



GHANA'S INSTITUTIONAL ARRANGEMENT FOR ARTICLE 6 MARKETS APPROACHES

*Alliance member meeting & Regional
Workshop on Carbon pricing carbon Markets*

28th October – 1st November 2024

Praia, Cabo Verde

Isaac Kwabena Danso
Environmental Protection Agency (EPA) /
Carbon Market Office (CMO)
Ghana

Outline



SETTING THE STAGE TOWARDS
GHANA'S PARTICIPATION IN
CARBON MARKET MECHANISMS



INSTITUTIONAL ARRANGEMENT

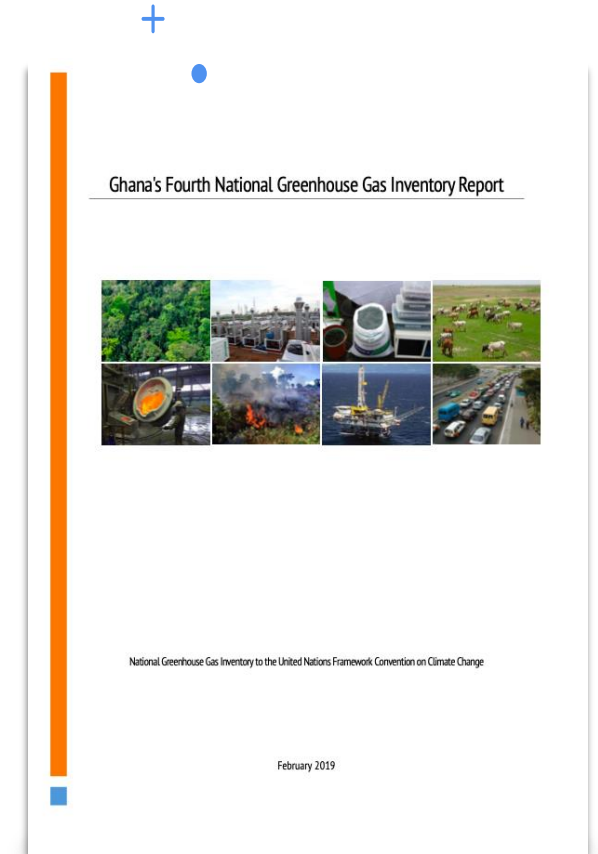


CONCLUSION

Setting the stage for Ghana's participation in carbon market mechanisms

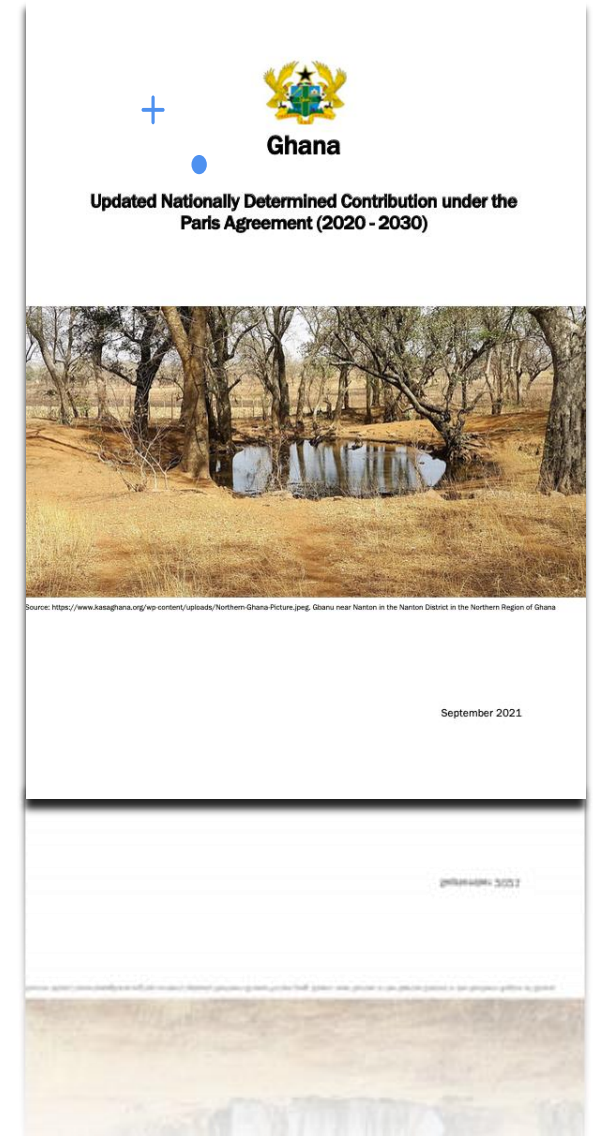
Establishing a proper institutional arrangement to estimate the National Greenhouse Gas (GHG) Emission Inventory.

