.4 mechanism could potentially increase the willingness to achieve higher shares of NDC achievement through cooperative action.

CORSIA

- Potential demand for carbon credits from CORSIA (mid scenario)

- Pilot Phase (2021-2023): 0 Mt
- First Phase (2024-2026): 170 Mt
- Second Phase (2027-2035): 1314 Mt

Forecasted demand for offsets up in CORSIA Phases (Mt)



CORSIA

■ CORSIA eligible standards for credits (as of November 2023)

- Pilot Phase (2021-2023): 11 standards
- First Phase (2024-2026): 2 standards

Standards	Pilot phase (2021-2023)	First phase (2024-2026)
American Carbon Registry (ACR)	X	X
Architecture for REDD+ Transactions (ART)	X	X
BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL)	X	
China GHG Voluntary Emission Reduction Program (CCER)	X	
Clean Development Mechanism (CDM)	X	
Climate Action Reserve (CAR)	X	
Forest Carbon Partnership Facility (FCPF)	X	
Global Carbon Council (GCC)	X	
The Gold Standard (GS)	X	
SOCIALCARBON	X	
Verified Carbon Standard (VCS)	X	

Domestic Carbon-Pricing Scheme - Market

- Demand: Given the number of developing countries establishing domestic carbon-pricing schemes, credits for compliance with schemes may represent a substantial market by 2030, ranging from 2.7 to 4.3 Gt by 2030.
- Opportunity: Most of demand for this category would be filled by domestic crediting standards. Nevertheless, several opportunities still exist, as some jurisdictions:
 - may not wish to set up a domestic crediting mechanism due to efforts/costs.
 - may allow multiple crediting standards.
 - may enable the use of international units.

Key Features Across Four Market Categories

	NDC compliance	CORSIA	Domestic compliance	VCM
Demand volume over 2021–2030 (Gt/tCO₂e)	0.178–1.5	0.6	2.7–4.3	3–6.4
Average price in 2023 (USD/tCO₂e)	USD 27.90/ tCO ₂ e; prices available for ITMOs	USD1.33/ tCO ₂ e; CORSIA eligible units	N/A (Depends on the carbon price set and quotas for credits set)	USD 7.30/tCO ₂ e; all categories except engineered removals, USD 250–1750/ tCO ₂ e; engineered removals
Key quality criteria	N/A (Set by each Party) and for 6.4 PACM SBM	CORSIA Emissions Unit Eligibility Criteria	N/A (Set by each market)	Various activities such as CCPs
Major suppliers	Various activities under Article 6.2. and Article 6.4	CORSIA- eligible standards (mostly independent carbon standards as well as CDM)	Domestic carbon standards, Independent carbon standards	VCS, GS, CAR, ACR, etc.

Overview: Sources of supply

- Supply for carbon credits from five main sources:
 - Independent carbon standards
 - Cooperative approaches under Article 6.2 & Article 6.4
 - Domestic carbon standards
 - Bilateral carbon standards
 - Other sources of supply
 - CDM



Domestic Carbon Standards

- Domestic carbon standards are often established by a jurisdiction to serve the purpose of domestic compliance demand (either in conjunction with carbon pricing or some form of carbon commitment) and/or voluntary demand.
 - Example of jurisdiction: Alberta (Canada), Australia, Canada, Colombia, Chile, China, EU, India, Indonesia, Japan, Kazakhstan, Korea, Mexico, New Zealand, Saudi Arabia, Singapore, USA (Regional), Thailand, and Vietnam.

Bilateral Carbon Standards

- Currently, one bilateral carbon standard developed by Japan, the Joint Crediting Mechanism (JCM), is in operation, while one other bilateral carbon standard, the Indo-Pacific Offsetting Scheme (IPCOS) is being developed by Australia.
 - As of October 2023, the JCM had led to an estimated GHG reduction of 2.8 MtCO₂/year from 235 projects across 15 countries.
 - IPCOS is an Australian-led 10-year initiative (until 2031) to support climate action in the Indo-Pacific region with approximately USD 100 million.

Other Sources of Supply

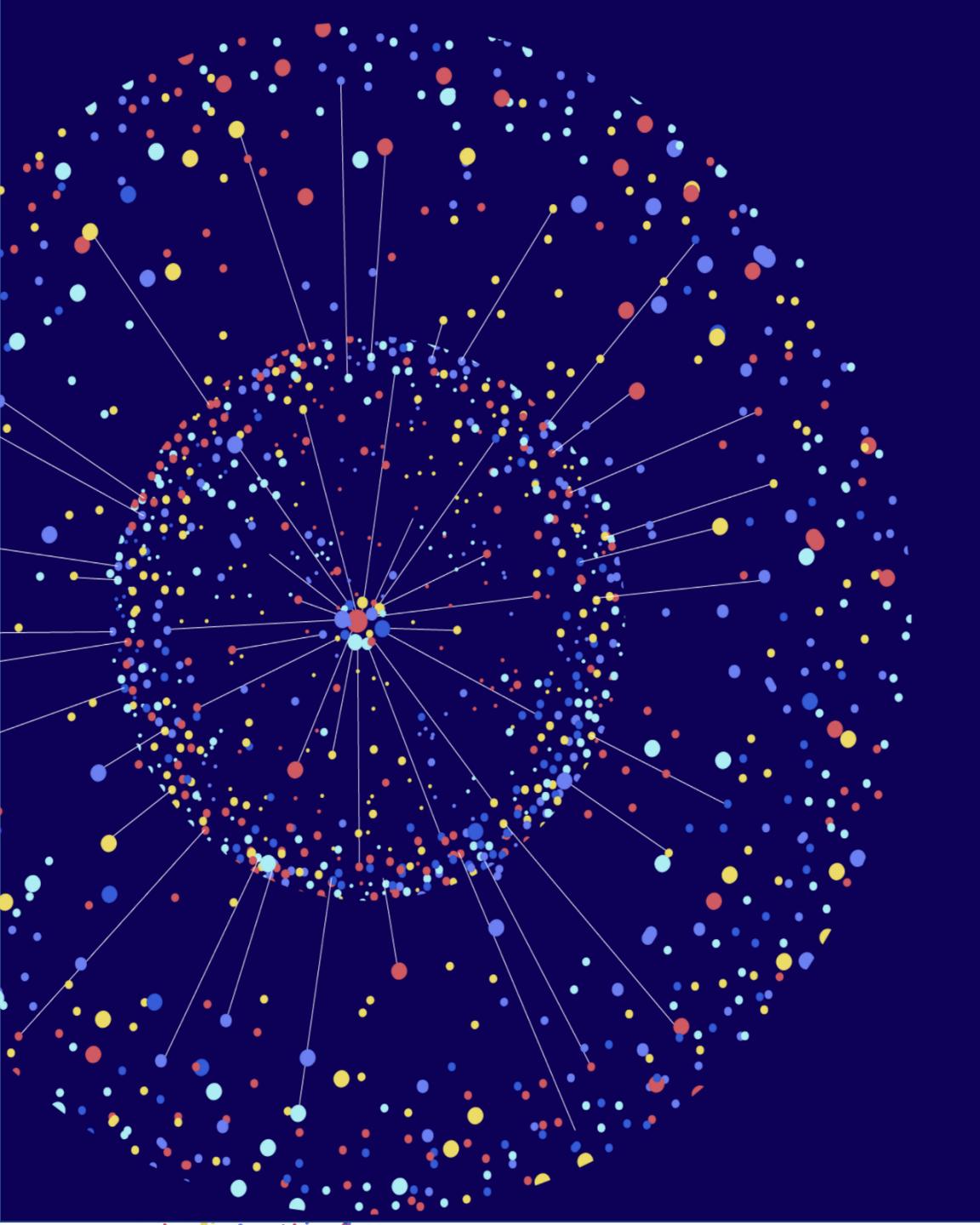
- Emission allowances from ETSs transferred to other jurisdictions is another sources of units, among others.
- Nevertheless, large-scale transfer of ITMOs from ETS to ETS is not expected to develop at scale.

Why Does All This Matter?



- Article 6 is an important part of the world's "toolbox" for addressing climate change
- Article 6 is the only part of the PA that directly engages the business and private investment sector in directly implementable activities in which they can invest
 - There is strong real-world potential for cooperative action - shown by existing pilot Article 6 projects, with the UN decisions in Glasgow understanding the overall impact of cooperative action on global mitigation is facilitated
- Many similar tools are being increasingly deployed at domestic, regional, and bilateral levels...
- Centralized mechanism helps in ensuring broader accessibility of the market





United Nations
Climate Change



Government of Cabo
Verde

Trends of carbon carbon pricing approaches in West and Central Africa

Bernard Ayittah
Article 6 and carbon pricing expert,
UNFCCC RCC WAC Africa

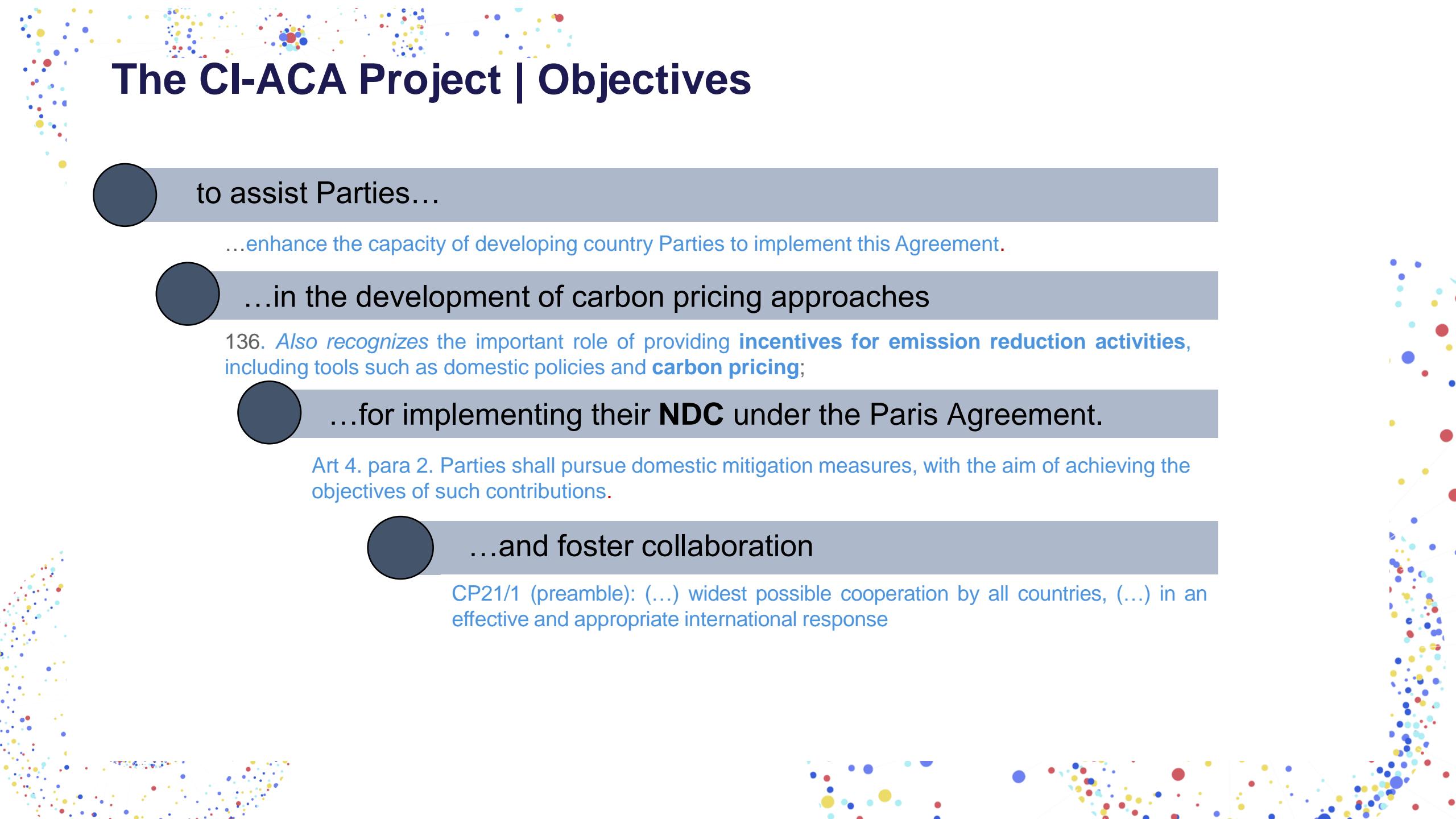
The CI-ACA Project | Background

Launched at **COP22** in 2016

Address developing countries needs for **innovative and collaborative** instruments to achieve **increasingly ambitious** NDCs.

Provision of support to understand options and pathways for implementation

Voluntary initiative: funded by voluntary contributions from donors and does not create obligations for recipient



The CI-ACA Project | Objectives

to assist Parties...

...enhance the capacity of developing country Parties to implement this Agreement.

...in the development of carbon pricing approaches

136. *Also recognizes the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing;*

...for implementing their **NDC** under the Paris Agreement.

Art 4. para 2. Parties shall pursue domestic mitigation measures, with the aim of achieving the objectives of such contributions.

