



RCC West and Central Africa

Collaboration for Climate Action



MINEPDED

Report

Capacity building and stakeholder consultation workshop on the feasibility of carbon pricing instruments and Article 6 of the Paris Agreement (carbon markets) in Cameroon



Yaoundé, Cameroon
24–26 September 2024

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List of Abbreviations and Acronyms

AFOLU	Agriculture, Forestry and Other Land Use
BMWK	Federal Ministry for Economic Affairs and Climate Action
CBIT	Capacity-building Initiative for Transparency
Ci-ACA	Collaborative Instruments for Ambitious Climate Action
CPI	Carbon Pricing Instruments
COP	Conference of the Parties to the United Nations Framework Convention on Climate Change
CSO	Civil Society Organisation
ETF	(Enhanced Transparency Framework
ETS	Emissions Trading System/Scheme
GHG(s)	Greenhouse gas(es)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GST	Global Stocktake
ITMO	Internationally Transferred Mitigation Outcome
JICA	Japan International Cooperation Agency
LT-LEDS	Long-Term Low Greenhouse Gas Emission Development Strategies
MINEPDED	Ministry of Environment, Protection of Nature and Sustainable Development
MRV	Monitoring, reporting and verification
NAPs	National Adaptation Plans
NDC(s)	Nationally Determined Contribution(s)
NOCC	National Observatory on Climate Change
PACM	Paris Agreement Crediting Mechanism
RCC WAC Africa	UNFCCC Regional Collaboration Center for West and Central Africa
REDD+	Reducing Emissions from Deforestation and Forest Degradation and the role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries
SBM	Supervisory Body for the Article 6.4 Mechanism
STPP	Special tax on petroleum products
UN FAO	Food and Agriculture Organization of the United Nations
UNFCCC	United Nations Framework Convention on Climate Change
WWF	World Wildlife Fund

Introduction

The United Nations Framework Convention on Climate Change (UNFCCC) Regional Collaboration Centre for West and Central Africa (RCC WAC Africa), in partnership with the Ministry of Environment, Protection of Nature, and Sustainable Development (MINEPDED), organized a capacity-building and stakeholder consultation workshop in Yaoundé, Cameroon, from September 24-26, 2024. Held at the Merina Hotel, the workshop focused on the feasibility of carbon pricing and Article 6 of the Paris Agreement (Carbon Market).

This workshop is part of the UNFCCC's support to Cameroon through the RCC WAC Africa under the Collaborative Instrument for Ambitious Climate Action (Ci-ACA) project, supported by the German Federal Government through the Federal Ministry for Economic Affairs and Climate Action (BMWK), which aims to assist Parties in the development of carbon pricing approaches for implementing their Nationally Determined Contributions (NDCs) under the Paris Agreement and foster cooperation. It responds to Cameroon's request for assistance in exploring the feasibility and opportunities of carbon pricing to enhance its efforts toward achieving its NDC targets.

The workshop aimed to build the capacity of government officials, private sector representatives, civil society, and technical experts on carbon pricing instruments as part of an initiated carbon pricing instruments feasibility study in Cameroon. The workshop therefore equipped the stakeholders with the right information to make informed decisions.

Participants included about 60 representatives from key NDC sectors such as energy (including transportation), forestry, agriculture, and waste management, Ministry of Finance, Ministry of Economy, Planning and Regional Development, Ministry of Environment, Protection of Nature and Sustainable Development, National Observatory on Climate Change, Academia (i.e. the University of Yaoundé II, University of Douala), development partners (i.e. GIZ, JICA, UN FAO and WWF).

The daily themes of the workshop were as follows:

Daily Sessions and Themes

Days	Date	Activities
Day 1	24 Sept 2024	Session 1: Scene setting presentation Session 2: Introduction to Carbon Pricing – Ci-ACA and Climate Finance
Day 2	25 Sept 2024	Section 3: Possibility to operationalize Carbon Pricing in Cameroon
Day 3	26 Sept 2024	Session 4: Article 6 - Cooperative Approaches

Report of Day 1

Session 1: Scene setting presentation

The workshop commenced with a welcome address by **Professor Joseph Armathe Amougou, Director-General of Cameroon's National Observatory on Climate Change (NOCC)**. In his remarks, Prof. Amougou commended the RCC WAC Africa for its efforts in supporting countries in the region to explore market and financial mechanisms for reducing greenhouse gas (GHG) emissions. He emphasized the importance of leveraging the opportunities provided by carbon pricing instruments, particularly the carbon market established under Article 6 of the Paris Agreement.

Following the welcome address, **Mr. Walters Tubua, Regional Lead for RCC WAC Africa**, delivered an introductory message. He expressed gratitude to the German Government for its support through the Ci-ACA project. Mr. Tubua reaffirmed RCC WAC Africa's commitment to assisting the Government of Cameroon in its exploration and implementation of carbon pricing instruments as part of its strategy to reduce GHG emissions and achieve its NDC under the Paris Agreement.

