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Article 6 Readiness in West Africa: West African Alliance on Carbon Markets and Climate Finance Report Launch

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Welcome & Introductory Remarks

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Managing Director
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Moudjahid Wabi
Ministère du Cadre de Vie et du Développement Durable, Benin
Article 6 Readiness in West Africa – WAA Report Launch

Moderator:

Moudjahid Wabi
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West African Alliance
Presentation of the Scoping Study

Moukaila Moubarak
BOAD; Project Director; Head of the UNFCCC RCC Lomé

Tobias Hunzai
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West African Alliance on Carbon Markets and Climate Finance

Assessing the Status of Article 6 Readiness in West Africa

Scoping Study Launch

30th July 2021
Overview

1. **Introduction** of the study context
2. **Conceptual approach** to in-country readiness for Article 6
3. **Results** of the scoping study
West African countries are among the poorest and most vulnerable to climate impacts in the world.

The majority of NDC targets of the sub-region are conditional upon international support – in particular from climate and carbon finance sources, as well as technology transfer.

West African countries have expressed the ambition to pro-actively engage market mechanisms under Article 6 of the Paris Agreement for NDC implementation.

This process requires expanded institutional capacities.

The study takes stock of existing capacities and creates a bottom-up host country readiness approach.
The study creates a **preliminary knowledge base on Article 6 readiness activities, needs and priorities** in WAA member countries.

Based on the request of the members:

→ provide an overview of Article 6 readiness of Alliance member countries

→ to guide the Alliance Steering Committee and partners of the Alliance in planning, developing and coordinating Article 6 readiness support activities in the sub-region
Interviews carried out in 13 out of 16 WAA member countries

Interviewed > 30 country representatives

Needs assessment based on **semi-structured interviews** with Alliance Focal Points in **English and French**, hosted by the Alliance Secretariat:

- Great opportunity to engage the conversation in each member country
- Reflects the process of each member country
- Full information ownership and transparency from participating countries
The study:

• Showcases the ambition of the sub-region to pro-actively progress meaningful Article 6 engagement

• Supports the exchange with institutions and countries interested in collaborating in Article 6 transactions

• Is the foundation for targeted Art 6 readiness interventions by the Alliance

• Allows for an improved donor-coordination in support of West African member countries

• Introduces a replicable host country readiness approach
Conceptual approach to host country Art 6 readiness
What exactly is Article 6 readiness from a host country perspective?

Any actions a country has to undertake or organizational structures it has to put in place to be able to take full advantage of international market-based cooperation in the context of Article 6.2, 6.4, and 6.8 of the Paris Agreement.

The study lays out four areas or building blocks of in-country engagement

- NDC integration
- Article 6 policy
- Legal and technical framework
- Infrastructure
Activities governed by Article 6 rules need to be embedded within the overall NDC planning and reporting processes and cannot exist in isolation from it.

This building block draws up opportunities to embed the Article 6 approach into the domestic NDC implementation plan, alignment of timelines, MRV and cooperation with international support initiatives.

To approach the question of how Article 6 mechanisms can support the conditional aspects of the NDC, the host country can develop an Article 6 policy through the elaboration of a strategy.

A strategy establishes the guiding principles and criteria for mitigation outcomes that are eligible to be authorized for transfer.
ITMO transfers require a technical and procedural framework to comply with the rules that govern Article 6.

A technical and legal framework establishes the administration of ITMO transfers through guidance and procedures.

Depending on the mechanism that is being used, the host country will require infrastructures and accounting tools to track and monitor ITMO transfers leaving and entering the country.
Mapping Article 6 readiness

POLICY

Art 6 Strategy

FRAMEWORK

Legal Framework

Technical Framework

INFRA-STRUCTURE

Hardware

CAPACITIES

Training

Staff

Pilot Projects

Public

Private

NETWORK

NDC integration

NDC implementation plan; Int. NDC support processes; NDC reporting (BTR, GHG inventory); NDC updates

- Guiding Principles
- Eligibility of MOs

- Governance setup
- Approval and Processes

- Methodologies
- Corresponding adjustment setup
- Issuance of MOs
- Accreditation schemes

- Registries for different uses
- Data tools

- NDC integration
- NDC implementation plan; Int. NDC support processes; NDC reporting (BTR, GHG inventory); NDC updates
Selected results of the readiness assessment
**Integration of Article 6 in NDCs**

- Member countries are advancing in integrating Article 6 into NDC processes, at varying degrees.
- The NDC Partnership is engaged in 14 of the 16 West African Alliance member countries, offering the chance to incorporate Article 6 into the national NDC implementation plan in search for international support.

**Development of national Article 6 Policies**

- No country has developed an Article 6 strategy.
- Almost half of the countries have consulted ministerial colleagues on Article 6 opportunities and benefits.
- Five countries have started to build a network of private sector representatives working on the ground to implement mitigation activities.
- **Advantage of prior CDM experience**: more advanced countries have used their existing CDM networks and cited that the interactions between their DNAs and project developers are good.
Establishment of an Article 6 Framework in West Africa

- Most countries have in place a set of government stakeholders that are responsible for Article 6 developments
- Topics related to the technical and legal framework, have only been addressed by countries engaged in piloting initiatives

Progress on Article 6 data tools

- One country has already established its NDC MRV system, while seven other countries are currently in the process of developing one
- The development of an ITMO registry is not yet a consideration in most countries without a clear need for them
Differentiation of countries readiness dynamic

We differentiate between three dynamic stages: Progressed state, early stages, and beginning stages of Article 6 readiness. These three stages have implications for the capacity building efforts between member countries.

- The Alliance can facilitate a peer-to-peer learning process to highlight Article 6 implementation experiences of members to learn from its champions.

- At the same time, supporting early movers with the more technically intricate details of the engagement with pilot activities [in cases where this is not covered by international partner], will help to establish best-practice cases in the region and inform the global Article 6 discussion about the feasibility in a sub-region like West Africa.

- A strong focus will be required to engage as many members in the beginning stage of readiness to establish a common knowledge platform in the sub-region and build the groundwork for targeted in-country support.
Results of the needs assessment

- Interviewees were asked to identify the next steps to progress their Article 6 preparedness.
- Steps that received highest priority are those that build the ground-work and knowledge capacity for a national Article 6 governance landscape and are an essential foundation to engage in Article 6 cooperation.
- All countries interviewed, even the most advanced, saw a need for further capacity building and support in all of the outlined steps.
Thank you

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