



Consultations and Capacity building Workshop Modalities, Opportunities, and Risks of Introducing Fees or Levies on Mitigation Outcome Units in Lao PDR

A workshop organized by COLLABORATIVE INSTRUMENTS FOR AMBITIOUS CLIMATE ACTION (CIACA)

Background

The Department of Climate Change of the Ministry of Natural Resources and Environment of Lao PDR has requested RCC Asia Pacific to provide support through the CIACA initiative for assessing whether to impose fees or levies on activities that generate carbon credits. The support includes:

- A study to evaluate the modalities, opportunities, and risks for putting various forms of fees or levies on the generation of various forms of mitigation outcome units in Lao PDR.
- A validation workshop for this study report.
- Support RCC Asia Pacific in capacity building sessions on these.

The objective of the study is to evaluate the relevant domestic context, look at the international experience, and consider the pros and cons of levies on the generation of various forms of mitigation outcome units for Lao PDR.

- Describe key elements of the domestic context to be considered when assessing the options of introducing fees and levies on carbon credit projects in Lao PDR.
- Assessing the possible range of such fees and levies and the possible (quantitative) impacts in the context of Lao PDR.

About CIACA: Announced in COP22, the CIACA initiative assists parties in the development of carbon pricing instruments for implementing their Nationally Determined Contributions (NDC) under the Paris Agreement and foster cooperative climate action with other jurisdictions. It builds on existing NDC support projects, promotes awareness of carbon pricing and explore possibilities of joining carbon markets. CIACA projects are implemented with the assistance of the Regional Collaboration Centres. Scope of support

- Capacity building for the development of carbon pricing and carbon market instruments
- Support for national consultations to identify and validate the circumstances, needs, constraints and objectives of various groups of stakeholders involved



- Funding of studies by a consultant for the consideration and development of carbon pricing approaches at the level of the jurisdiction
- Technical support
- Regional workshops in for sharing experience or engaging in regional cooperation on carbon pricing and carbon market instruments

Objective of the workshop

The objective of the workshop is two-fold. First, it aims to enhance participants' knowledge of i) the international carbon market and Article 6 of the Paris Agreement, ii) the rationale of introducing share of proceeds, fees and levies, and sharing of mitigation outcomes, and iii) the international practice in this area. Participants will learn from the case studies of countries that have implemented fee structures.

Second, the aim is to collect views and preferences from government stakeholders on what share of proceeds, fees and levies, etc should be collected from processes to administer carbon market projects as well as form transactions on carbon market. Participants have the opportunity to exchange opinions and expectations on a fee structure for carbon market operations in Lao PDR.

Consultations will take the form of group discussions, where participants will be asked to discuss i) types of fees and levies; ii) the timing of collecting the fees and levies; iii) the level of fees and levies; and iv) the use of the collected revenue.

Expected results

Among others, the following results can be expected:

- Enhanced knowledge of international carbon markets
- Understanding the rationale for introducing fees, levies and share of proceeds
- Enhanced knowledge about international practice of implementing fee structures for carbon markets
- Views from participants collected on specific country circumstances to consider (GHG emissions, social, economic, fiscal and institutional context)
- Collection and exchange of views among participants regarding options implementing fees, levies and share of proceeds.

Organizer

The workshop will be jointly organized by Ministry of Natural Resources and Environment of Lao PDR, Department of Climate Change, GHG Mitigation Division, and UNFCCC/RCC Bangkok.

Participants

Intended Participants:

- Ministry of Natural Resources and Environment,
 - Department of Climate Change, GHG Mitigation Division
 - Department of Policy
 - Department of Planning
 - Environmental Protection Fund
- Focal point UNFCCC and/or PACM Designated National Authority
- Ministry of Planning and Investment



- Ministry of Finance
- Ministry of Agriculture and Forestry
- Ministry of Public Works and Transport
- Ministry of Energy
- Ministry of Industry and Commerce
- Ministry of Health
- Ministry of Education
- The Environment Protection Fund

- Lao Women's Union
- Bank of Lao PDR

Dates and Venue

5 November 2024

Venue: *To be determined*

Draft Agenda

Approach: Sessions 1-2 are training sessions, not for discussion, but allowing space for questions; Session 3, will include group discussions with guiding questions

Time	Topic	Responsible Person
08:45 – 9:00	Registration	
9:00 – 9:15	Opening session : <ul style="list-style-type: none"> • Remarks from Representative from the Ministry of Natural Resources and Environment, Dept. of Climate Change • Remarks UNFCCC/RCC Bangkok Housekeeping: Self-introduction of participants / Ice breaker (e.g. Mentimeter)	Tbc, DCC Jens Radschinski, RCC AP
9:15 - 10:00	Session 1: International Carbon Markets <ol style="list-style-type: none"> 1. International carbon market basics 2. Article 6 3. Voluntary Carbon Markets (independent carbon crediting standards) 4. The Activity Cycle <ul style="list-style-type: none"> • PACM • ICPs • Domestic example PT-VER <u>Q & A session</u>	Jens Radschinski, RCC AP
10:00 – 10:20	Group photo and Coffee break	



RCC Asia and the Pacific
Collaboration for Climate Action

Time	Topic	Responsible Person
10:20 – 11:00	Session 2: Fee Structures <ol style="list-style-type: none"> 1. The risk of over-selling 2. Fees and sharing of mitigation outcomes to reduce risk of overselling 2. Fees and levies for other (environmental) purposes 3. Administrative fees 4. International case studies <p>Q/A session</p>	Johan Nylander, Neyen Consulting
11:00 - 12:00	Session 3: Group discussions <p>Discussions and presentation on:</p> <ul style="list-style-type: none"> • What fees and levies are relevant for Lao PDR? • How should levels be set?’ • How should the revenue be used? • How should the fees and levies be implemented? <p><u>Q/A session</u></p>	Representative of DCC, MONRE
12:00 - 12:15	Wrap-up and closing remarks	Jens Radschinski, RCC AP
12:15 – 13:15	Lunch (tbc)	