- ✓ Climate Change Mitigation and Adaptation Planning
- ✓ Policy Development and Decision-Making (including NDCs)
- ✓ Monitoring and Evaluation
- ✓ International Reporting and Compliance
- ✓ Resource Allocation and Prioritization
- ✓ Public Awareness and Education
- ✓ Supports Sustainable Development Goals (SDGs)
- ✓ Research and Innovation
- ✓ Facilitates Collaboration and Cooperation



Making Carbon Market Intent in Ghana's NDC

- Ghana committed to mitigate 64 million tonnes of its 2030 greenhouse gas emissions in the 2021 revised NDC to the UNFCCC.
- It requires USD 6.3 billion to invest 34 mitigation actions in the energy, transport, industry, waste, and forestry sectors to achieve the 64 million tonnes target.
- An estimated USD 1.4 billion will be mobilised from domestic sources to invest in 9 unconditional mitigation actions to achieve 25 million tonnes of emission savings.
- An additional USD 4.9 billion will be needed from international sources, including the carbon market, to achieve an extra 39 million tonnes of emission reductions in the conditional measures and beyond.



Setting the stage towards Ghana's participation in carbon market mechanisms

Development of Ghana's carbon market framework that:

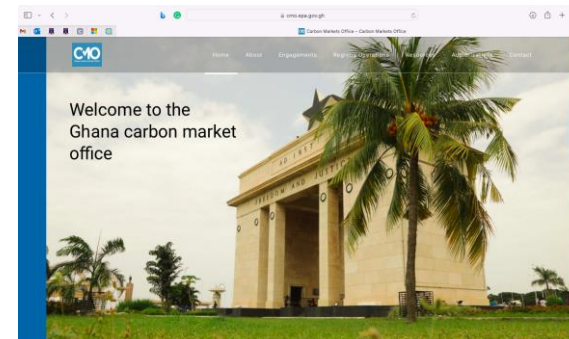
- ✓ **Established Institutional Arrangement**
- ✓ Aligns with National Policies and legal arrangements
- ✓ Enhance the enforcement of national regulations
- ✓ Builds capacity
- ✓ Establishes institutional arrangement
- ✓ Promotes activity sourcing and development
- ✓ Outlines processes involved in developing a bilateral agreement
- ✓ Establish Mitigation Activity Criteria



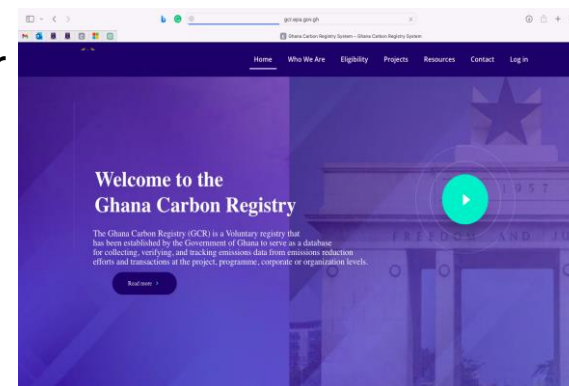
Setting the stage towards Ghana's participation in carbon market mechanisms

Establish a Carbon Market Office & Registry built on robust NDC accounting rules and apply corresponding adjustments.