...and foster collaboration

CP21/1 (preamble): (...) widest possible cooperation by all countries, (...) in an effective and appropriate international response

The CI-ACA Project | Jurisdictions benefitting from CI-ACA

Ongoing support to jurisdictions

- Ghana – Senegal – Cameroon - West Africa (WAEMU) (studies) - Nigeria (pilot)

Support to new jurisdictions

- Guinea – Guinea Bissau-

New jurisdictions under consideration

- Benin – Gabon – Togo

The CI-ACA Project | Scope of support

Areas of support:

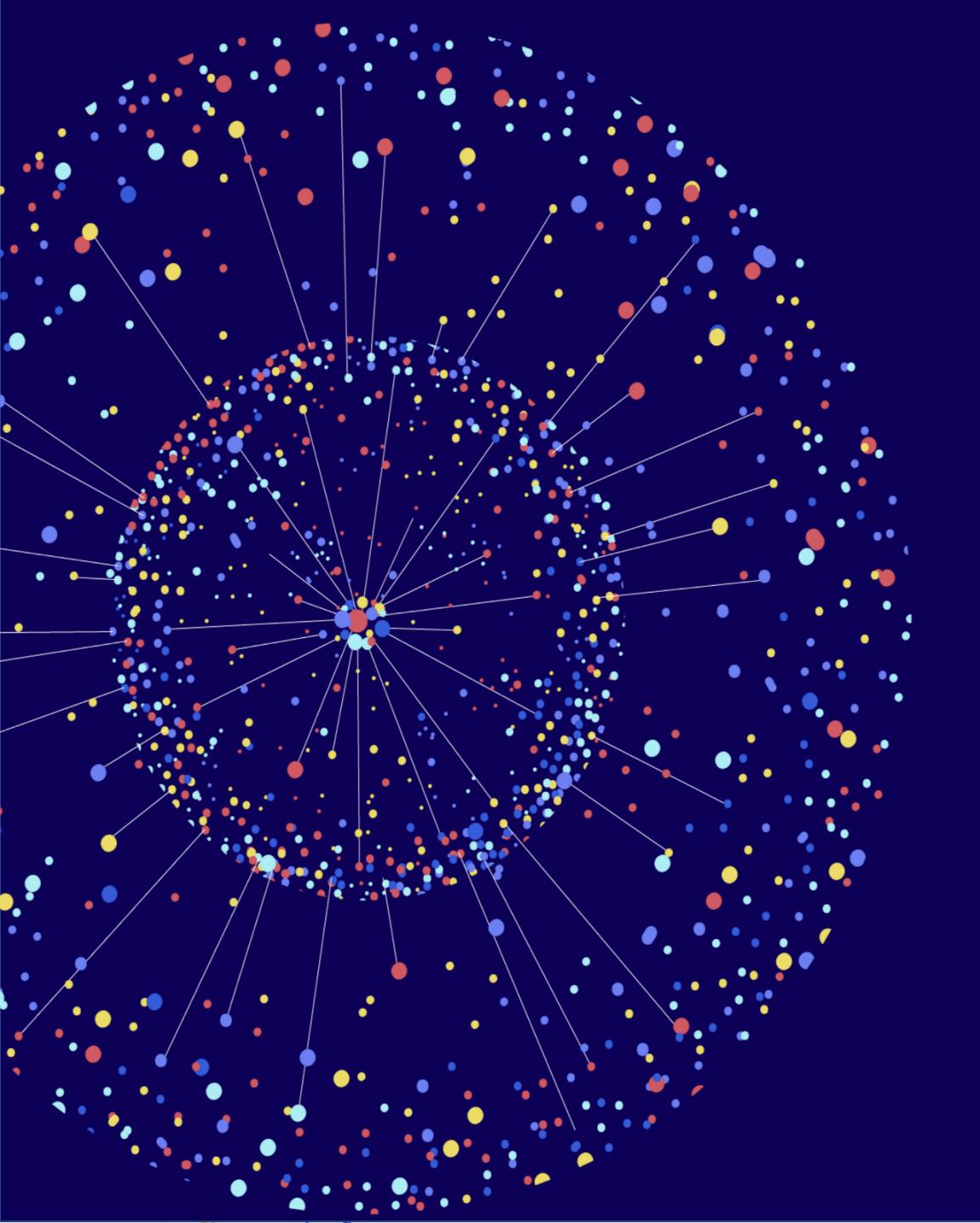
- Support to jurisdictions (or groups of jurisdictions), for developing carbon pricing instruments suited to the domestic context, considering “just transition”.
- Support for fostering collaborative mitigation action through carbon pricing.

Instruments supported:

- Support can be provided for instruments which (i) set a price signal on carbon, (ii) rely on a robust system for MRV and (iii) feature the use of carbon units.
 - This includes:
 - ETS,
 - Carbon taxes with the flexible use of mitigation units, and
 - Emission reduction funds, and other solutions, based on country needs and objectives.

Steps supported:

- Initial consideration of carbon pricing
- Development of a proposal for a carbon pricing instrument
- Support to the adoption of carbon pricing
- Support to the implementation of a carbon pricing instrument



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance

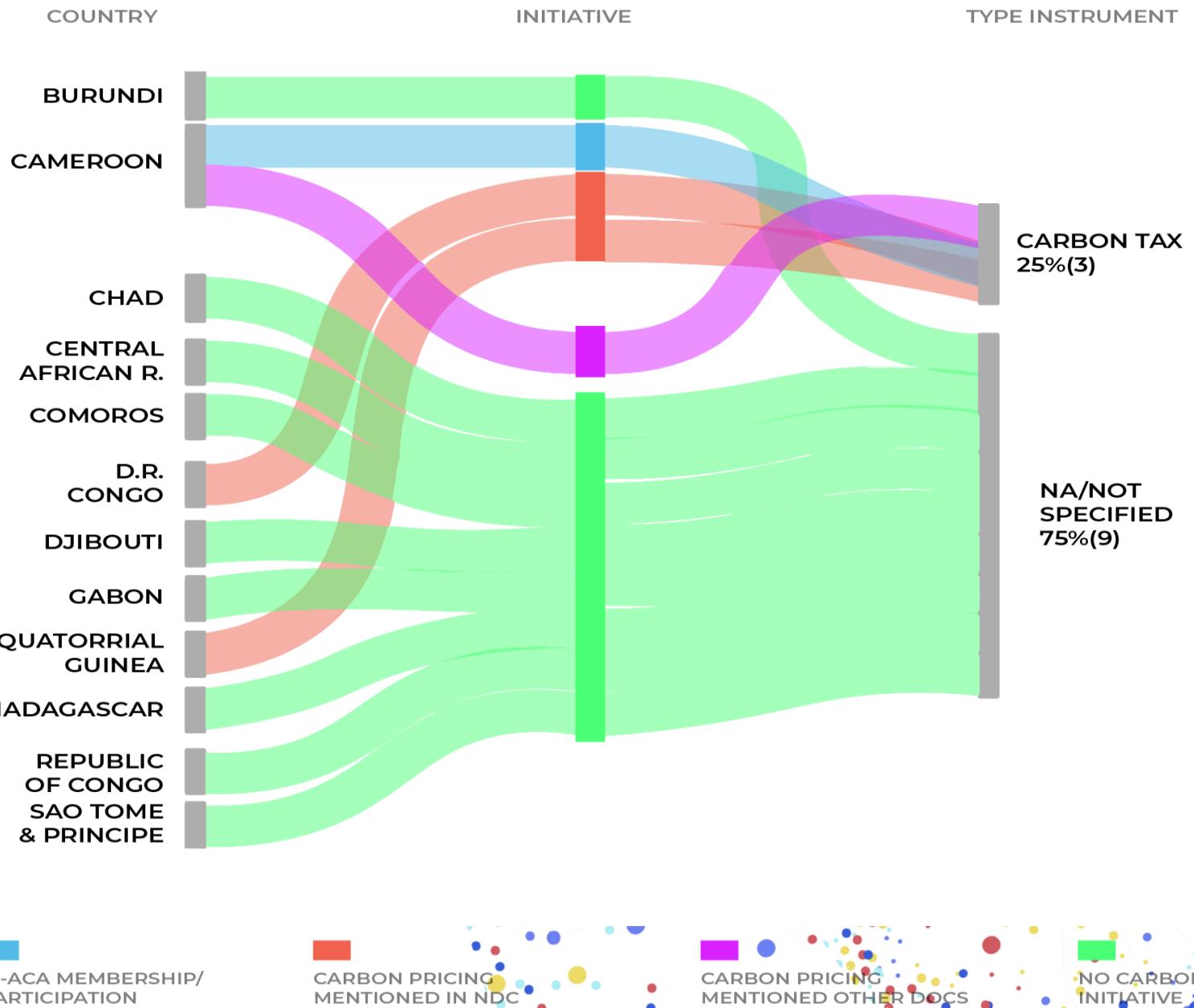


Government of Cabo
Verde

Carbon Pricing Approaches in Central Africa+

Carbon Pricing | Intentions by Central African countries

- 3 countries, Cameroon, DR Congo and Equatorial Guinea have expressed interest in carbon pricing instruments.



Carbon Pricing |Market drivers in Central African countries

The primary demand for carbon credits comes from voluntary and international compliance needs. None of the 12 countries has implemented a carbon tax or ETS yet and therefore, the domestic compliance demand does not exist.



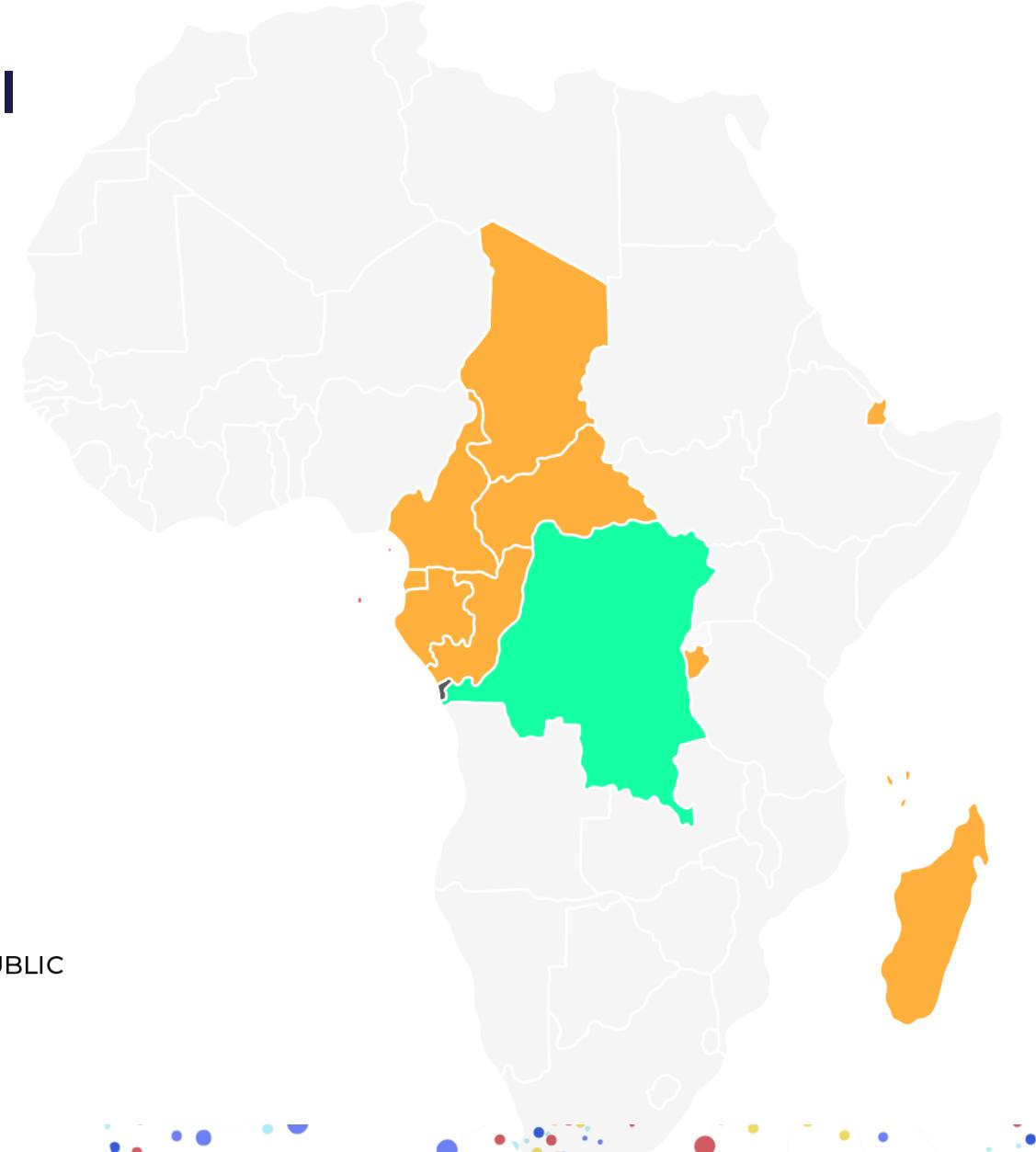


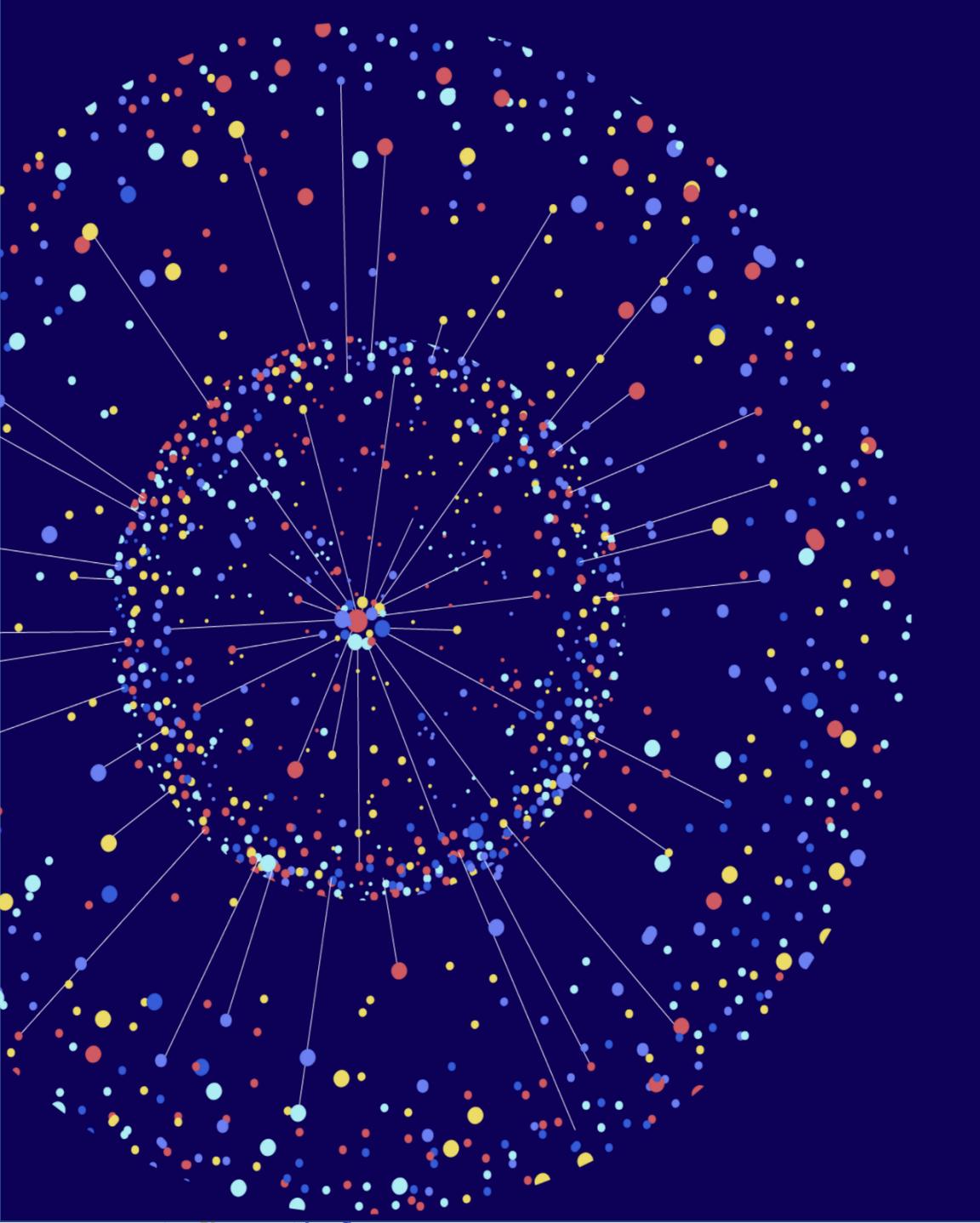
Critical elements for operationalization |