Mr. Kagonbe Timothée, representing MINEPDED and UNFCCC Focal Point for Cameroon, delivered a remark highlighting Cameroon's NDC target to reduce its GHG emissions by 35% by 2030, a critical step towards achieving the country's broader development aspirations under Vision 2035. Vision 2035 is Cameroon's long-term strategic development framework aimed at transforming the country into an emerging economy, reducing poverty, and achieving sustainable development. Climate action, including emissions reduction and carbon pricing, is integral to achieving this vision by ensuring economic growth is environmentally sustainable and resilient to climate change impacts.

Mr. Kagonbe emphasized the importance of carbon pricing as a tool for driving sustainable development while also mobilizing resources to meet the NDC target. He urged participants to leverage the workshop to enhance stakeholder capacities, deepen their understanding of carbon pricing instruments, and explore innovative financial mechanisms that align with these objectives. He concluded his opening remarks by appreciating RCC WAC Africa for its support and declaring the workshop open.



Photo of Mr. Walters Tubua (left), Mr. Kagonbe Timothée (middle) and Prof Joseph Armathe Amougou (right) opening the 3-day workshop.

Session 2: Introduction to Carbon Pricing – Ci-ACA and Climate Finance

This session introduced carbon pricing, Ci-ACA, and climate finance, featuring four presentations and discussions, allowing participants to understand technical, policy, and legal issues arising from the presentations.

Presentation 1: Overview of the Paris Agreement

Mr. Tubua, Regional Lead of RCC WAC Africa, presented RCC's mission as a regional arm of the UNFCCC to support countries in the implementation of the Paris Agreement. This support includes capacity-building, technical assistance, and fostering partnership for countries in the region. He also highlighted the Paris Agreement's ambition cycle, touching on the relationships between NDCs, National Adaptation Plans (NAPs), the Enhanced Transparency Framework (ETF), the Global Stocktake (GST), and the long-term goals of the Paris Agreement. He mentioned carbon pricing instruments as part of a broader array of tools countries can use to achieve their NDCs or targets under the Paris Agreement.

Presentation 2: Countries' Nationally Determined Contributions

Mr. Philippe Missi Missi, NDC and LT-LEDS Specialist at RCC WAC Africa, provided an in-depth presentation on the objectives and legal foundations of NDCs under the Paris Agreement. He emphasized that Parties to the Paris Agreement must have NDCs in place at all times. NDCs are plans that outline each country's strategies for reducing GHG emissions and often include measures to adapt to the impacts of climate change.

Mr. Missi Missi explained that each country is required to submit an updated and subsequent NDC every five years within a five-year period, with the next submission deadline set for February 2025. He encouraged Cameroon to seize this opportunity to enhance its climate commitments, align its targets with the global objective of limiting temperature rise to 1.5°C, and strengthen its contribution to global climate action. He also highlighted the critical importance of transparency, accountability, and the need for international support in the form of technology transfer and capacity building to ensure the effective implementation of NDCs. The session concluded with an interactive discussion, where participants raised questions about the challenges in accessing funds for NDC implementation.

Presentation 3: Cameroon's Updated NDC

Mr. Kagonbe, UNFCCC Focal Point and NDC National Coordinator, presented Cameroon's updated NDC submitted in September 2021. This updated NDC targets a 35% reduction in GHG emissions by 2030, with a conditional reduction of 23% dependent on international support for financing, capacity building, and technology transfer. The NDC serves as a cornerstone of both national and international climate policy, aiming to transform climate challenges into development opportunities. The challenge is to modernize agriculture, livestock, and energy sectors, while reducing emissions. Despite its low emissions, Cameroon aims to participate in international efforts and promote low-carbon development. The NDC aims to green agricultural policies, sustainable forest management, increased energy access, and 20% renewable energy in the electricity mix by 2030. This decarbonisation strategy aligns with the country's emergence vision, which targets the agriculture, forestry, and energy sectors. Cameroon's NDC focuses on seven orientations: aligning rural planning with agriculture, intensifying environmentally friendly production, promoting practices for improved agricultural capacities, enhancing energy efficiency, promoting a circular economy, and developing renewable energy production. In the context of mitigation actions, the NDC outlines major challenges in agriculture, livestock, fisheries, forestry, energy, and waste sectors. Simultaneously, the NDC prioritizes adaptation measures, including enhancing governance structures, addressing sector-specific vulnerabilities, securing financing, and strengthening Monitoring, Reporting, and Verification (MRV) systems. To achieve the 2030 targets, Cameroon estimates a total investment requirement of USD 57.64 billion for mitigation and adaptation actions. The government plans to mobilize resources from domestic and international, public, and private sources. Carbon pricing instruments (CPIs) are identified as a potential mechanism to generate part of the required funds. The

presentation emphasized the need for comprehensive support and highlighted major implementation challenges, including governance, financing, and capacity building.