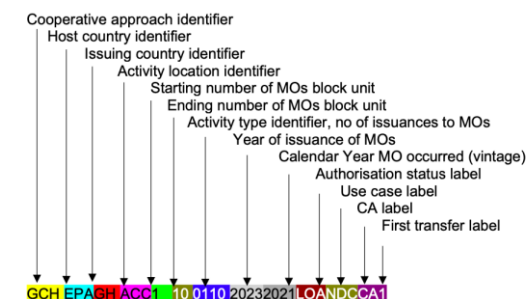
- ✓ Keep records of information on the development of eligible mitigation activities implemented in Ghana or elsewhere with the view of creating authorised Mos for international transfer.
- ✓ Host the ITMOs account for eligible mitigation activity under each cooperative approach.
- ✓ Hold information on actions relating to ITMOs, including authorisation, first transfer and transfers, acquisitions, use toward NDCs, etc.
- ✓ Document information on ITMOs transactions, including tracking, maintaining and accounting for ITMOs with unique identifiers.
- ✓ Impose fees on A6 transactions



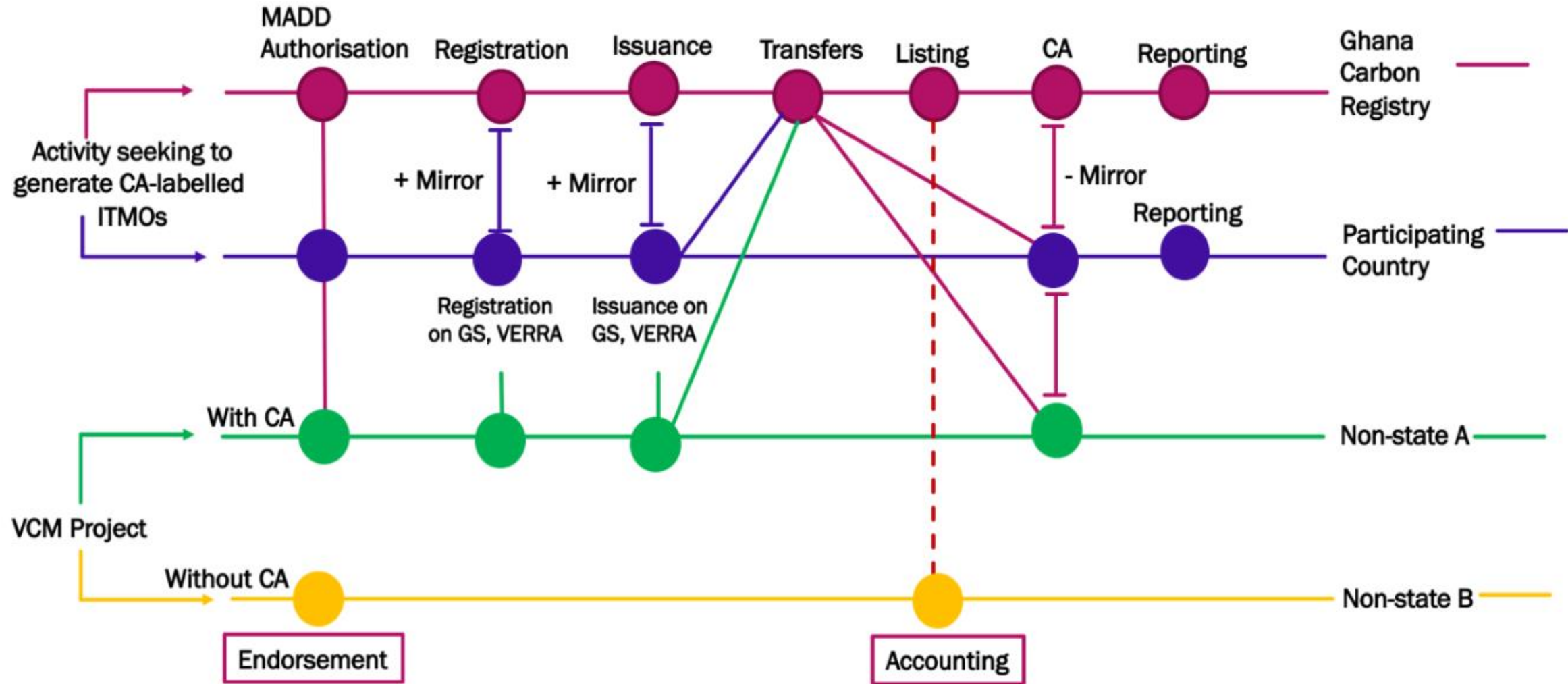
<https://cmo.epa.gov.gh>



<https://gcr.epa.gov.gh>



Registry use options



Institutional Arrangement



1. An operational protocol was established for each institutional set-up.