Relevant country experience for implementation

COUNTRY	# OF CDM ACTIVITIES	# OF REDD+ ACTIVITIES
BURUNDI	4	0
CAMEROON	5	9
CENTRAL AFRICAN REPUBLIC	0	0
CHAD	0	0
COMOROS	0	0
CONGO, DR	8	21
CONGO REPUBLIC	0	1
DJIBOUTI	0	0
EQUATORIAL GUINEA	1	0
GABON	1	0
MADAGASCAR	7	9
SAO TOME & PRINCIPE	0	0

Critical elements for operationalisation| Status of MRV implementation in Central Africa

- 
- A map of Central Africa (DRC, Burundi, Rwanda, Uganda, Kenya, Tanzania, and the Central African Republic) where countries are colored based on their MRV implementation status. D.R. Congo is green ('Planned'), while the others are orange ('Not Reported').
- PLANNED
D.R. CONGO
 - NOT IN PLACE
SAO TOME & PRINCIPE
 - NOT REPORTED
BURUNDI
CAMEROON
CENTRAL AFRICAN REPUBLIC
CHAD
COMOROS
CONGO REPUBLIC
DJIBOUTI
EQUATORIAL GUINEA
GABON
MADAGASCAR



United Nations
Climate Change



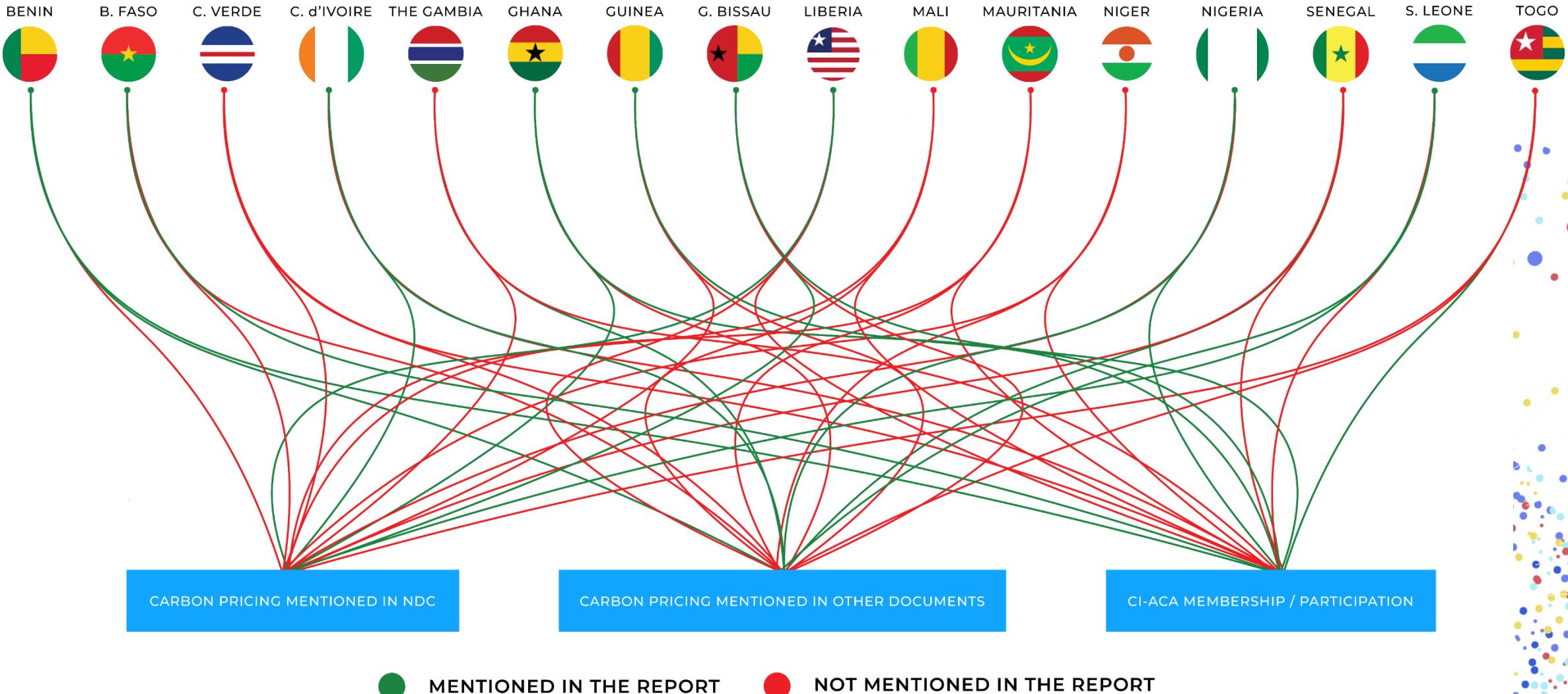
West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Carbon Pricing Approaches in West Africa

West African countries that have expressed intentions to adopt carbon pricing instruments



West African countries that have expressed intentions to adopt carbon pricing instruments



Nigeria

Nigeria explicitly stated that it intended not to use carbon pricing in its updated NDC (2021). However, Nigeria's LTS identified carbon tax long- as an important instrument for their long-term decarbonisation pathway. Nigeria participates under the CI-ACA. The country has undertaken first national consultation and capacity-building workshop (2021), carbon pricing assessment study (2022) and Carbon pricing opportunities awareness workshop (2023) under CI-ACA



Benin

Benin's Low Carbon Development Strategy 2016 – 2025 has measures to establish a carbon tax with its collection and payment methods. Benin is also among countries currently undertaking carbon pricing study under the CI-ACA project



Guinea - Bissau

In its NDC, Guinea-Bissau intends to strengthen its capacities in the field of carbon pricing through the establishment of specific training programs for the actors concerned (Energy and energy efficiency). Guinea – Bissau is among countries currently obtaining support from the CI-ACA to assess carbon options.



Liberia

NDC actions include the introduction of a 10% tax on luxury vehicles and the integration of a tax on transit vehicles by 2025 and implementation of a Hydrofluorocarbon (HFC) tax for regulating the consumption of fluorinated gases in the air conditioning and refrigeration sector



Benin

Benin's Low Carbon Development Strategy 2016 – 2025 has measures to establish a carbon tax with its collection and payment methods. Benin is also among countries currently undertaking carbon pricing study under the CI-ACA project



Burkina Faso

Burkina Faso is among countries currently undertaking carbon pricing study under the CI-ACA project.



Senegal

A study assessed different options for the introduction of domestic carbon pricing instruments in Senegal as first phase of CI-ACA. The study recommended the implementation of a carbon tax. Launch of a study on carbon tax to assess the potential economic impacts of carbon pricing.



Ghana

Ghana referred to adopting appropriate carbon pricing measures in its updated NDC. Key steps towards implementation includes the Carbon Pricing Instruments assessment study and stakeholder consultation in 2020 under Ci-ACA project. The country's focus in recent years has been on Article 6 mechanism and no further discussions on carbon pricing.



Côte d'Ivoire

Côte d'Ivoire indicated in its NDC that it will develop innovative financing instruments such as a local carbon markets. Key milestones in the operationalisation of carbon pricing include: Accession to the Carbon Pricing Leadership Coalition (CPLC) and Prime Minister's intervention in CPLC High-Level Assembly; Self-funded feasibility study on national carbon price and validation of results (2016); Launch of the Partnership for market readiness (PMR) project on carbon taxation (2018)



Sierra Leone

Sierra Leone made reference to the EU's Emissions Trading Scheme as a potential vehicles and sources of climate financing in its NDC. It is not clear how the country intends to achieve this. Sierra Leone under its IMF programme is considering levying carbon taxes on certain sectors of the economy as part of policy commitments to restore stability, maintain debt sustainability, and finance climate action.



Guinea

Guinea – Bissau is among new countries currently obtaining support from the CI-ACA to assess carbon options.



Togo

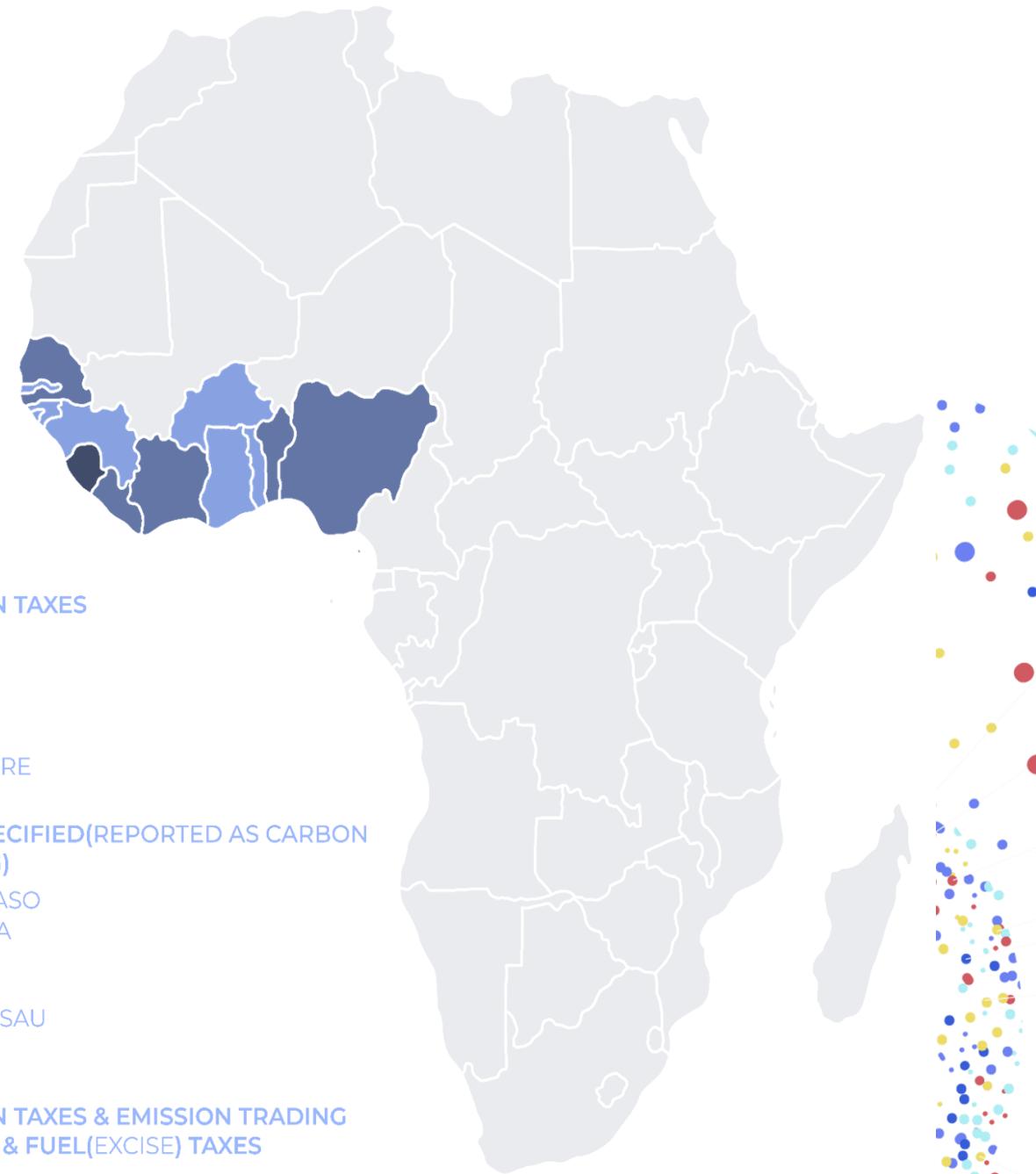
Togo is among countries currently undertaking carbon pricing study under the CI-ACA project



Gambia

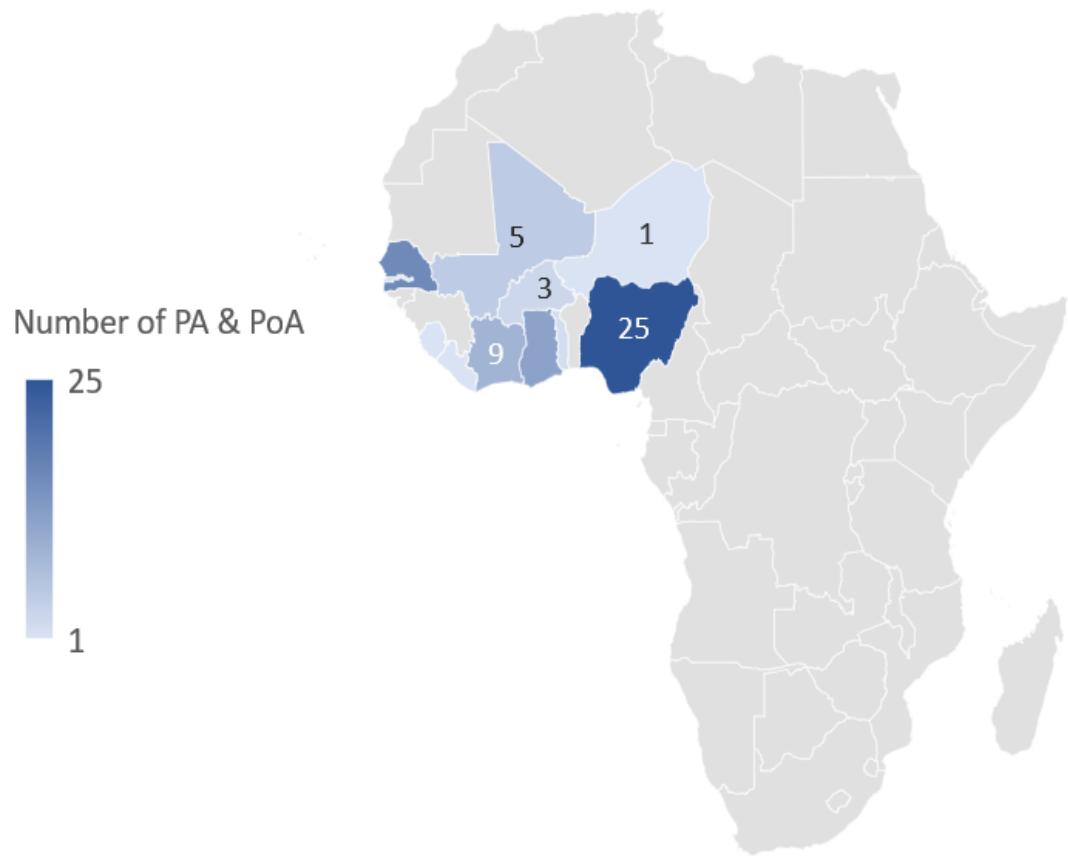
According to its 2050 Climate Vision, Ghana seeks to use international carbon pricing to accelerate the transition to the low-carbon economy