Presentation 4: Understanding Carbon Pricing

Mr. Bernard Ayittah, a Carbon Pricing and Article 6 expert at RCC WAC Africa, made a presentation on carbon pricing. He guided participants and stressed the need for a legal and institutional framework for carbon pricing in Cameroon. The expert introduced carbon pricing as a cost-effective economic tool to reduce GHG emissions by integrating environmental costs into economic activities. The two main carbon pricing instruments are carbon tax and Emissions Trading System (ETS). Carbon pricing encourages businesses and consumers to adopt fewer polluting technologies and processes. The speaker discussed the secondary benefits of carbon pricing, including revenue generation for sustainable development initiatives, stimulating innovation in clean technologies, and its role within the framework of the Paris Agreement in facilitating the achievement of NDCs. He equally presented the Ci-ACA project, launched at COP22, which supports developing countries in developing carbon pricing instruments, assessing options, strengthening national capacities, and encouraging stakeholder cooperation for low-carbon development strategies.

This presentation raised questions from the participants including the current low emissions of many African countries including Cameroon, the low price of carbon credits from the region (mostly forestry-related), the sophisticated nature of some of the methodology for estimating emissions (e.g. in forestry sector) and lack of robust MRV systems for tracking, low technical capacity, social safeguards, and ensuring local communities benefit from carbon pricing and carbon market gains. Mr. Ayittah explained that although the current emission of Cameroon is low, the trend has showed an increase in GHG emissions over the past decade and the country's vision 2035 of achieving and emerging economy status will drive emissions further up. The value of CPIs therefore lies in curbing the expected growth of emissions.

Preparation for working group activities

Four working groups were created for the following day (Day 2) to practice an exercise and develop scenarios for implementing CPIs in Cameroon's energy, industrial, waste, and Agriculture, Forestry and Other Land Use (AFOLU) sectors and how such CPIs could generate revenue for NDC implementation. The results from this exercise can be found under Day 2.

Report of Day 2

Day two of the workshop began with a recap of the presentations delivered on the first day, led by Mr. Wabo Yannick. Following this, the day's main activities commenced, featuring two presentations and discussions within four working groups, as outlined below:

Section 3: Possibility to operationalise Carbon Pricing in Cameroon

Presentations 1: National Context of Carbon Pricing in Cameroon: Legal and Governance Framework for operationalizing carbon pricing in Cameroon

Dr. Gideon Fosoh Ngwome, a lecturer at the University of Yaoundé II and Consultant on carbon pricing instruments, discussed the national context of carbon pricing in Cameroon, noting the demonstrating of a strong intention by the Government to implement carbon tax within the framework of environmental taxation. Such intention is expressed in some policy and legislative instruments consisting of:

- Cameroon's National REDD+ Strategy, 2018 recommends the implementation of carbon tax as a measure to discourage forest conversion and to reduce GHGs in the context of REDD+ implementation in Cameroon.
- The updated NDC of Cameroon, 2021 envisages carbon tax within the framework of environmental taxation as part of efforts in generating new revenues that could contribute to financing the activities of the NDC.
- Circular No. 2023/001 of 30 August 2023 relating to the preparation of the State budget for the 2024 fiscal year, specifically envisages the review of the scope of the special tax on petroleum products (STPP) on certain fuels, for an introduction of a carbon tax in Cameroon.
- Politically, the Minister of Finance, on 25 October 2022, chaired a workshop in Yaoundé, to raise awareness among public sector stakeholders, of the carbon market to improve its contribution to the State budget; and to carry out a situational analysis and suggest measures to address the deficiencies and shortcomings in Cameroon's efforts to access the carbon market.
- The draft amendment to the Framework Law on Environmental Management proposes a carbon tax for industrial, artisanal, and commercial pollution, and a reduction in custom tariffs for industrial enterprises importing equipment to eliminate GHG emissions in Article 130(1) of the draft amendment.

The presentation also identified various institutions and stakeholders that would be involved in the design and implementation of carbon pricing tools in Cameroon; potential entities that can be subjected to carbon pricing in Cameroon, including hydrocarbon and cement companies but also entities in the waste management and AFOLU sectors, based on their CO₂ emissions. The presentation highlighted existing fiscal and market mechanisms in Cameroon that can inspire the design and implementation of carbon pricing tools. These include the STPP expressed in Circular No. 2023/001, hygiene and sanitation tax provided for in section 62 of Law No. 2009/019 of 15 December 2009 on Local Fiscal System, and environmental fines as per section 27(4)(a) of Law No. 2023/019 of 19 December 2023 to institute the Finance Law of the Republic of Cameroon for the 2024 Financial Year which can lend support to the design and implementation of ETS. Lastly, the presentation discussed key design elements of effective CPIs and raised

concerns about the socio-economic impact on vulnerable households and industries. In conclusion, Dr. Fosoh emphasized that carbon pricing presents a valuable opportunity for Cameroon to achieve a balance between economic development and environmental protection while fulfilling its international climate commitments. Questions were raised about whether the adoption of carbon pricing was being imposed on Cameroon. In response, Mr. Walters clarified that the Ci-ACA project does not mandate the implementation of CPIs. Instead, it aims to support countries in exploring and adopting such mechanisms to help achieve their NDC targets.