The Protocol establishes

- Terms of reference
 - Member professional standard and conflict of interest declaration
 - Relationship with other institutional structures
- Modalities of communicationRequest for technical inputs
- Decision points template
- Minutes TemplateAction points template
- Memorandum and complaints template
- Public update template (for communicating decisions of CMC to the public)

Institutional Arrangement

MESTI shall authorise MOs created from eligible mitigation activities according to the processes outlined in section 2.4 of this framework document.

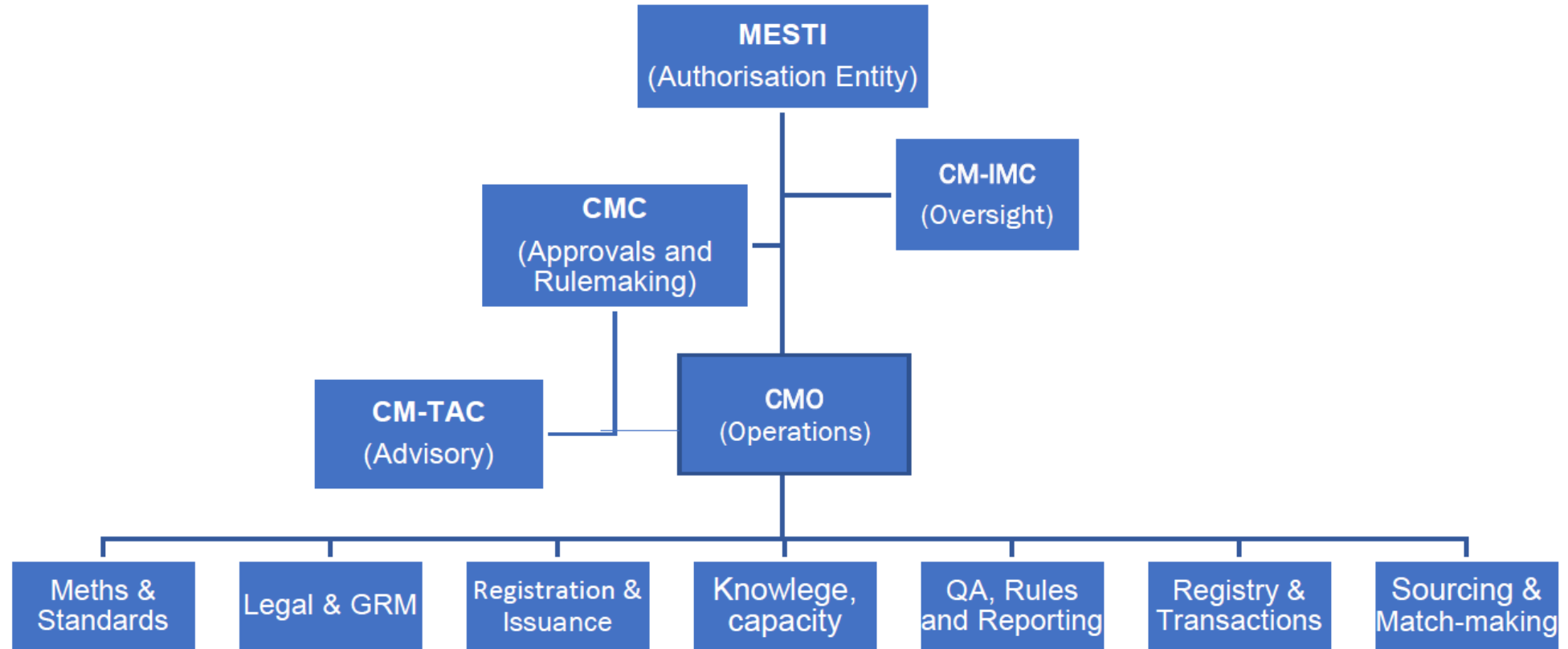
MESTI shall serve as the supervising Ministry, coordinate and provide policy direction on Ghana's Article 6.2 cooperative approach, and work with the EPA as the host of the Carbon Market Office.