Type of instrument under consideration

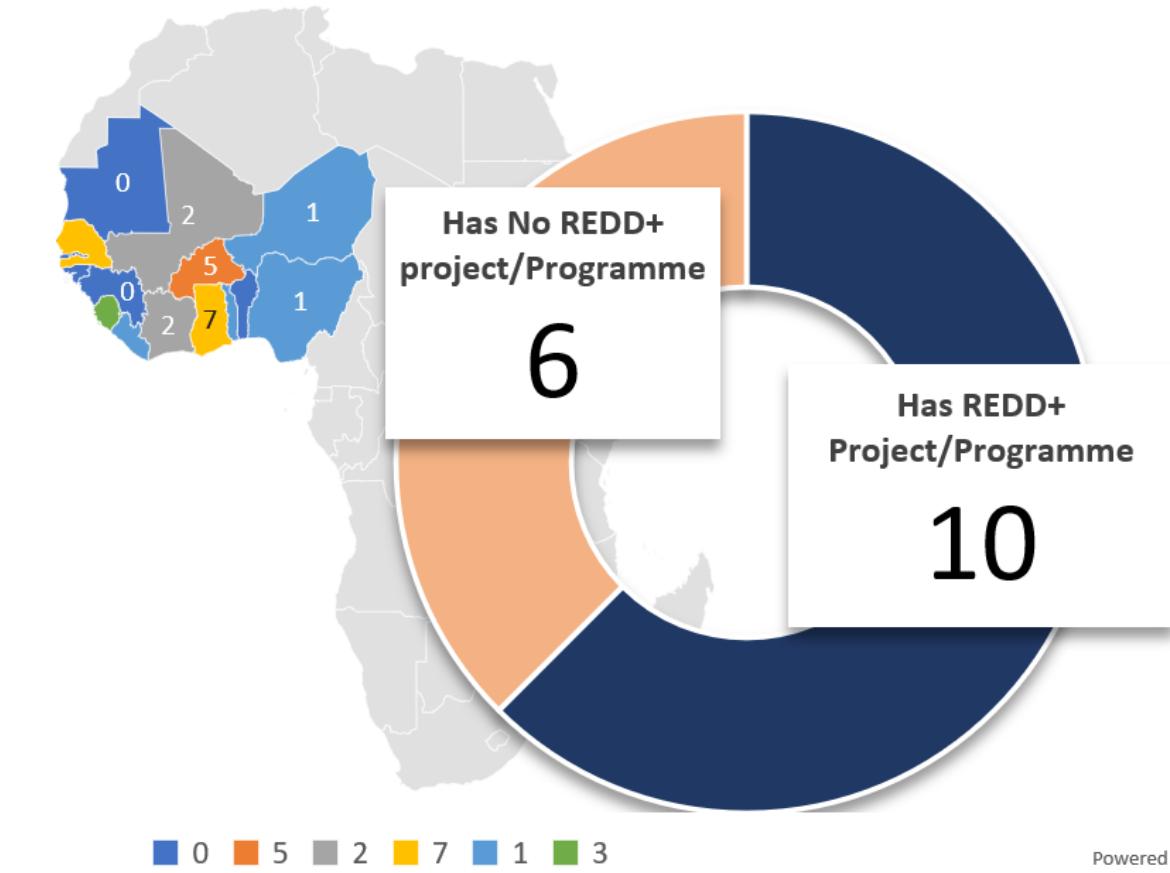


Critical elements for operationalisation| Relevant country experience for implementation

CDM Participation



REDD+ Participation

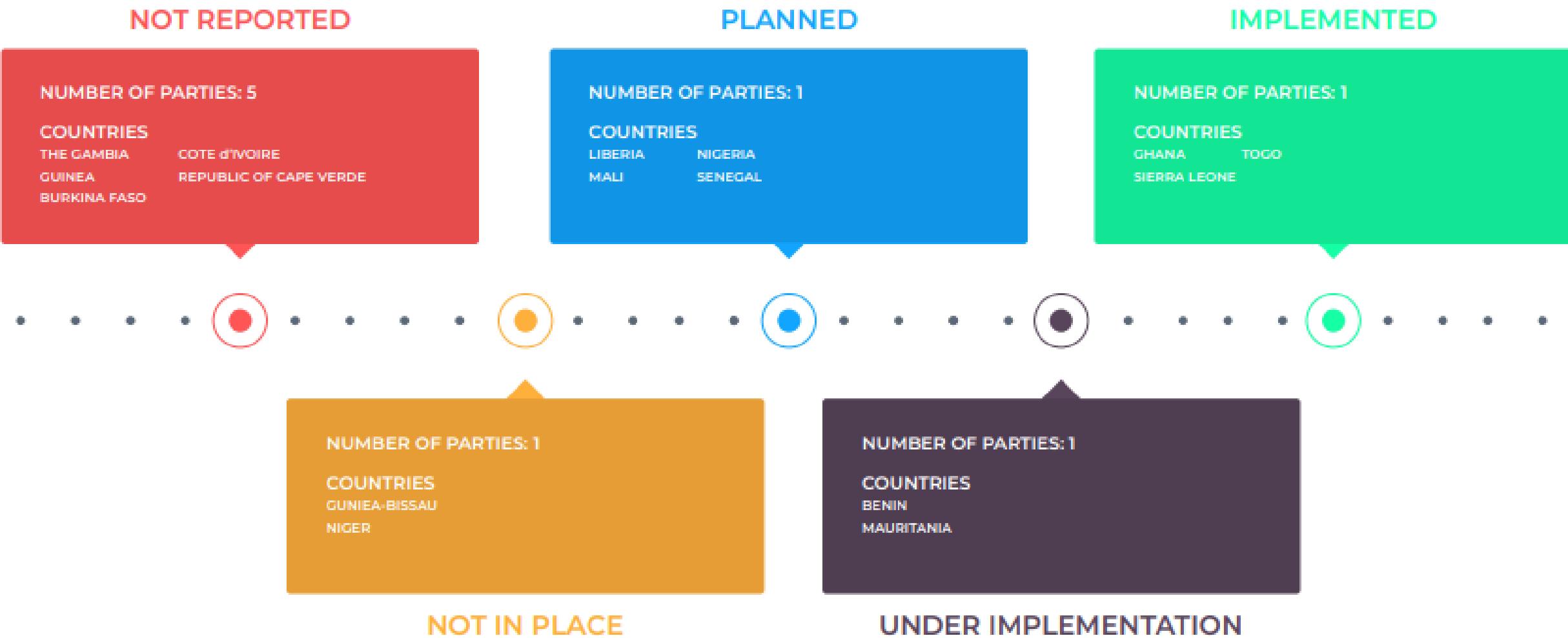


Powered by Bing

© GeoNames, Microsoft, OpenStreetMap, TomTom

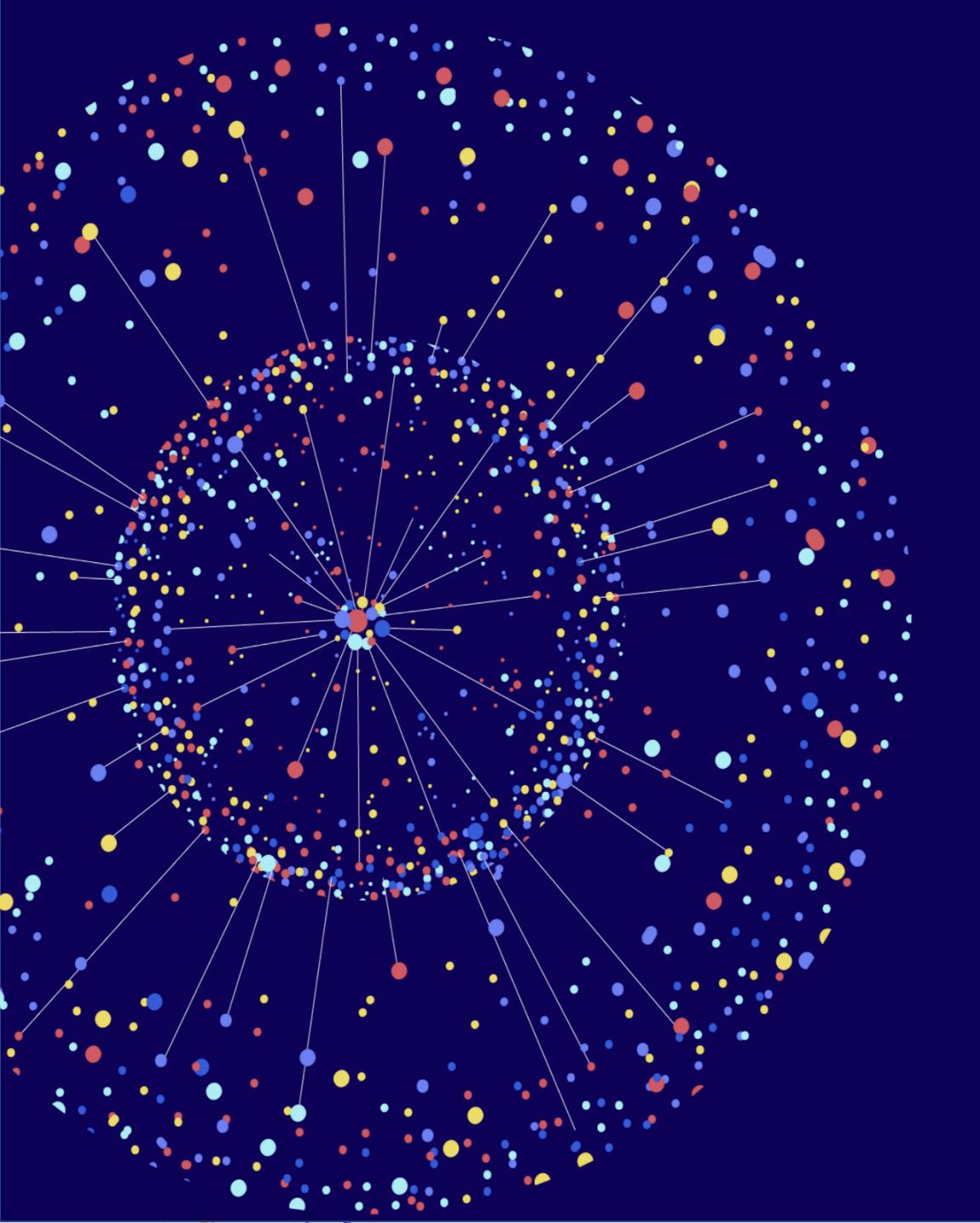
Critical elements for operationalisation| Status of MRV implementation in West Africa

- Many West African countries currently lack the MRV infrastructure for operating a credible carbon pricing initiative.
- MRV is a key requirement to ensure transparency, essential for guaranteeing the integrity of any Carbon Pricing scheme.



Conclusions and Recommendations

- There is growing interest in the region in the possibility of operationalizing carbon pricing instruments for climate action.
- The value of Carbon Pricing lies less in the potential to reduce current emissions, and more in the prospects offered for curbing expected emissions growth. This is because countries have relatively low emissions.
- Countries' decision to adopt carbon pricing should be premised on the context of country-level GHG emission profiles, national policy objectives, sectors at risk, and other national circumstances.
- Countries in the region have significant experience in carbon crediting mechanisms such as CDM and REDD+. Building on such experiences, the technical capacity of countries could be built on carbon pricing design and implementation.
- The implementation of carbon pricing will not be practical or feasible without essential MRV systems in place.



United Nations
Climate Change



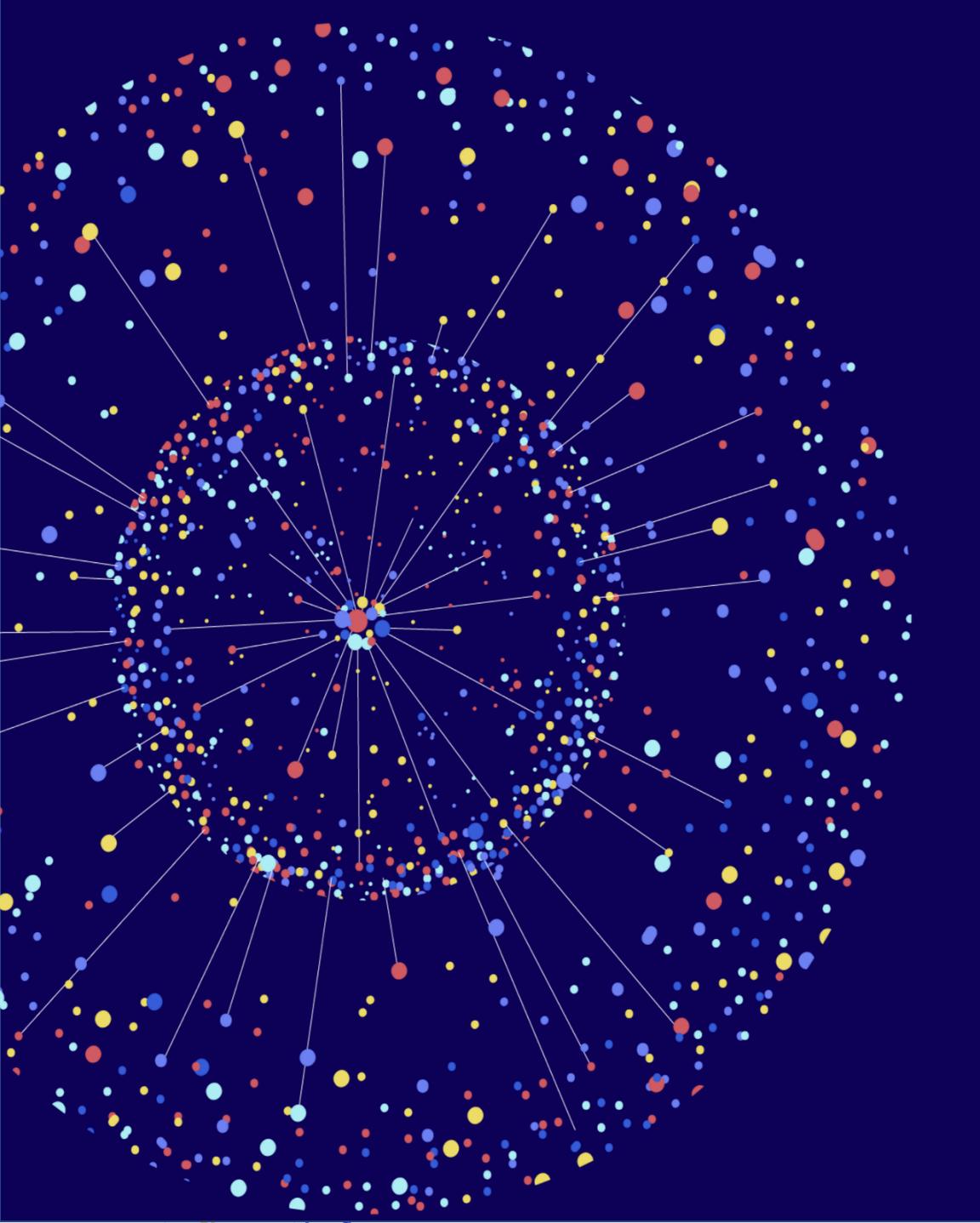
RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Open Discussions