Working Groups Activities

To facilitate discussions on the implementation of CPIs across the four IPCC GHG sectors— industrial processes, waste, AFOLU, and energy—a working group was established. Coordinated by experts and resource persons including Mr. Philippe Missi Missi, Mr. Bernard Ayittah, and Dr. Ngwome Gideon Fosoh, the sessions aimed to explore key considerations in the design and implementation of CPIs. Participants engaged in discussions addressing these considerations, which included, but were not limited to:

- Scope & coverage: which sectors and GHGs to include;
- Alignment with national climate policies and development objectives;
- Point of taxation in the case of a carbon tax, and the methods of allocating quotas in an ETS;
- Governance and oversight institutional arrangement for effective implementation;
- MRV requirements and enforcement mechanisms;
- Usage of revenues generated;
- Flexibility and linkages with other regional price-based climate change mitigation policies;
- Cap or price level and its determination;
- Distributional effects or socio-economic costs associated with CPIs;
- Competitiveness of local businesses under the implementation of the CPIs and avoiding leakage, etc.

Results of working group works/activities

Following the discussion in the sectoral based working groups, **the industrial processes sector** working group opted for carbon tax on the emissions of Hydrofluorocarbons (HFCs) and Perfluorocarbons (PFCs) in the sub-sectors of aluminum production and foam production. The advantage would be to protect the weak industrial base of the country and to a certain extent, serve as a competitive measure to attract foreign companies since CO₂, the highest emitted GHG, would not be subject to any taxation. Another advantage is that the cost of abating the emissions of HFCs and PFCs would be minimal compared to the cost of abating CO₂ since the emission of HFCs and PFCs are very minimal. The group did not comment on the value of the carbon pricing approach and indicated that further study and consultation must be done to make such a decision.

The waste sector working group recommended the non-application of any of the CPIs. There is already the application of the local development tax applied by the municipalities in the waste sector. Thus, applying any of the CPIs would amount to double taxation in the waste sector. The discussions that followed made it possible to uncover the efforts already made in the capture of methane (CH₄) by private companies like HYSACAM, a leader in waste management that has succeeded in mastering technologies to mitigate this gas. The group indicated that HYSACAM manages the waste on behalf of the municipal authority and does not own the waste which makes it not liable for the emissions and cannot be taxed. The group recommended the application of the tax in other sectors such as energy and AFOLU and redirecting some of the revenue to cleaner technologies in the waste sector. The group did not comment on the value of the carbon pricing approach and indicated that further study and consultation must be done to make such a decision.

The outcome of the working group of **the AFOLU sector** highlights carbon pricing as a key instrument for reducing emissions, by encouraging large emitters to limit their carbon footprint. However, the feasibility of introducing carbon tax in this sector in Cameroon raises questions, on the government's capacity to manage the concerns of the populations and the sub sectors to be targeted. Instead of a direct tax, the group recommended exploring an ETS in cooperation with national or international entities. This approach would benefit both businesses and the population, paving the way for a future carbon tax. Sub-sectors to consider for an ETS include the agri-food industry, forestry, mining and construction, as well as developers of projects to restore degraded landscapes. Although it is difficult to estimate the cost, the revenue would be used to finance green projects. This would also contribute to achieving the emission reduction targets of Cameroon set in its NDC. However, the main obstacle remains the lack of a regulatory framework. The group did not comment on the value of the carbon pricing approach and indicated that further study and consultation must be done to make such a decision.

As for **the energy sector**, the working group recommended the need for the State to carry out a preliminary feasibility study to analyze the carbon footprint of the different economic actors. This analysis is essential to determine which carbon pricing approach would work best for the sector. While they recommended an ETS for the energy sector, it was made conditional upon the findings of the feasibility study. The group found the application of a carbon tax in the sector inappropriate now due to concerns about its potential economic impact resulting from pricing rigidity which could disproportionately increase costs for energy producers and consumers, potentially leading to economic stress or public opposition. They noted that implementing a carbon tax without a comprehensive understanding of the sector's dynamics, ranging from production to consumption, could lead to unintended consequences such as increased costs for consumers and reduced competitiveness for energy-intensive industries. The group stressed that even if a carbon tax were to be considered in the future, a detailed analysis of the entire value chain would be crucial to ensure fairness and effectiveness. Like all the other working groups, they did not comment on the specific value of the carbon pricing approach.

Presentation 2: Article 6 of Paris Agreement – Cooperative Implementation

Mr. Bernard Ayittah – Carbon Pricing and Article 6 expert at RCC WAC Africa made a presentation on the international cooperation mechanisms for countries to achieve NDCs through market mechanisms. Article 6 of the Paris Agreement lays the foundation for voluntary cooperation, focusing on sustainable development and poverty eradication. It encourages participation of public and private entities in GHG mitigation and promotes regional and international cooperation for climate action. There are two types of carbon markets: voluntary and compliance markets. In the voluntary carbon market, entities generate and trade carbon credits to offset their emissions on a voluntary basis, without being mandated by regulations. In contrast, compliance carbon markets are regulated by mandatory policies or legal frameworks, requiring entities to reduce emissions or purchase allowances/credits to meet specific regulatory obligations.