MESTI establishes the national structures below to perform the assigned functions to support Ghana's Article 6.2 cooperative approach transactions:

- Carbon Market Inter-Ministerial Committee (CM-IMC) - oversight and coordination
- Carbon Market Committee (CMC) - approvals and rulemaking
- Carbon Market Technical Advisory Committee CM-TAC - technical advice

The EPA shall operationalise the technical requirements in this Article 6.2 operational framework consistent with the EPA Act 490, 1994. Such technical requirements include; MRV and accounting, registry operations, creation and transfer of ITMOs, reporting, corresponding adjustments etc.

Institutional Arrangement



Article 6 inter-ministerial committee

Function

- High-level and Strategic decision making

Responsibilities

- Evaluates progress, achievements, investment trends and sectoral opportunities.
- Recommends policy changes on Ghana's Article 6.2 engagement.
- Assess the implication of Ghana's Article 6.2 engagement on achieving Ghana's NDC, Sustainable Development Benefits, including employment creation and investments.
- Approve recommendations on using the methodology and DOEs under international crediting standards and the national processes for approving methodologies and accrediting independent assessment entities.

Composition

- Ministry of Environment, Science, Technology, and Innovation (Chair)
- Minister of Finance (Co-chair)
- Ministry for Energy (Member)
- Ministry for Lands and Natural Resources (Member)
- Ministry Sanitation and Water Resources (Member)
- Ministry of Trade and Industry (Member)
- Ministry of Transport (Member)
- Ministry of. Food and Agriculture (Member)
- Ministry of Foreign Affairs and Regional Integration(Member)
- Attorney General and Ministry of Justice
- Director General, NDPC (Member)
- Executive Director of EPA (Member)
- Carbon Market Office Administrator (Secretariat)

Carbon Market Committee

Responsibilities

- Approves regular reviews and recommendations from CM-TAC on the following:
- Published whitelist for eligible technologies.
- Use of existing approved methodology under international crediting standards.
- Recognition of recommended independent assessment entities accredited under international standards.
- National modalities for approving new baseline and monitoring methodologies
- National modalities accreditation of independent assessment entities.
- Reviews CM-TAC's recommendations for an activity developer preparing a mitigation activity aiming to generate ITMOs and approve authorisation for the Minister responsible for Environment or delegated authority to grant a letter of authorisation.
- Approves the recommendations by the CM-TAC on issuing ITMOs to eligible mitigation activity following a positive examination of the verification report.
- Reviews and approve the recommendations by the CM-TAC on the NDC-related baseline parameters must be incorporated into the design of mitigation activities.
- Review and approve the recommendations by the CM-TAC for individual small-scale mitigation activities as a candidate for a programmatic activity.
- Address grievances and appeals from the actors involved in Article 6.2 arising from decisions of CM-TAC and CMC and processes for Article 6.2 transactions.