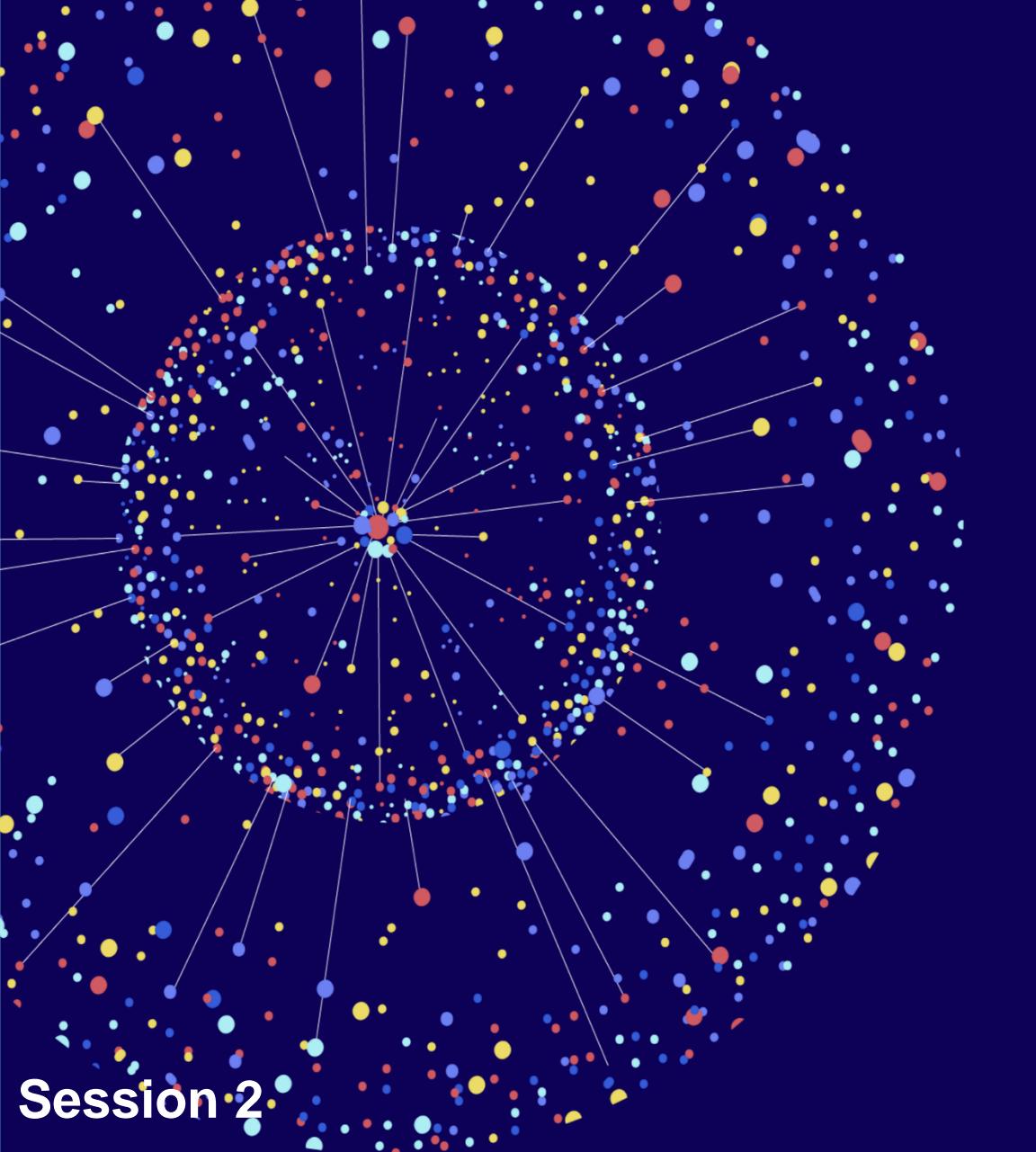


United Nations
Climate Change



Refreshment Break

Climate change is brewing, we can have
our coffee while we work on solving it! ☺



United Nations
Climate Change



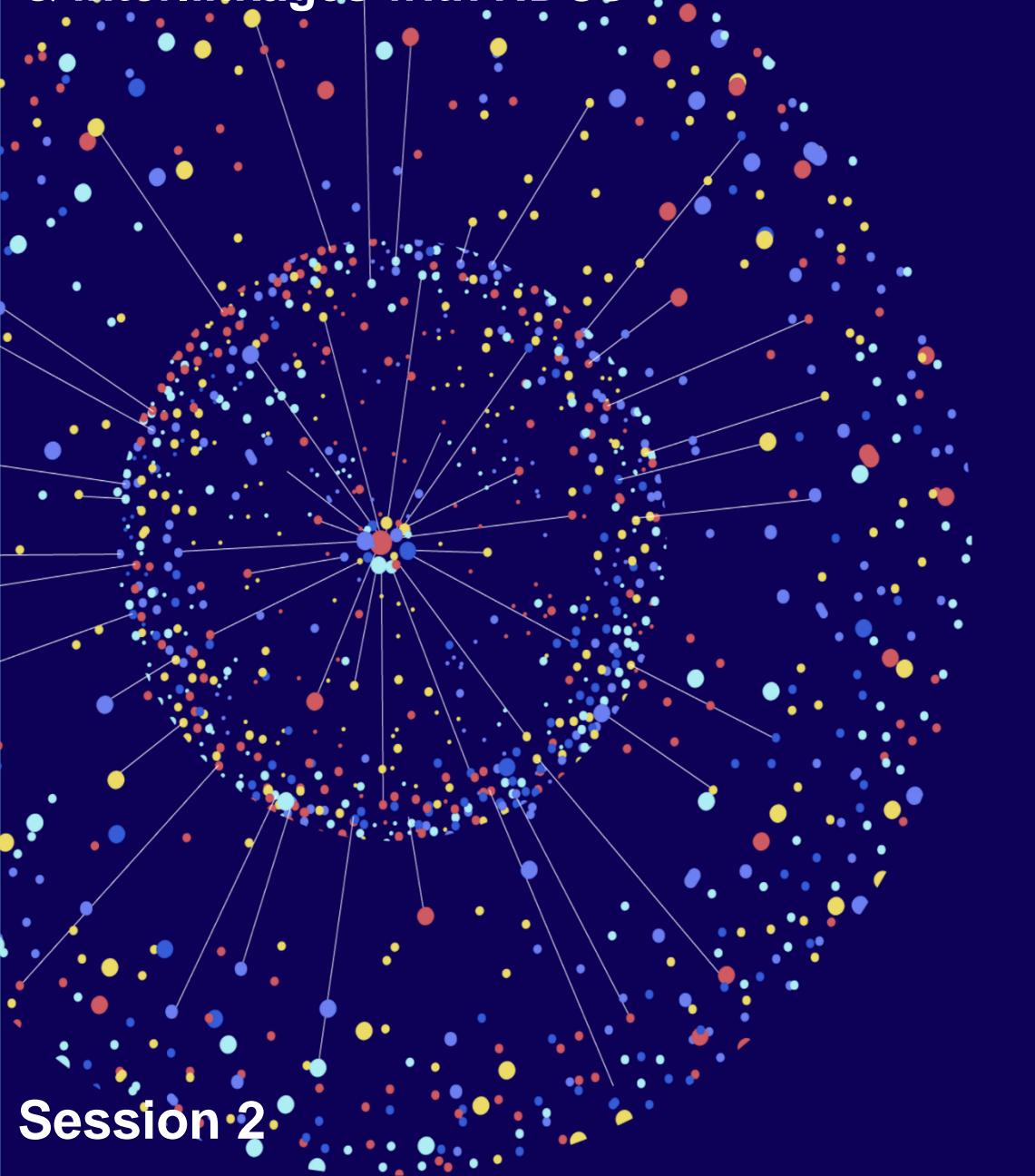
RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Leveraging Carbon market Instruments for NDC achievement and progression



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Keynote Presentation

UEMOA Regional Carbon Pricing Studies.

Hadji Mbaye DIAGNE
Directeur Général
Afrique - Energie - Environnement



United Nations
Climate Change



West African Alliance
on Carbon Markets
and Climate Finance

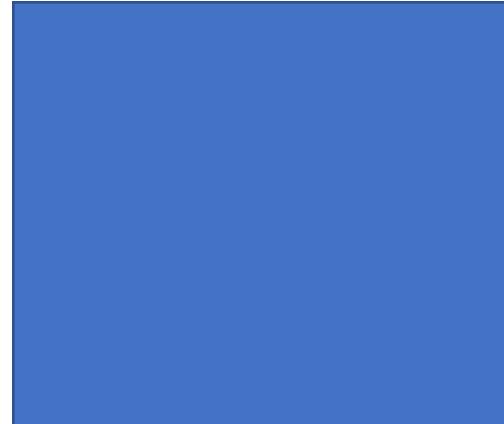


Government of Cabo
Verde

Presentations on other experiences in the region



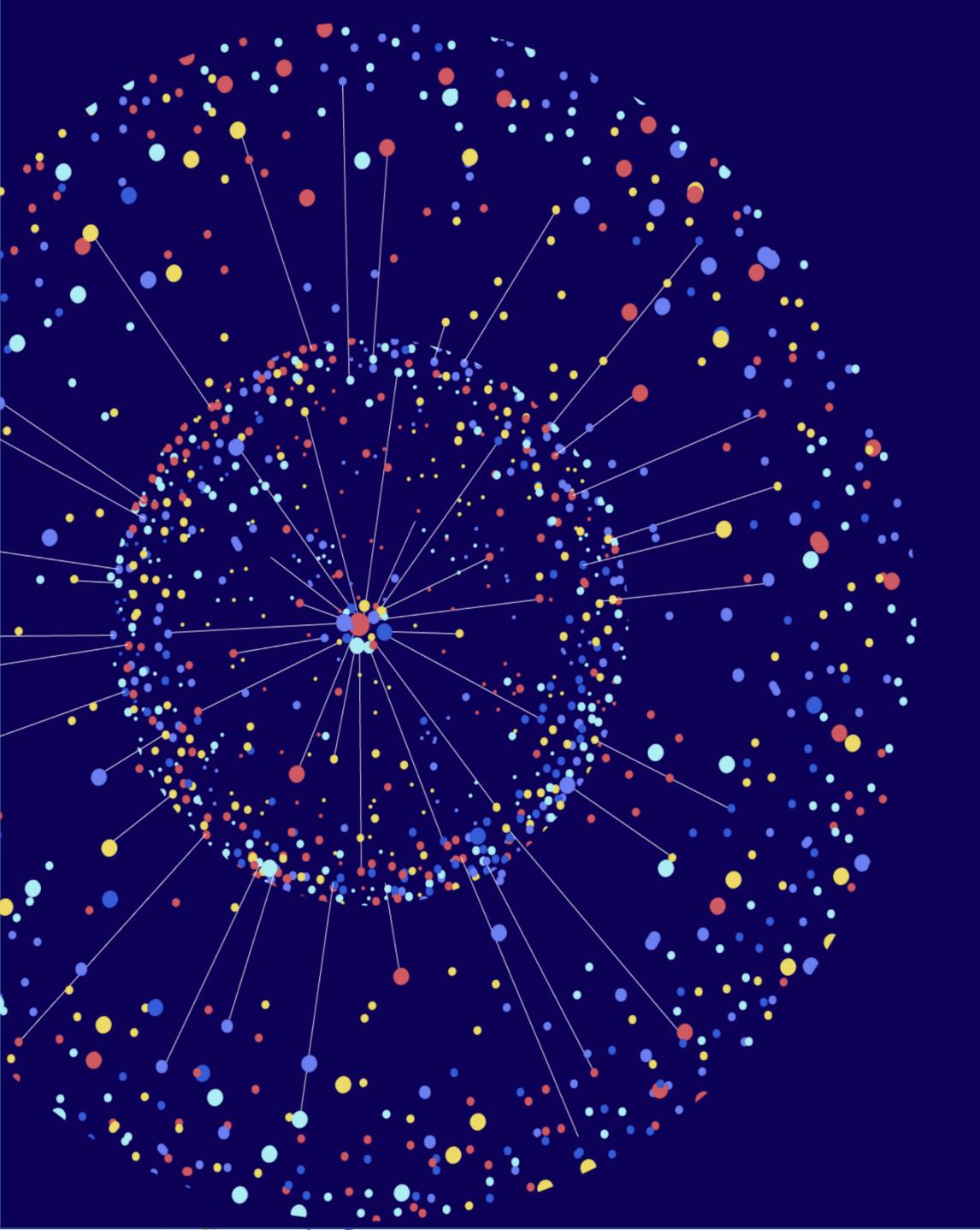
Presenter
Asmau Jibril
NCCC - Nigeria



Presenter
Timothée KAGONBET
MINEPDED - Cameroon



Panelist
Mr. Raoul KOUAMEN
ECOWAS



United Nations
Climate Change



West African Alliance
on Carbon Markets
and Climate Finance



Lunch....



United Nations
Climate Change



RCC West and Central Africa

Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Breakout sessions|

Breakout Group 1: Private sector

What strategies can be employed to ensure meaningful and inclusive private sector participation in the Carbon pricing? Potential areas to consider could include:

- What can be the economic benefits and impacts of domestic and external carbon pricing instruments on businesses in the West and Central Africa region?
- How can carbon pricing instruments be designed to ensure national and regional business are not disadvantaged?
- How can carbon pricing instruments be designed to attract private investment for low carbon technologies?