Article 6.2 provides a guideline for a cooperative approach that involves transfers of mitigation outcomes (MOs) from one country to another towards achieving NDC targets or their voluntary and compliance use. Article 6.4 establishes the Paris Agreement Crediting Mechanism (PACM), a centralized crediting mechanism supervised by the Supervisory Body for the Mechanism (SBM) under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA). The SBM is tasked with implementing the mechanism's rules and ensuring transparency, environmental integrity, and contributions to sustainable development through the generation and trading of GHG emission reductions or removals. Article 6.8 provides a non-market mechanism for donors to support countries in implementing carbon emissions reduction projects, prioritizing technology transfer, climate finance, and capacity building. Parties are encouraged to recognize the importance of integrated, holistic, and balanced non-market approaches for promoting mitigation and adaptation ambition, enhancing public and private sector participation in the implementation of NDCs, sustainable development and poverty eradication.

The types of activities under Article 6 include both emission reductions and removals projects. The presentation outlined key benefits of Article 6, such as mobilizing financial support, increasing revenue, attracting private investments, improving access to technology, enhancing institutional capacity, and delivering co-benefits like job creation and energy security. However, challenges include risks like double counting, overselling, and high cost created if the international transfer of mitigation outcomes (ITMOs) leads the transferring country to conduct costly abatement actions to meet its NDC.

Participants asked questions to understand the concept of the corresponding adjustment and what the country gains in the end and how it meets its own NDC targets after corresponding adjustment has been performed. Mr. Ayittah explained that the country can have arrangements to have a share of the MOs and to also reinvest the revenue from ITMOs in other NDC actions.

Countries participating in Article 6 must meet criteria such as being a Party to the Paris Agreement, maintaining an updated NDC, submitting inventory reports, having an institutional arrangement and MRV system to track and report ITMOs transactions, and establishing a Designated National Authority to oversee compliance in-country under Article 6.4 particularly.

Countries seeking to participate under Article 6.4 must submit their host country participation requirement form. The presentation also highlighted Central Africa's challenges in implementing MRV systems due to limited infrastructure and institutional capacity and stressed the importance of regional cooperation and robust governance frameworks.

Day 2 ended with a word from the UNFCCC National Focal Point who gave a synoptic overview of the importance of Article 6.4 and the importance of its application in Cameroon.

Report of Day 3

The activities of Day 3 began with a recap of the Day 2 sessions, delivered by Ms. Koussikaye Elisabeth, an engineer at the Sub-Directorate of Ecological and Climate Monitoring, MINEPDED. This was followed by four comprehensive presentations and one brief presentation.

Session 4: Article 6 - Cooperative Implementation

Presentation 1: Continuation of Article 6 of Paris Agreement – Cooperative Approaches

Mr. Bernard Ayittah - Carbon Pricing and Article 6 expert at RCC WAC Africa discussed the possibility of transitioning from the Clean Development Mechanism (CDM) activities or programme of activities (PoAs) under the Kyoto Protocol to Article 6.4 (A6.4) of the Paris Agreement, also known as the Paris Agreement Crediting Mechanism (PACM). The PACM is a centralized UNFCCC mechanism for countries and companies to generate Article 6.4 Emission Reduction (A6.4ERs) Units which can be transferred between countries to meet their NDCs and to other private entities for voluntary or compliance purposes. It aims to deliver global emissions mitigation, promote sustainable development, incentivize private sector participation, and contribute to emission reductions in host countries. The expert emphasized the crucial role of various stakeholders (researchers, project owners, project developers/consultants, Think Tanks, validation/verification bodies and academia/research institutions) in the development and implementation of Article 6. Participants raised questions about eligible projects in Cameroon and if the country received any transition request and what is the status of the transition. Mr. Ayittah showed a data of the countries that have received request for transition including Cameroon with a transition request for 1 PoA. The status is that Cameroon has not submitted its host country participation requirement to be full eligible for PACM participation and has not approved the transition.

For Cameroon, Article 6 represents a crucial opportunity to achieve its NDC objectives, while promoting sustainable economic growth and attracting international financing. However, this requires significant efforts in terms of strengthening institutional capacities, stakeholder training, mobilizing financing to put in place the necessary infrastructure, such as MRV systems, governance structures and international cooperation.

Presentation 2: MRV Arrangements for Climate Action in Cameroon: Identification of challenges and gaps for Carbon Pricing in Cameroon

The Project Manager of Capacity-building Initiative for Transparency (CBIT)¹ in the NDC implementation in Cameroon, Mr. Nguemadji Moussa, presented the which plays a fundamental role in achieving Cameroon's climate objectives, in particular within the framework of its revised and updated NDC by ensuring transparency, accuracy, effectiveness of GHG emission reduction actions, while providing the data needed to measure progress made. In Cameroon's updated NDC, MRV occupies a central place in the institutional arrangement by ensuring the rigorous monitoring of mitigation and adaptation actions. Currently, Cameroon's system faces challenges such as data gaps, limited capacity of stakeholder and dependency on external support. Mr. Nguemadji further re-iterated the importance of an MRV system for achieving Cameroon's NDC, underscoring its role in transparency, access to climate finance, particularly through carbon pricing and Article 6 mechanisms of the Paris Agreement.