Composition

1. Director of Environment, MESTI
2. Executive Director, EPA
3. Executive Secretary, Energy Commission President, Private Enterprise Federation
4. Director responsible for Renewable Energy at the Ministry of Energy
5. Chief Executive, Forestry Commission
6. Ghana Association of Industries 8
7. Ghana Association of Bankers
8. Representative of CSOs.
9. Climate Change Unit of EPA.
10. Ministry of Finance.
11. Carbon Market Office (secretary)

Technical Advisory Committee (TAC)

Function

- Technical Advisory

Responsibilities

- Review international methodologies, technical guidelines, and default factors.
- Recommend NDC related baseline parameters.
- Oversee the development of new methodologies, technical guidelines, and default factors by third parties
- Provide analysis of the impact of potential projects/transfers on NDCs compliance.
- Review and Recommend MADD for mitigation activity for validation and Authorisation.
- Review and recommend the issuance of ITMOs to eligible Mitigation Activity.
- Review and recommend the modalities for a small scale mitigation activity or POA.

Composition

- Environmental Protection Agency (UNFCCC Focal Person, Chair)
- Energy Efficiency, Renewable Energy Promotion and Climate Change Directorate of Energy Commission.
- National REDD+ Secretariat of Forestry Commission.
- Technical Advisor (UNDP, Others)
- Sanitation Directorate (Relevant Ministry).
- Energy Centre, Kumasi Technical
- Two co-opted members for relevant EPA departments/regions
- Relevant CSIR Institution.
- A6 Office as convenor (non-member).

Article 6 Office/ CMO



Function

- Implementation

Responsibilities

- Administer application for MAP for the creation of
- MAP Account and MID on the GCR.
- Issues Letter of Identification with a unique identification number to an Entity seeking to engage in Article 6.2 transactions.
- Review eligible mitigation activities published in the whitelist.
- Develop and manage a roster of eligible independent assessment entities to carry out validation and verification.
- Define the criteria for the threshold for a small-scale mitigation activity or modalities for POA.
- Publish the list of projects and project entities generating ITMOs for Article 6.2
- Publish a Roaster of Experts made up of local experts recommended to participate in MRV services.
- Receive requests and issue letters of intent, recommendation, and assurance.
- Review and register eligible mitigation activities and their crediting period.
- Implement issuance decisions based on the approval of the Carbon Market Committee.
- Create and transfer ITMOs to participating acquiring parties.
- Maintain a registry of projects and MOs, including links with international registries where required
- Implement corresponding adjustments
- Provide input to EPA to Report on activities, MOs, and transfers in the biennial transparency report for Article 6 Technical Expert Review.
- Support mitigation activity sourcing and development

Composition

- Technical Task Lead (TTL)
- Expert – Methods and standards
- Expert – Registration and Issuance
- Expert – Knowledge, capacity and Grievances
- Expert – Legal Affairs
- Expert – QA, Rules and Reporting
- Expert – Registry
- Expert – Investment origination, promotion and match-making

Inter-sectoral including
Ministry of Energy

Carbon market committee

- Considers and decides on authorisation and approval request
- On recommendation of technical body Make rules on eligibility of project
- Review and approve recommendation from technical body on standards, accreditation and methodologies