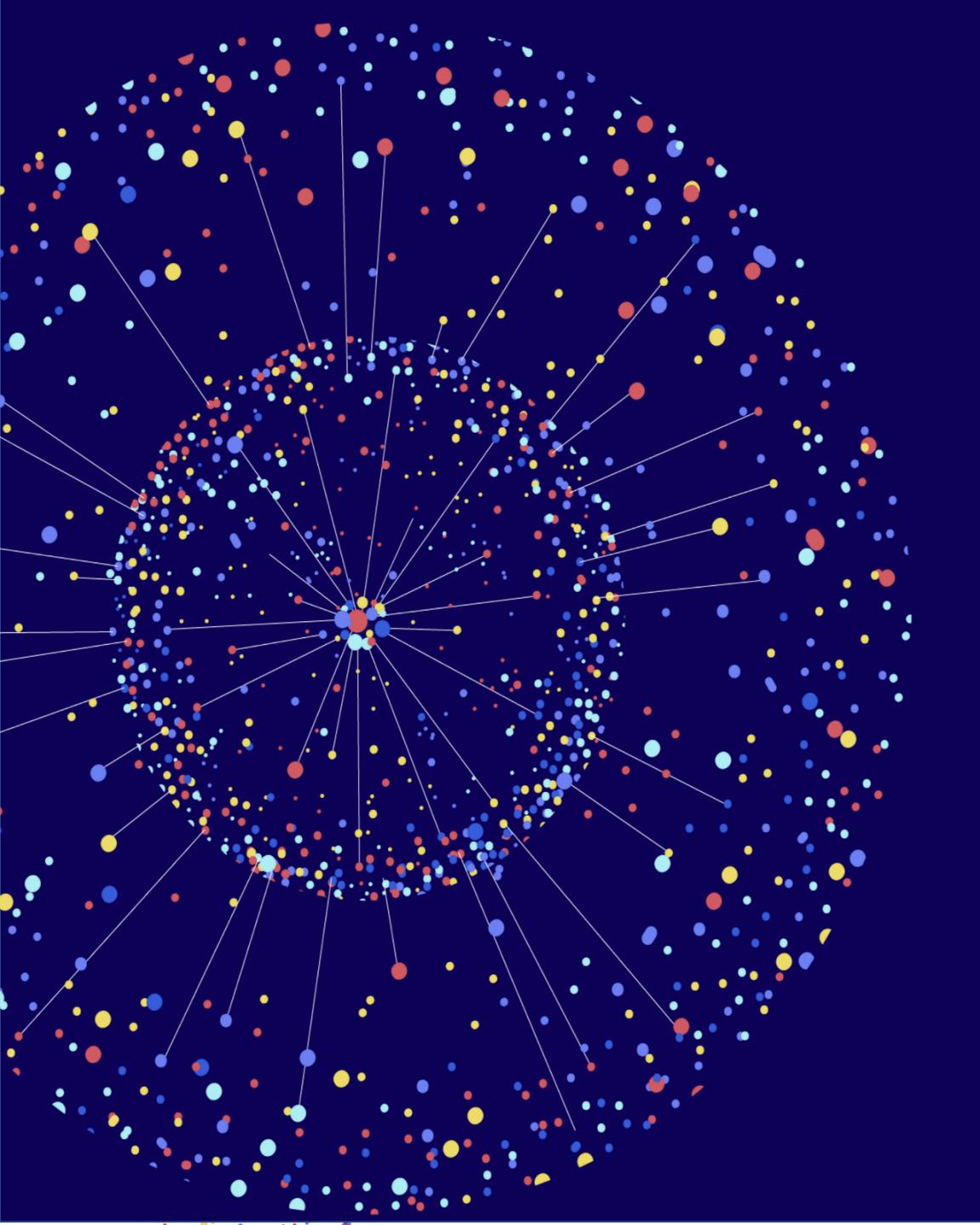
Facilitator: WAA

Breakout Group 2: Public sector

How can we design and implement effective carbon pricing policies that support climate ambition and national development priorities? Potential areas to consider could include:

- What can be the economic benefits or impacts of carbon pricing instruments on national development and climate action?
- What are social and equity issues that countries need to pay attention to in the design and implementation of carbon pricing instruments
- How can we develop responsive/effective institutional systems/mechanisms to support effective carbon pricing policies?

Facilitator: Bernard Ayittah, UNFCCC RCC WAC Africa



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

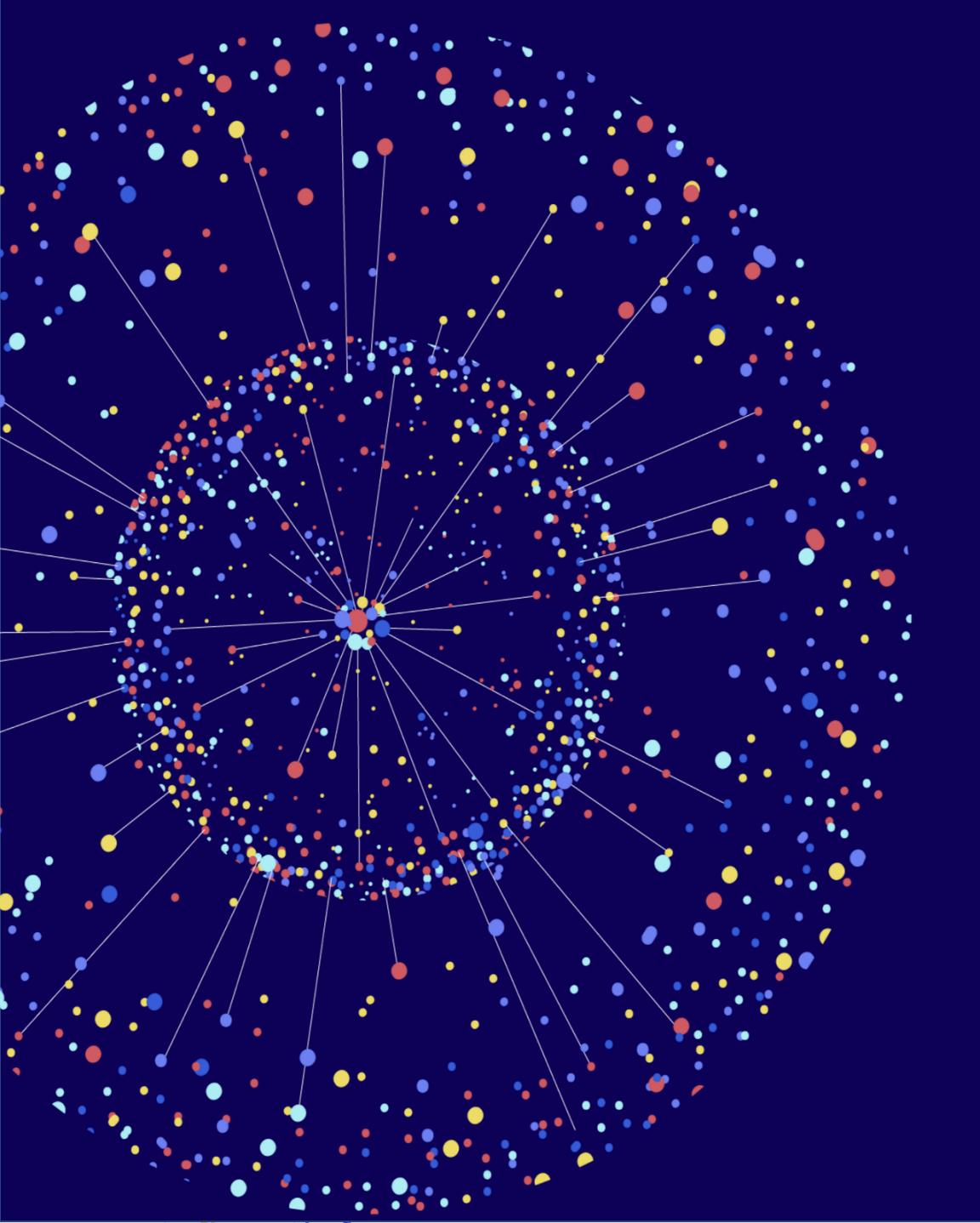
West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Reporting session - Summary of Breakout discussion (plenary)

- **Breakout Group 1: Private sector**
- **Breakout Group 2: Public sector**



United Nations
Climate Change



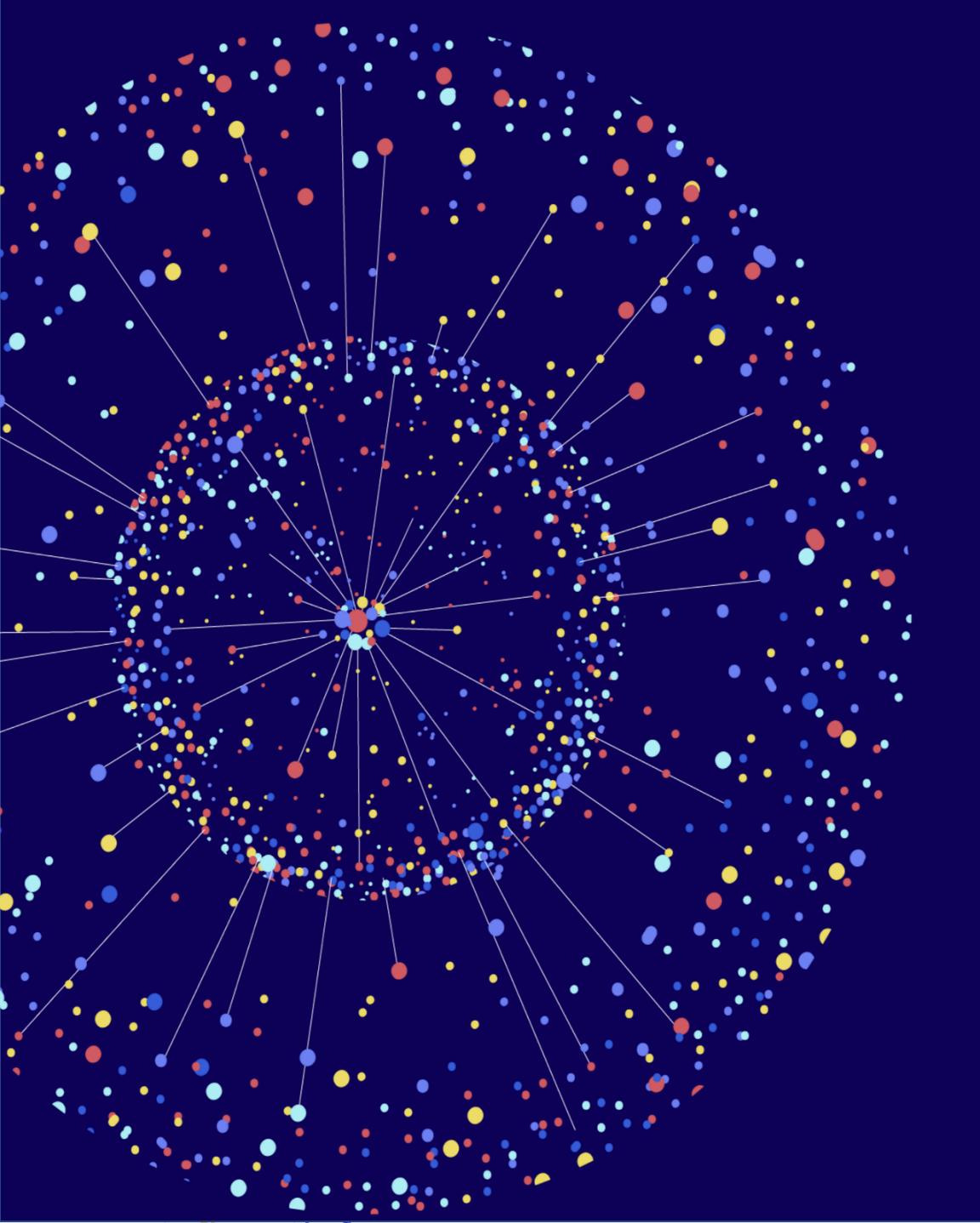
RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Refreshment Break

Climate change is brewing, we can have
our coffee while we work on solving it! ☺



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

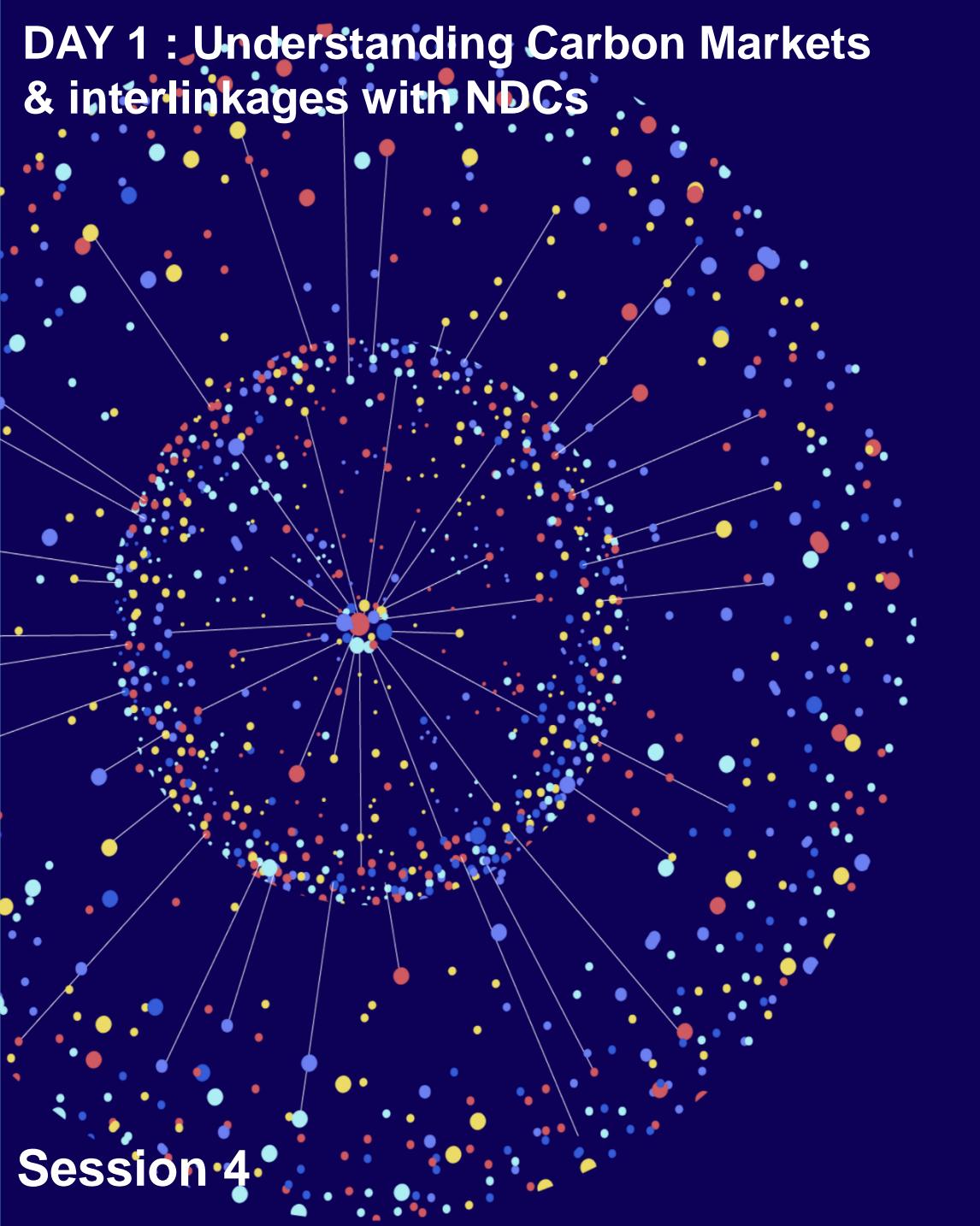
West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Introduction to Article 6 and setting stage for the next days