Presentation 3: Solidaridad Oil Palm – Article 6.2 Switzerland – Ghana Mitigation Program

In the third presentation, Mr. Bernard Ayittah presented a case study of a mitigation project in the oil palm sector under the Switzerland – Ghana Article 6.2 cooperation². The program aims to enhance oil palm processing productivity and reduce methane emissions from the wastewater produced. The methane is captured and used as heating in the oil palm processing. The program will produce economic, environmental, and health co-benefits for the women involved in this business. This case study captured the interest of the participants, who sought to know how the women will benefit from the ITMO revenues. Mr. Ayittah explained that the project proponents will ensure that the activity promotes and considers gender equity and empowerment of the women.

Presentation 4: Creation of a Documentation, Information and Awareness System on Climate Change in the Congo Basin

Before the concluding remark, one of the participants, Mr. Batoua Benoit, an environmentalist shared a brief outline of a proposal for the “creation of a documentation, information and awareness system on climate change in the Congo Basin,” which can contribute to enabling access to information within the framework of MRV.

Wrap Up:

The workshop ended with a concluding remark by the RCC WAC Africa Lead, Mr. Tubua who appreciated the dynamics of the work during the 3 days and expressed hope to see the Cameroonian stakeholders progress especially within the framework of CPIs and Article 6 of the

¹ <https://ndcpartnership.org/knowledge-portal/climate-funds-explorer/capacity-building-initiative-transparency-cbit>

² Find the case study on page 42. https://cmo.epa.gov.gh/wp-content/uploads/2024/02/Article-6-Annual-Progress-Report-2023_final.pdf

Paris Agreement with the primary goal of achieving Cameroon's NDC and the country's sustainable development objectives. He also promised the RCC's continuous support to the Cameroon and to make available all the presentations and information of the workshop available on the UNFCCC webpage.

Conclusion: What is the Next Step or the Way Forward Nationally?

General Conclusion

The Capacity Building and Stakeholder Consultation Workshop on Carbon Pricing Instruments and Article 6 in Cameroon successfully achieved its objectives of enhancing stakeholders' understanding of carbon pricing instruments and consulting their feasibility for implementing Cameroon's NDC. Over three days, participants gained critical insights into the potential of carbon pricing instruments, the relevance of Article 6 cooperative approaches, and their benefits for Cameroon's NDC and development objectives.

Key presentations highlighted the Paris Agreement, Cameroon's updated NDC, and the role of carbon pricing in achieving NDC targets. These sessions set the stage for productive discussions and deliberations during the working group activities, which were designed to explore the practicalities of carbon pricing in key NDC sectors: industrial processes, waste, AFOLU and energy.

The group discussions were a pivotal aspect of the workshop, providing a platform for diverse stakeholders to share perspectives and develop tailored recommendations:

- **Industrial Processes:** The group proposed a carbon tax targeting high-global-warming-potential gases such as HFCs and PFCs, noting its minimal economic impact compared to taxing CO₂ emissions. This approach aimed to balance industrial competitiveness with climate action. However, the group emphasized the need for additional research and consultation were necessary to determine the appropriate carbon pricing instruments and their potential impacts.
- **Waste Sector:** Participants highlighted the challenges of double taxation due to existing municipal levies and recommended redirecting revenue generated in other sectors to support cleaner technologies in waste management.
- **AFOLU Sector:** The group recommended an ETS, particularly for sub-sectors like agri-food industry, forestry, mining, and construction, as well as developers of projects to restore degraded landscapes, as an initial step toward carbon pricing. This approach would encourage emissions reductions while fostering sustainable development and aligning with Cameroon's NDC targets.
- **Energy Sector:** The group identified the need for further study to understand the carbon footprint of various actors and recommended exploring an ETS as a potential approach. Concerns were raised about the rigidity of a carbon tax and its economic impact, emphasizing the importance of sectoral dynamics and equitable implementation.

These discussions emphasized the need for comprehensive governance frameworks, robust MRV systems, and stakeholder inclusion to ensure the successful implementation of carbon pricing instruments. Participants recognized the importance of addressing socio-economic concerns, such as impacts on vulnerable populations and the competitiveness of local businesses. The workshop outcomes underscored the necessity of conducting a feasibility study to refine these recommendations further and address gaps in institutional capacity, legal frameworks, and financial support. Participants also expressed a keen interest in continued dialogue and capacity-building efforts to sustain momentum and deepen their understanding of carbon pricing mechanisms.

This engagement provided a solid foundation for the next steps, including the continuation of the feasibility study by the consultant and validation. The workshop outcomes signify a step forward in Cameroon's journey toward exploring carbon pricing instruments feasibility for achieving its NDC targets and fostering sustainable economic growth through innovative climate action solutions.