Multi-sectoral including
Energy Commission

Technical advisory body

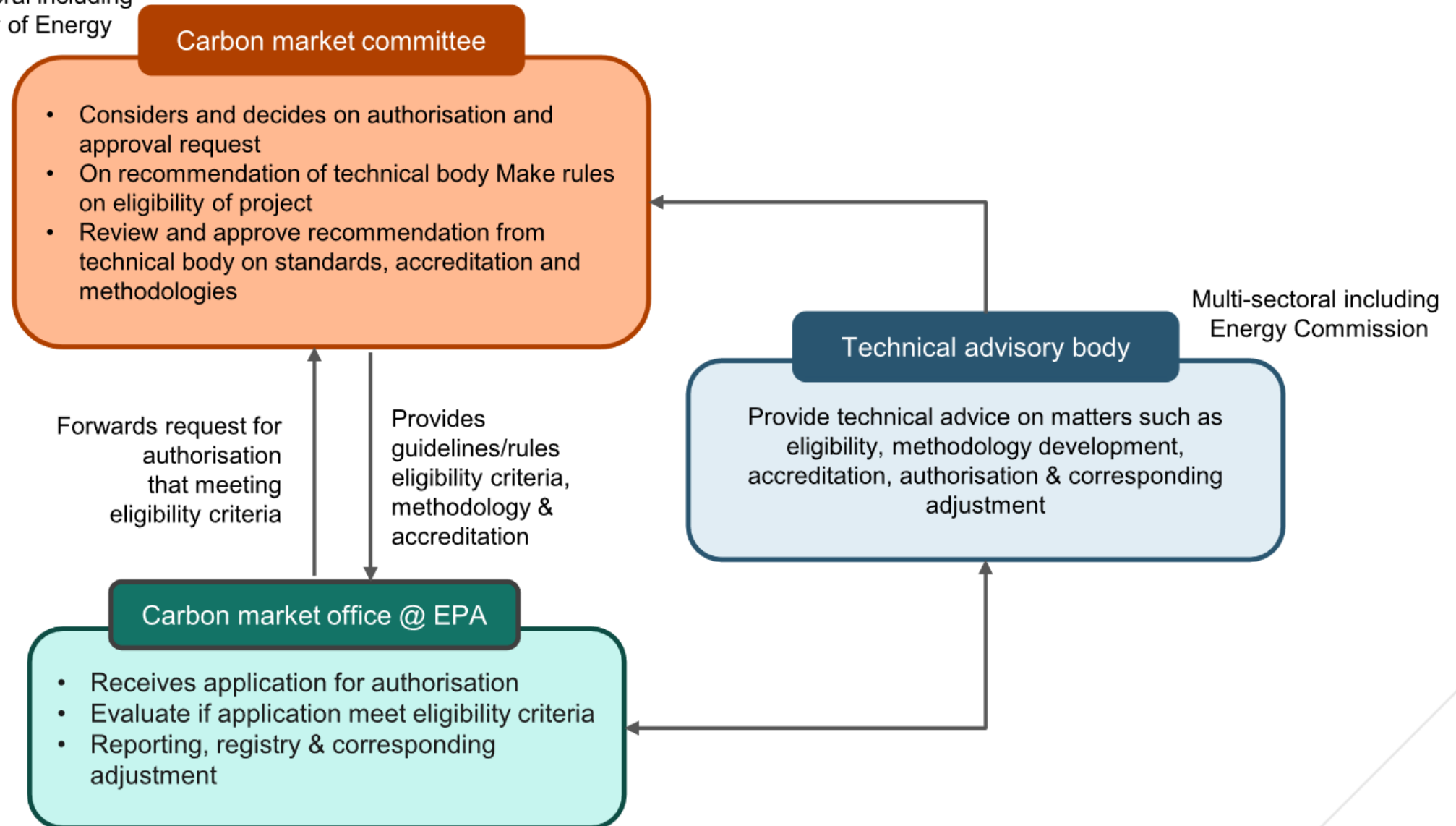
Provide technical advice on matters such as eligibility, methodology development, accreditation, authorisation & corresponding adjustment

Forwards request for authorisation that meeting eligibility criteria

Provides guidelines/rules eligibility criteria, methodology & accreditation

Carbon market office @ EPA

- Receives application for authorisation
- Evaluate if application meet eligibility criteria
- Reporting, registry & corresponding adjustment



In Conclusion

Article 6 of the Paris Agreement provides a valuable platform to strengthen and increase the ambition of Nationally Determined Contributions (NDCs).

A robust approach involving all stakeholders is essential for a successful market.

Institutional mandates are essential for defining roles and responsibilities.

Incorporating proceeds sharing into the institutional structure is crucial to prevent potential conflicts and ensure fairness.



Thank you



CONTACT US

Environmental Protection Agency, 91 Starlet Street,
Ministries, Accra, Ghana

+233(0) 50 130 1435

+233(0) 50 130 1616

cmo@epa.gov.gh

<https://cmo.epa.gov.gh>

<https://gcr.epa.gov.gh>