DAY 1 : Understanding Carbon Markets & interlinkages with NDCs



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

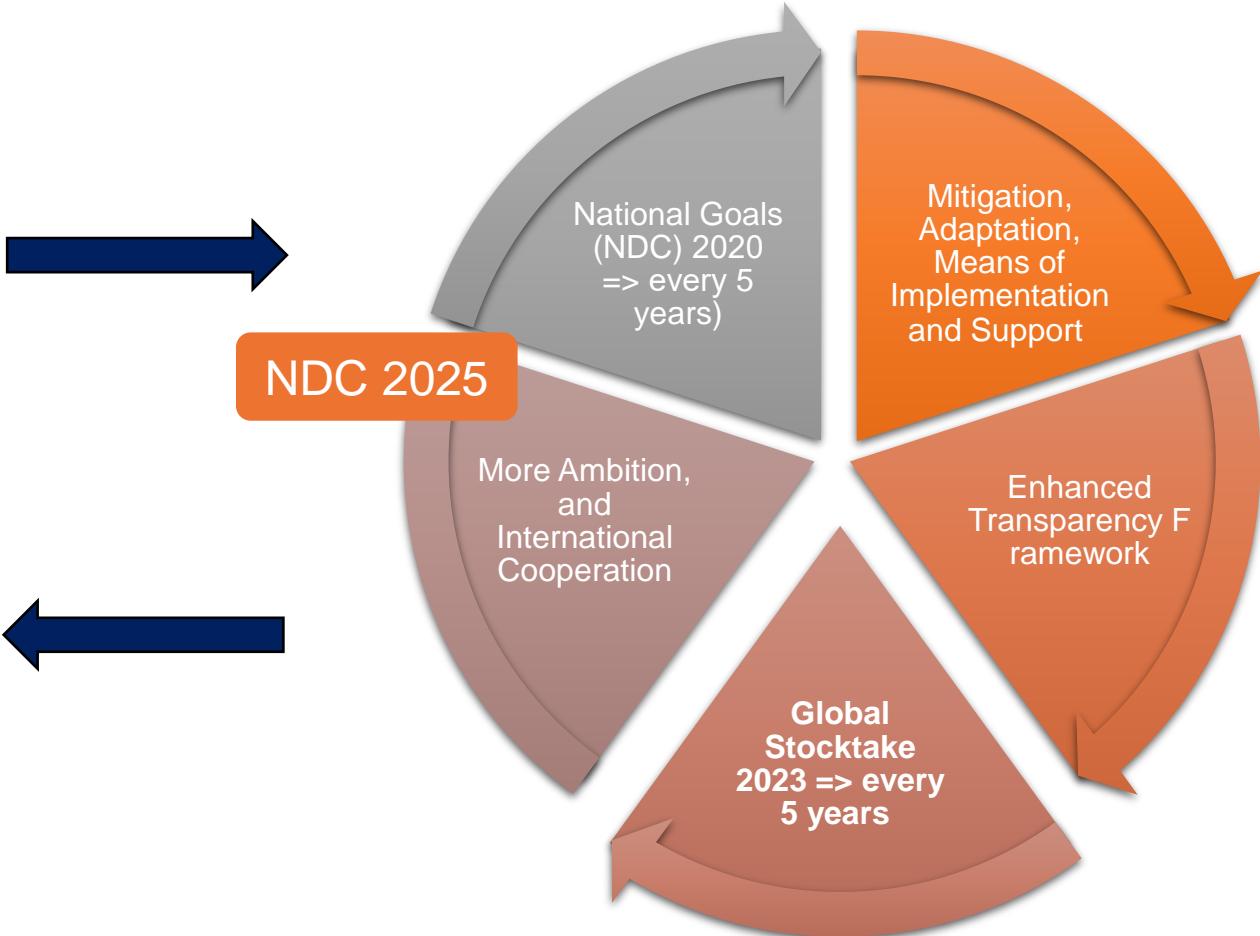
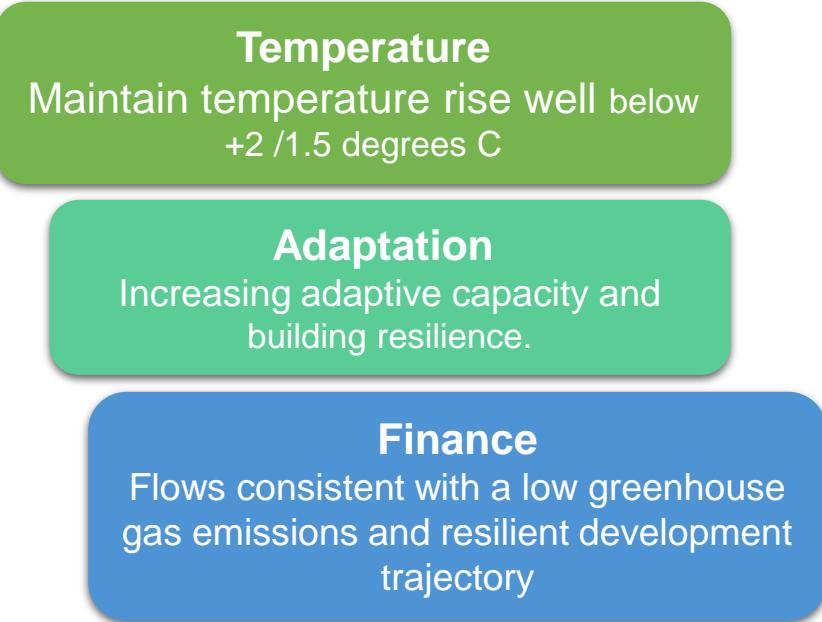
West African Alliance
on Carbon Markets
and Climate Finance



Article 6 - Cooperative Approaches

Ambition Cycle

Goals of the Paris Agreement



Financial Requirements for NDC Implementation

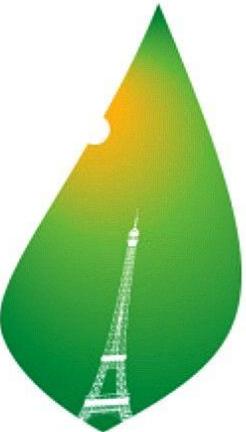


- Growing interest in carbon markets.
 - **77% of NDCs** intend to use carbon markets to reduce GHG emissions.
- **Carbon finance** will be key for the implementation of the NDCs, and the Paris Agreement enables the use of such market mechanisms [through Article 6](#).



Source: Information extracted from [2023 NDC Synthesis Report](#) (UNFCC Secretariat)

Article 6 of the Paris Agreement



PARIS 2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

It lays down the foundation for cooperative approaches among countries to achieve their Nationally Determined Contributions (NDCs) and increase the ambition of these targets, focused on sustainable development and poverty eradication.

Additionally, Article 6 Cooperation seeks:

To incentivize and facilitate the participation of public and private entities in greenhouse gas emissions (GHG) mitigation and within the implementation of NDCs.



To Promote regional and international cooperation for ambitious climate action.

Understanding Article 6 (6.2, 6.4, 6.8)

Article 6 of the Paris Agreement : tool to implement NDC and LT LEDs under voluntary cooperation between parties



- International cooperation that involves transfers of mitigation outcomes (ITMOs) from one country to another towards achieving NDC Targets.
- Decision 2/CMA.3 provides guidance for countries to cooperate in achieving their NDCs through the transfer of mitigation outcomes.
- Designed up to the participating Parties but requires that ITMOs are not counted twice (double counting), to ensure environmental integrity.



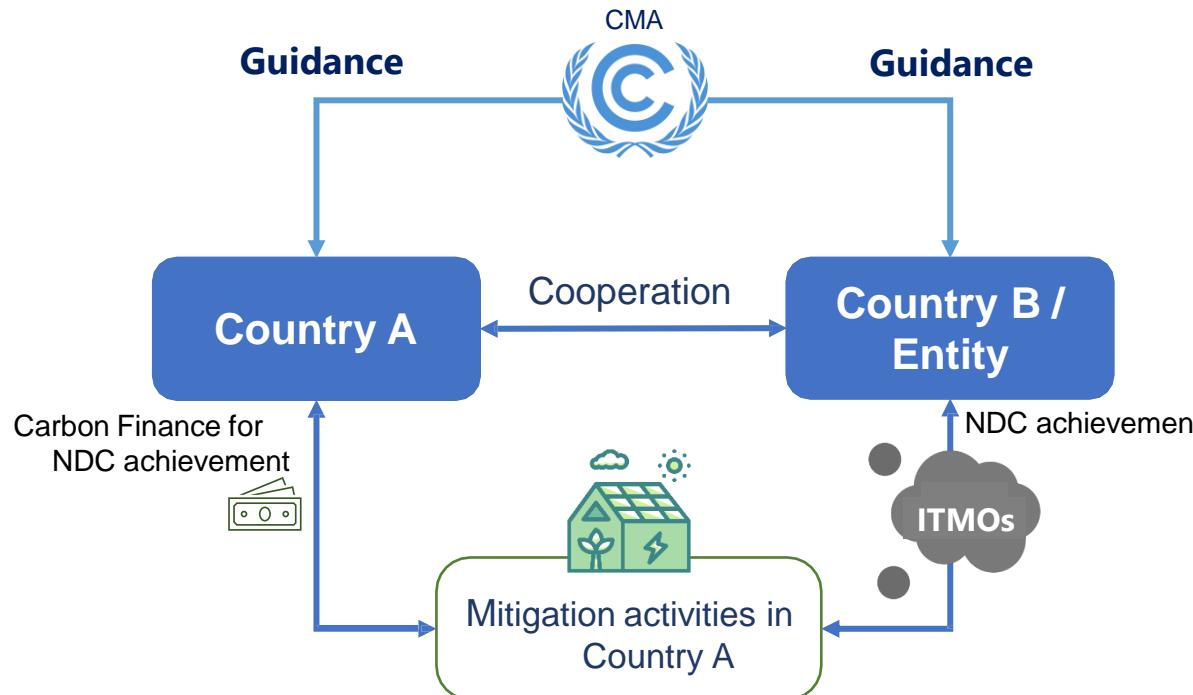
- A centralized mechanism under the purview of the UNFCCC which issues units (A6.4ERs)
- Has similarities to the CDM in its design, but has new requirements and characteristics compared to the CDM



- Focuses on other types of cooperation that contribute to reaching mitigation & adaptation goals, but do not involve transfer of Mos (units) among cooperating parties

Cooperation under Article 6 (6.2) of the Paris Agreement

Example of a cooperative approach structure



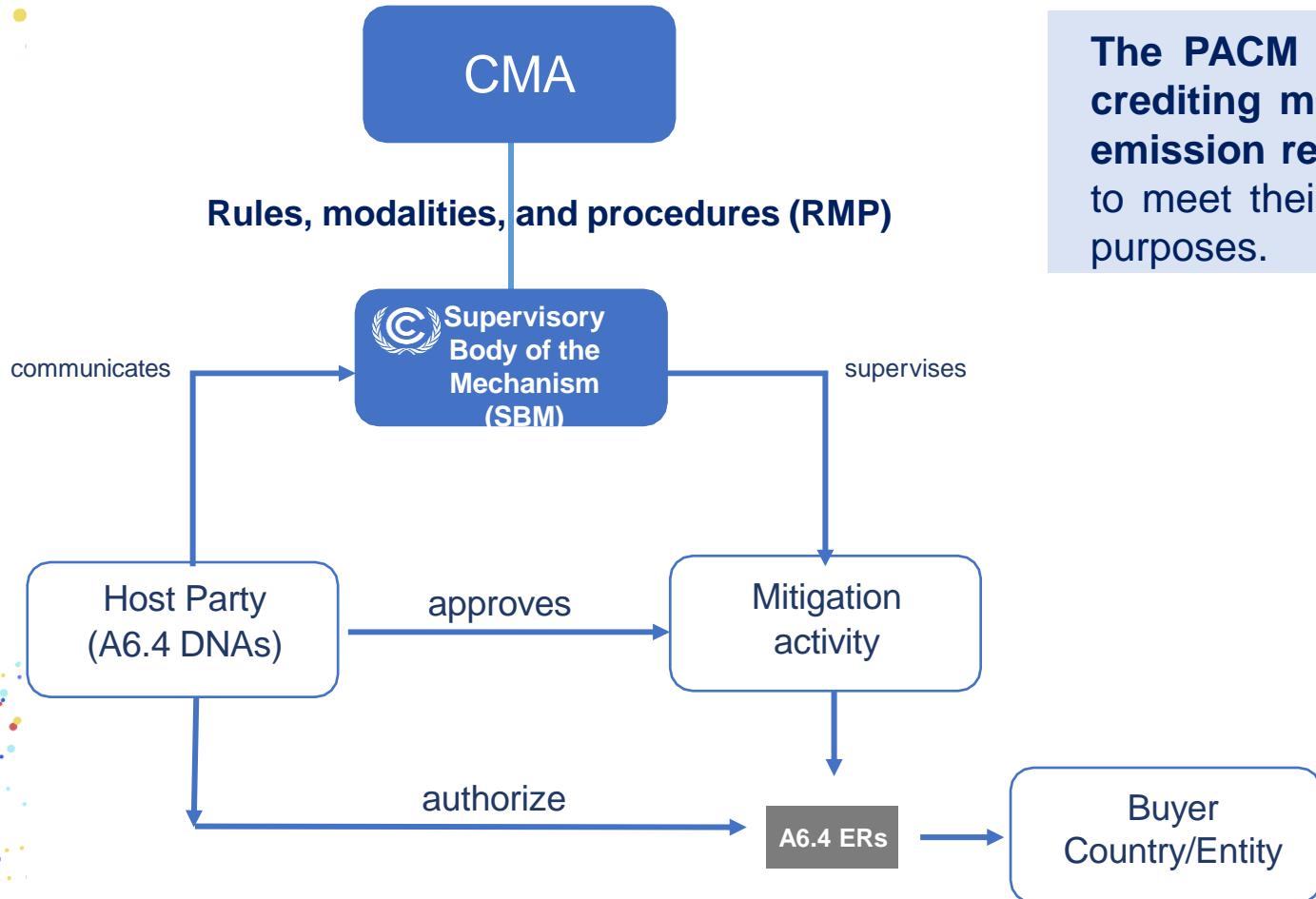
Source: Illustration extracted from the A6IP Capacity Building Tools, June 2024.



Source: Article 6 Pipeline, UNEP Copenhagen, 2024

Article 6.4 Mechanism

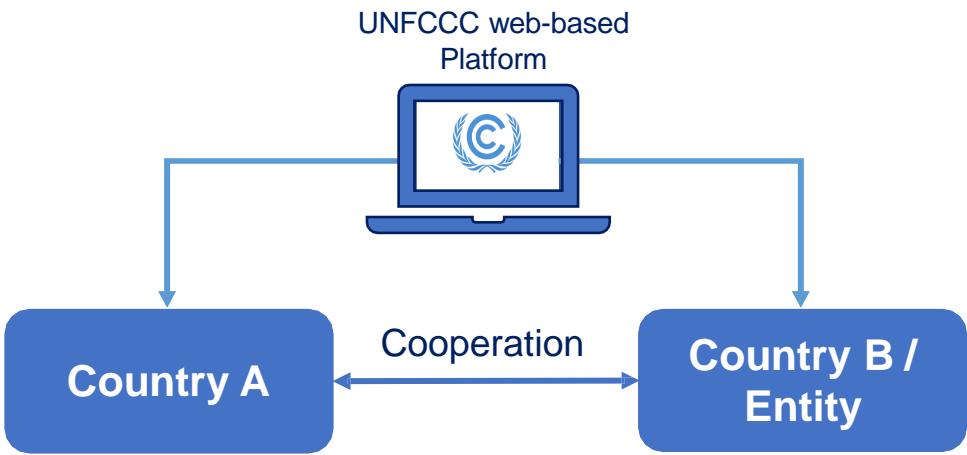
(Paris Agreement Crediting Mechanism: PACM)



The PACM (established by Article 6.4) is a centralized UN crediting mechanism that enables the creation of Article 6.4 emission reductions (A6.4ERs) that can be used by countries to meet their NDCs (subject to authorization status) and other purposes.