Next Step or the Way Forward

Mr. Kagonbe Timothée, the UNFCCC National Focal Point and director at the MINEPDED expressed gratitude to the participants for their involvement and contributions and the RCC for their support to Cameroon. He emphasized the government's interest in exploring several tools including carbon pricing to achieve its NDC targets. He indicated that the government is keen to knowing the outcome and recommendations of the feasibility studies currently underway to inform an evidence-based approach to determining the way forward and that any decisions made will align with the insights gathered during the discussions and study.

Representatives of the civil society organisation (CSO), Young Volunteers for the Environment, expressed their wish to continue to work with the Government of Cameroon to build capacity and carry out consultation to enhance the understanding and a possible operationalisation of carbon pricing tools in Cameroon. They also underscored the need for a legal framework and an institutional structure set up specifically for carbon pricing. Some participants including private sector representatives recommended the creation of an exchange platform or avenue and more preferably, a media-based platform where all stakeholders can exchange and learn more about carbon pricing and the carbon market to better assimilate the understanding of the CPIs and to further the course of carbon pricing in Cameroon.

Another representative of the CSO encouraged the organizers to share the materials of the workshop with other non-governmental organisations (NGOs) that were not present at the workshop. Another participant recommended the implementation of projects that can create gainful employment for youths across the 10 regions of Cameroon so that a single region does not capture all the opportunities. Participants appreciated the organisation of the workshop, which was a learning opportunity, but noted the absence of important stakeholders such as financial institutions that can provide the necessary capital for startup of green projects within the framework of the carbon market.

Mr. Walters Tubua encouraged the participants to watch out for a documentary that is being produced to share Ghana's Article 6 carbon market experience. He also reiterated that all the presentations and information of the workshop will be made available on the UNFCCC webpage.

Participants commended the organisers of the workshop, which was a learning opportunity. They commended the consultative approach to conducting a carbon pricing feasibility study in Cameroon which ensures that relevant stakeholders are engaged and have good understanding of various instruments. Through this approach, the workshop raised awareness among Cameroonian stakeholders about economic instruments, such as CPIs and Article 6, which can be explored nationally to reduce emissions in line with the goals of the Paris Agreement.

The consultant will continue to complete the feasibility study and will invite the stakeholders to validate it in January 2025.

[Click here to access all workshop materials and reports](#)

Appendix. 1

Detailed Programme

Day 1		
Timetables	Thematic	Responsible
08:30 - 09:00	Registration	
09:00 - 09:30	Opening Ceremony: <ul style="list-style-type: none"> ✓ A word of welcome ✓ Round of introduction ✓ Message from the Regional Lead RCC WAC Africa ✓ Message from the Ministry Representative 	UNFCCC NFP RL RCC WAC Africa MEPNSD Participants
09:30 – 10:30	<u>Section 1: Scene setting presentation – 45 minutes</u> <ul style="list-style-type: none"> ✓ Paris Agreement Overview - Main obligations of Parties under the PA with a focus on NDCs and ETF ✓ Nationally Determine Contributions (NDCs) with a focus on Cameroon’ current NDC and NDC 3.0 priorities. ✓ Presentation on the Guidance for NDC under the Decision 4/CMA.1 Discussion (Q&A) – 15 minutes	RCC NDC & LT-LEDS Expert
10:30 – 11:00	Group Photo	All
	<u>Session 2: Introduction to Carbon Pricing – CiACA and Climate Finance</u>	
11:00 – 11:45	<u>Sub-session 2.1: Introduction – 30 minutes</u> <ul style="list-style-type: none"> ✓ What is carbon pricing? How does it work? ✓ Brief overview of the main approaches ✓ What can carbon pricing be used for? (Benefits of Carbon Pricing) Discussion (Q&A) – 15 minutes	RCC WAC Africa Article 6 and Carbon Pricing Expert
11:45-12:30	<u>Sub-session 2.2: Specificities of carbon pricing (the regional aspect) – 45 minutes</u> <ul style="list-style-type: none"> ✓ What are the different types of carbon pricing instruments? Pros and Cons of Different Options Discussion (Q&A) – 15 minutes	RCC WAC Africa Article 6 and Carbon Pricing Expert
13:40–14:40	<u>Sub-session 2.3: introduction to CIACA Initiative – 40 minutes</u> <ul style="list-style-type: none"> ✓ What is the CIACA project? ✓ Status of work under the CIACA Initiative ✓ Carbon pricing initiatives in Central Africa ✓ What are the opportunities and challenges in the region? Discussion (Q&A) – 20 minutes	RCC WAC Africa Article 6 and Carbon Pricing Expert
14:40 – 15:15	<u>Sub-session 2.4: Experiences sharing by Gabon/Senegal/</u>	

