

Consultation meeting

Developing a National Carbon Market Strategy for Ethiopia

February 5, 2025

Hyatt, Regency, Addis Ababa

Background

Ethiopia, in its updated NDC, has set an ambitious emissions reduction target of 68.8% by 2030, requiring an estimated total of USD 316 billion for implementation. Achieving 20% of these targets depends on domestic resources, while the remaining 80% are conditional on international support (technology transfer, capacity building and finance, including carbon finance). As part of these efforts, Ethiopia views participation in international and domestic carbon markets as a strategic and innovative financing tool to generate revenue from exporting high quality carbon credits. Ethiopia has traditionally been a leader regarding the alignment of NDC targets and measures with the flagship development and climate strategies, notably the Climate Resilient Green Economy (CRGE) Strategy, and the Ten-Year Development Plan (2021–2030), led by the Federal Ministry of Planning and Economic Development (MoPD).

In this context, Ethiopia aims to develop a National Carbon Market Strategy to guide its effective engagement in the emerging international and domestic carbon market landscape, guided by Article 6 of the Paris Agreement. This Strategy will build on existing initiatives such as the Green Legacy Initiative, the NDC, the 10YPD, CRGE Strategy, as well as sectoral policies such as the National Non-Motorized Transport Strategy, National Programmes for Electrification, Biogas, Clean Cooking, Irrigation, and more. Moreover, the Strategy will be informed by the carbon market experience that Ethiopia has acquired from participating in the Clean Development Mechanism, voluntary carbon market programmes (Gold Standard, Verra, Plan Vivo), and bilateral cooperation (JCM). Together, these efforts will position Ethiopia to achieve its NDC and Long-Term Low-Emission Development Strategy (LT-LEDS) targets.

The United Nations Framework Convention on Climate Change (UNFCCC) Regional Collaboration Centre for East and Southern Africa (RCC EAS Africa), with financial support from the Collaborative Instruments for Ambitious Climate Action (CiACA) project, contracted Perspectives Climate Group (also referred here as “the Consultant team”) to develop a National Carbon Market Strategy for Ethiopia. A successful inception workshop has been held on January 3, 2025, which provided important information for the Strategy development and helped to identify key stakeholders.

Objectives of the workshop

The objectives of the consultation meeting include the following:

- **Provide an update on the Strategy development:** Present a zero draft of the National Carbon Market Strategy including the objectives, and scope, and significance of the Strategy to relevant sectors and stakeholders.
- **Raise Awareness:** Build understanding among participants about the opportunities and challenges of participating in global carbon markets, with a focus on Article 6 mechanisms and their potential benefits for Ethiopia.

- **Further establish a Core Team:** Foster collaboration among key stakeholders, led by MoPD in collaboration with all relevant ministries and experts, to ensure a broad and inclusive approach to Strategy development.
- **Assess Capacities and Needs:** Identify the capacity gaps, data requirements, and sectoral priorities that need to be addressed to effectively develop and operationalize a National Carbon Market Strategy.
- **Align Sectoral Goals:** Initiate discussions with sectoral representatives to align their activities and policies with the overarching Carbon Market Strategy, ensuring synergy with existing national initiatives like the CRGE Strategy and the 10YPD.
- **Provide an overview of next steps for finalizing the Strategy Development:** Establish a shared vision and clear next steps for drafting the National Carbon Market Strategy, including stakeholder roles, timelines, and deliverables.

By achieving these objectives, the meeting will initiate the successful development and implementation of Ethiopia's National Carbon Market Strategy.

Target group

The target group for this meeting includes a core group of stakeholders leading the Strategy development. Key participants will include representatives from MoPD and sector representatives, as well as private sector stakeholders, financial institutions, and civil society organizations. A broader stakeholder consultation to ensure inclusive engagement and collaboration will subsequently be ensured in future workshops and trainings, in synergy with other A6 readiness efforts.

Engaging these stakeholders ensures that the Strategy reflects a balanced and inclusive approach, leveraging expertise from both public and private sectors to create a robust and effective framework for Ethiopia's participation in international carbon markets.

Structure and delivery of the workshop

The full-day consultation and capacity building meeting will be held in Addis Ababa and will be hosted at Hyatt Regency on February 5, 2025. The meeting will present progress made towards developing a National Carbon Market Strategy for Ethiopia. It will also feature interactive discussions and activities designed to gather valuable feedback and insights from participants, ensuring stakeholder perspectives are integrated into the Strategy development process.



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Consultation meeting on Ethiopia's National Carbon Market Strategy, February 5 th , 2025, MoPD (Eastern Africa Time)		
Time	Activity	Institution, Presenter
09:00 – 09:05	Welcome remarks	Mensur Dessie, MoPD
09:05 – 09:15	Opening remarks	H.E. Ato Seyoum Mekonen, State Minister, MoPD
09:15 – 09:30	Keynote remarks	Urbans Benywanira, UNFCCC Regional Collaboration Center, Kampala
09:30 – 10:00	Round of introductions	Yeshiwork Assefa, MoPD
10:00 – 10:45	Progress report on Ethiopia's Carbon Market strategy development <ul style="list-style-type: none"> • Desk review elements: Relevance of carbon markets in Ethiopia's NDC 2 and 3 • Carbon market strategy objectives and key principles • Scope of strategy: focus on governance and institutional framework <ul style="list-style-type: none"> - Mandate of key institutions - Establish and operationalize technical committee for carbon markets (composition, work programme, first meeting) 	Stephan Hoch, Wondwossen Sintayehu
10:45-11:15	High level discussion and further guidance on national carbon market strategy development	H.E. Ato Seyoum Mekonen, State Minister, MoPD
11:15-11:30	Coffee Break	
11:30-13:00	BOG and interactive discussion <ul style="list-style-type: none"> • Question 1: How appropriate and complete are the scope and objectives of the A6 strategy? • Question 2: What is needed for a strong institutional framework and responsibilities of key agencies (MoPD, MoF, sector ministries) 	Mensur Dessie, Yeshiwork Assefa, Mecheal Hordofa, Urbans Benywanira, Stephan Hoch, Wondwossen Sintayehu
13:00 – 14:00	Lunch	



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14:00-14:45	<p>Technical session on desk review</p> <ul style="list-style-type: none"> • Status of desk review • Relevance for carbon market strategy 	Stephan Hoch, Wondwossen Sintayehu
14:45-15:30	<p>Technical session on priority elements of institutional framework and operational procedures</p> <ul style="list-style-type: none"> • Carbon market activity approval, CDM transition to PACM • Potential of PACM for new activities and market demand incl. CORSIA • ITMO authorization for NDCs, other international mitigation purposes (CORSIA) • Non-authorized credits as an opportunity for domestic (voluntary) carbon markets • Benefit-sharing mechanism <ul style="list-style-type: none"> ◦ Infrastructure: A6.4M registry, international registry, UNFCCC optional services 	Stephan Hoch, Wondwossen Sintayehu
15:30-15:45	Coffee Break	
15:45-16:30	<p>Strategy development process</p> <ul style="list-style-type: none"> • Next steps towards finalising the carbon market strategy • Roadmap for implementation of the carbon market strategy 	Stephan and Wondwossen
16:30-16:50	Closing discussion	Mensur Dessie
16:50-17:00	Closing of the Meeting	Mensur Dessie