Article 6.8 Framework

Non-Markets Approaches



Source: Self-Elaboration based on information from the A6IP Capacity Building Tools, June 2024.

The framework for non-market Approaches (NMA) facilitates the use and coordination of NMAs and enhances linkages/creates synergies between, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building. The framework is implemented through the work programme adopted at COP26.

The screenshot shows the "Search Non-market approaches" page of the UNFCCC NMA Platform. At the top, there are tabs: "Non-market approaches" (which is underlined), "Support available", "Information hub", and "Forum". Below the tabs is a search bar with the placeholder "Search here" and a magnifying glass icon. To the right of the search bar is a "Clear all filters" button. On the left, there is a "Filters" section with dropdown menus for "Region", "Country", "Focus area", "Sectors", "Support Needed", and "Support Provided". To the right of the filters is a world map where darker regions represent areas where support is needed or provided. The map includes labels for continents like North America, Europe, and Asia.

Source: Image extracted from NMA Platform, UNFCCC Secretariat

Article 6 Rulebook: Key decisions on Article 6.2, 6.4 and 6.8

Component	Body	COP 26 Glasgow, 2021	COP 27 Sharm El-Sheikh, 2022	COP 28 Dubai, 2023
Article 6.2	CMA	Decision 2/CMA.3 Article 6.2 guidance	Decision 6/CMA.4 <ul style="list-style-type: none">• Tracking guidance• Review guidance• Reporting outlines• Draft version for submitting annual information (AEF)	No further guidance
Article 6.4	CMA	Decision 3/CMA.3 Article 6.4 rules, modalities and procedures (RMP)	Decision 7/CMA.4 <ul style="list-style-type: none">• Elaboration of processes, including on CDM transition• Rules of Procedure for A6.4SB	No further guidance
	A6.4SB		A number of standards and procedures developed by Article 6.4 Supervisory Body	
Article 6.8	CMA	Decision 4/CMA.3	Decision 8/CMA4	No further guidance

Other relevant decisions include e.g. Para. 77 (d) of Decision 18/CMA.1 (Enhanced Transparency Framework)

KEY DELIVERABLES AND OUTSTANDING ISSUES ON PACM

- **CMA Outcomes:**

- The (lack of) outcomes on A.6.4 at COP 28 is **wake up call for removal type of activities in carbon markets**, not just for A.6.4 (60% of traded volume in VC markets).
- The eventual outcome on methodological and removal guidance will set principles on how countries view permanence, reversal and environmental integrity.

- **Implementation:**

- **Interim Mechanism registry** would be in place by **Dec 2024** to issue A.6.4 units.
- As on date **95+ countries designated national authorities** to deal with A.6.4, with two countries fulfilled their participation responsibilities.

1500+ CDM Activities submitted for transition under the PACM, if approved by host parties, these activities can deliver A.6.4 ER units in 2024.

- A.6.4 standards are fully aligned with Paris and Glasgow rule books and would set **global benchmark for baseline and crediting mechanism standards**.

The SBM in its work to operationalize the A6.4 PACM

- Will fulfil all mandates and tasks assigned to it in accordance to the Rules, Modalities and Procedures (RMP)
- Forward recommendations to CMA 6 in Baku, Azerbaijan,
- Inform the CMA of its progress and seek further guidance, as needed
- Continue the relevant work to operationalize the PACM
- Develop standards, guidelines, and tools as necessary to enable the approval of A6.4 methodologies and thus registration of new A6.4 activities without delay

KEY DELIVERABLES & OUTSTANDING ISSUES UNDER ARTICLE 6.2 FOR BAKU

Implementation

- Article 6.2 cooperation to continue among countries.
- **Infrastructure:** Absence of clarity in functions of international registry would delay implementation in countries that do not have bilateral arrangements.
- **Authorization :** Further clarity on the authorization process may rejig the processes set out under current cooperations.

Reporting and Reviewing

- Public criticism already on one of the Cooperative approach
- **Reporting :** Non-availability of annual information table agreed may lead to fragmentation.
- **Review** of the initial reports in 2024 by Tech Expert Reviewers may reveal the inconsistencies in reporting.

KEY DELIVERABLES & OUTSTANDING ISSUES UNDER ARTICLE 6.2 FOR BAKU

Implementation

- **Infrastructure:** Absence of clarity in functions of international registry would delay implementation in countries that do not have bilateral arrangements.
- **Authorization :** Further clarity on the authorization process may rejig the processes set out under current cooperations.
- **Reporting (AEF) :** Non-availability of annual information table agreed may lead to fragmentation.
- **Review** of the initial reports in 2024 by Tech Expert Reviewers may reveal the inconsistencies in reporting.
- **Sequencing** – Impacts of the review outcomes on subsequent reporting

KEY DELIVERABLES & OUTSTANDING ISSUES UNDER ARTICLE 6.2 FOR BAKU

Implementation

- Article 6.2 cooperation to continue among countries.
- **Infrastructure:** Absence of clarity in functions of international registry would delay implementation in countries that do not have bilateral arrangements.
- **Authorization:** Further clarity on the authorization process may rejig the processes set out under current cooperations.

Reporting and Reviewing

- Public criticism already on one of the Cooperative approach
- **Reporting:** Non-availability of annual information table agreed may lead to fragmentation.
- **Review** of the initial reports in 2024 by Tech Expert Reviewers may reveal the inconsistencies in reporting.

Next Two Days - Operationalisation of A6



**Unlocking Art
6 Potential and
Catalyzing
climate action
for NDCs**



**Operationalisi-
ng Article 6
Main
Components
in West and
Central African
Countries**



**Article 6.2-
Reporting,
Reviewing and
Tracking**



**Article 6 -
Simulated
Exercise on
Reporting,
Reviewing and
Tracking**



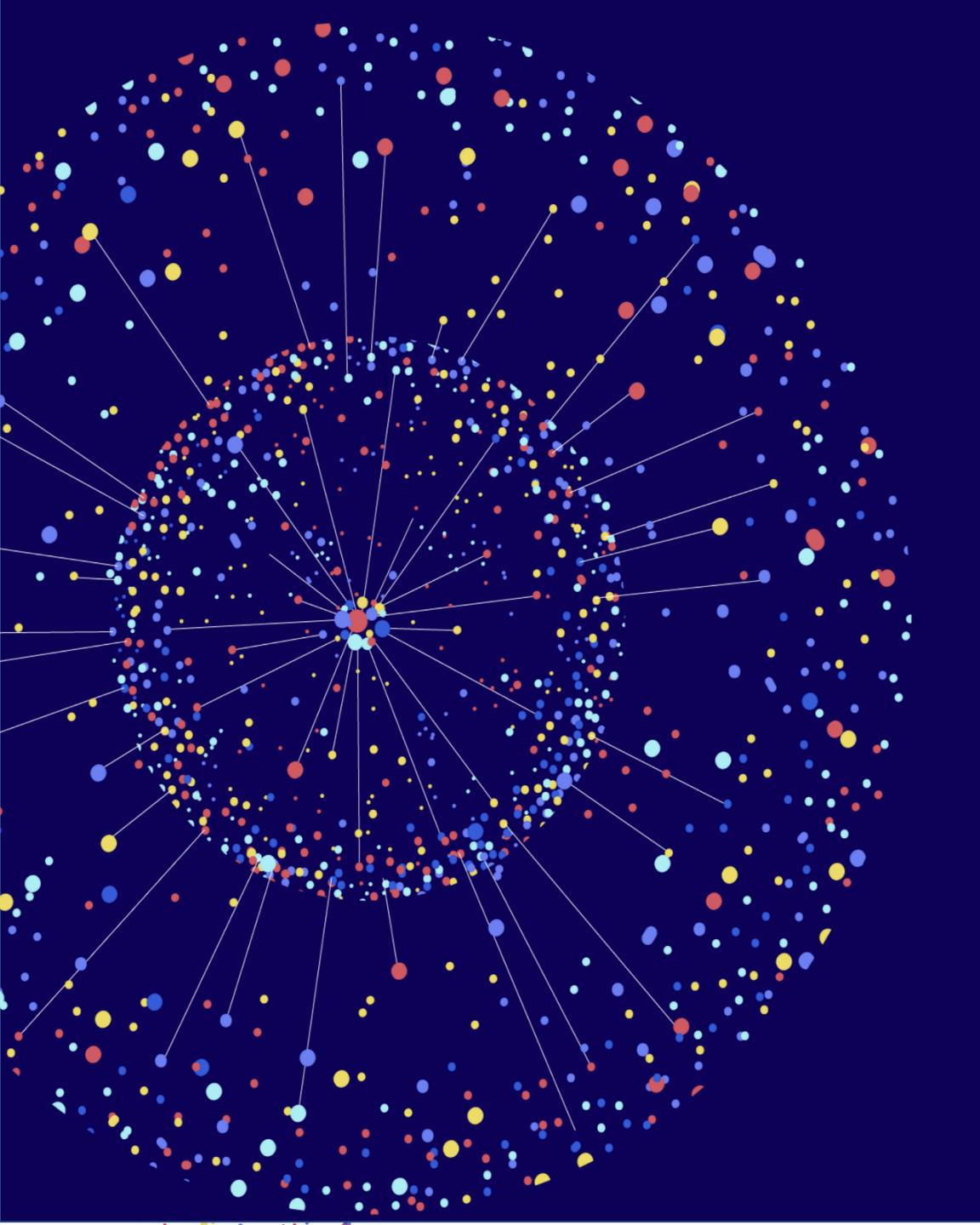
**Leveraging the
Article 6 :
Institutional
Engagement
and Basic
Requirements**



**Roles,
Responsibilitie
s and
Participation
Requirements**



**Digital
Solutions to
operationalise
A6 : Market
infrastructure**



Reflections

Current NDC Details

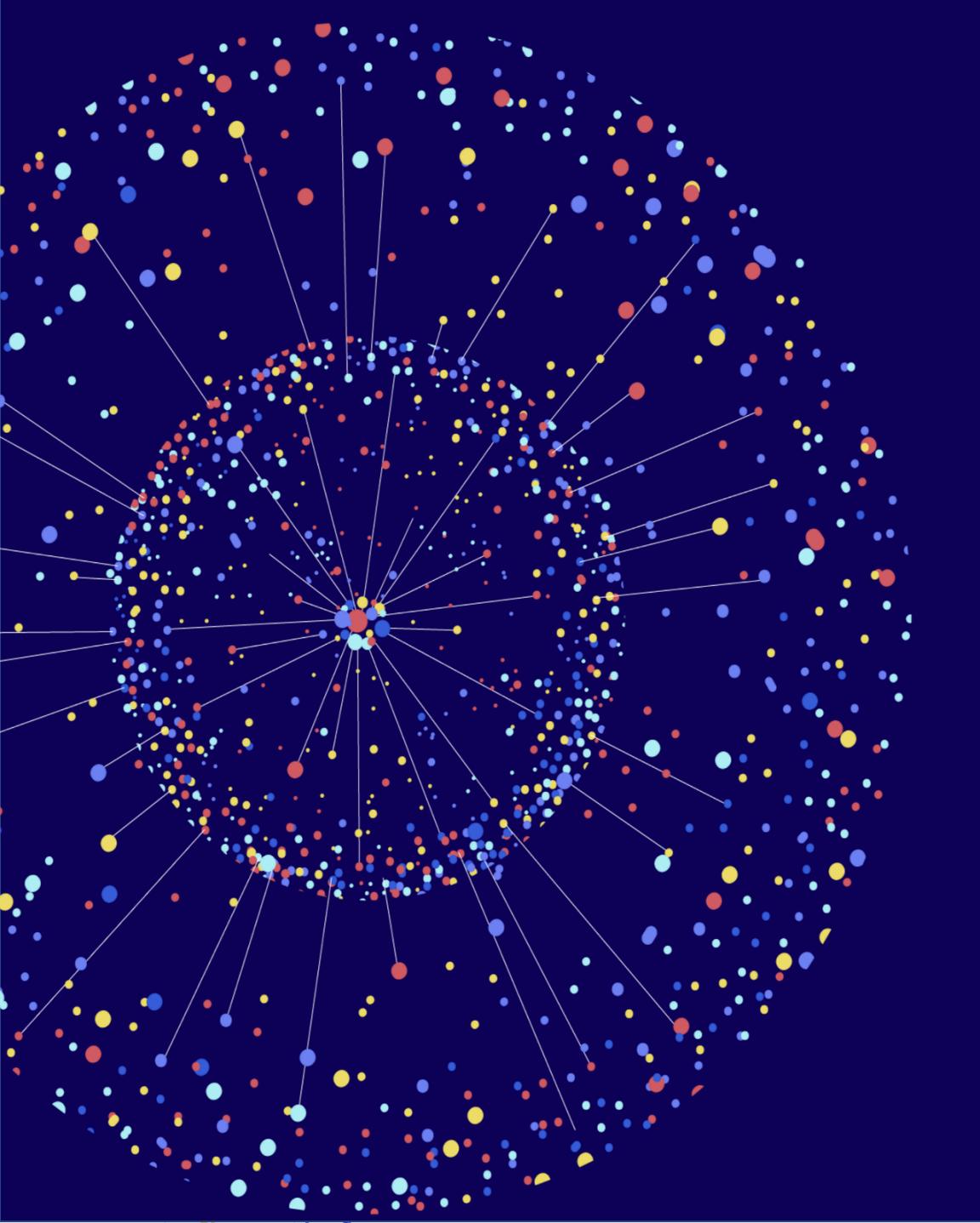
1. What does my current NDC include?
2. What are the unconditional commitments of my NDC (i.e., what will the country achieve on its own)?
3. What is included in the conditional part of my NDC? What kind of support will be utilized?
4. What aspects are outside the scope of my NDC? Does the country plan to mobilize these, and if so, how?

Future NDC Considerations

1. What could be included in my future NDC?
2. Is it possible to credit the results now and then later end the crediting period, counting the results towards my NDC?

Contributions to Long-Term Low Emission Development Strategies (LT-LEDS)

1. What could contribute to my LT-LEDS?



United Nations
Climate Change



RCC West and Central Africa
Collaboration for Climate Action

West African Alliance
on Carbon Markets
and Climate Finance



Government of Cabo
Verde

Networking