15:15 – 16:00	Sub-session 2.5: Group Hands-on exercise on carbon pricing: - 45 minutes Participants will be put into groups and practice an exercise to enhance their understanding of the linkage between carbon pricing, domestic revenue and NDC implementation.	Experts and Participants
16: 00 -16: 15	Group presentation on group exercise – 15 minutes ✓ Experience sharing on group exercise by group reps.	Group Reps
16: 15 -16: 30	End of the Day 1	
Day 2		
Timetables	Thematic	Responsible
09:00–09:30	Recap of the Day 1	Participants
	Session 3: Possibility to operationalize Carbon Pricing in Cameroon	
09:30 – 10:30	Sub-session 3.1: Legal and Governance Framework for operationalizing carbon pricing in Cameroon. ✓ Presentation of the Climate Action Governance Framework in force in Cameroon ✓ Current status of economic instruments that give benefits to low-carbon solutions ✓ What is planned for the next 5 or 10 years? What are the opportunities at the national level/ see the international context? Discussion (Q&A)	Invited Lecturer from the University of Yaoundé II.
10:45 – 11:45	Sub-session 3.2: MRV for Carbon Pricing Presentation on MRV arrangements for climate action in Cameroon. Identification of challenges and gaps. Discussions and Q&A – 15 minutes	Designated National Authorities for Article 6.4
11:45 – 12:15	Sub-session 3.3: Cameroon’s Carbon Market Experience - Presentation on Cameroon’s REDD+ and CDM experience and how that can be leveraged for carbon pricing implementation.	Designated National Authorities for Article 6.4
12:15 – 13:30	Sub-session 3.4: Breakout Session: What could work for Cameroon? Identification of appropriate carbon pricing initiatives An interactive group session to exchange views on national carbon pricing priorities. Facilitated discussion on: - What is the national decision-making process regarding the review or implementation of carbon pricing instruments? - What could be the main carbon pricing approaches and instruments considered for your country? - What are the concerns to be taken into account? How to ensure the best alignment with national objectives/priorities? - What are the priority areas to consider when developing carbon pricing approaches for your country? - What do the private sector/market participants expect from market instruments/carbon pricing at the national and global level? How can carbon pricing contribute to the achievement of Cameroon’s national development goals? What should be the role of national and regional institutions and	Participant, Experts/invited lecturer from the University of Yaoundé II.

	regional integration organisations with regard to carbon pricing?	
14:30 – 15:00	Sub-session 3.4 cont.: Presentation of summary of group discussions	
15:00 – 16:00	Roadmap elements Participants will share their key takeaways from the discussions and suggestions on the way forward Definition of the schedule of support activities	Experts, Participants
16:00 – 16:15	End of the first Day 2	
Day 3		
Timetables	Thematic	Responsible
09:00–09:30	Recap of the Day 2	Participants
	Session 4: Article 6 - Cooperative Approaches	
09:30 – 10:30	Sub-session 4.1: Article 6 overview – 30 minutes <ul style="list-style-type: none"> ✓ An overview presentation on Article 6, covering its approaches (6.2, 6.4, and 6.8). ✓ Unlocking Article 6 potential and catalyzing climate action for NDCs. Sub-session 4.2: Leveraging the Article 6: Basic Requirements – 40 Minutes <ul style="list-style-type: none"> ✓ Presentation will provide an introduction to Governance and Institutional arrangements; Article framework development; Positive list development process including support for project origination/ activation & development; Project Development Cycle, Share of Proceeds; Negotiating Bilateral Agreements; Host country Authorisation Process and Corresponding Adjustments; Recording tracking – registries. 	RCC WAC Africa Expert on Article 6 and Carbon pricing.
10:45 – 11:45	Sub-session 4.2 cont.: Leveraging the Article 6: Basic Requirements <ul style="list-style-type: none"> ✓ Presentation will provide an introduction to Governance and Institutional arrangements; Article framework development; Positive list development process including support for project origination/ activation & development; Project Development Cycle, Share of Proceeds; Negotiating Bilateral Agreements; Host country Authorisation Process and Corresponding Adjustments; Recording tracking – registries. 	Participant, Experts
11:45 – 13:00	Sub-session 4.3: Exploring Article 6.4 – Mechanism and Opportunities – 45 Minutes <ul style="list-style-type: none"> ✓ Overview of Article 6.4 ✓ Transitioning from CDM to Article 6.4 ✓ Roles and responsibilities of the Designated National Authorities ✓ Article 6.4 eligible activities ✓ The Article 6.4 Activity Cycle Sub-session 4.4: Article 6.8 Background and Experiences – 15 Minutes	RCC WAC Africa Expert on Article 6 and Carbon pricing

	<ul style="list-style-type: none"> ✓ <u>Overview of Article 6.8, including its definition, purpose, and how it differs from the market-based approaches of Articles 6.2 and 6.4.</u> ✓ <u>The Article 6.8 platform</u> ✓ <u>Potential non-market opportunities in Cameroon.</u> <p><u>Sub-session 4.5: Private sector roles in Article 6 for NDC Implementation</u></p>	
14:00 – 15:00	<p><u>Discussion on next steps:</u></p> <ul style="list-style-type: none"> - <u>embedding Workshop Learnings into NDC 3.0 and National Strategies</u> - <u>Key messages on carbon pricing approaches in Cameroon context.</u> 	Experts, Participants
15:00 – 15:30	Closing and Completion of the Workshop's Work	