



Eastern Africa Alliance  
On Carbon Markets And  
Climate Finance

## Readiness activity for Article 6: Institutional arrangement, MRV and peer learning





# About us

The Alliance was launched in June 2019

Membership comprises of Burundi, Ethiopia, Kenya, Rwanda, Tanzania, Uganda and Sudan

The Alliance promotes the long-term position and participation of Eastern African countries in carbon market activities

It is country driven with activities based on requests from members (submitted through focal points)







WHAT WE DO

## Objectives

- Enhance Article 6 implementation in the region – Supporting the transition from Clean Development Mechanism to Article 6.4 and new cooperative approaches
- Support active and well coordinated participation of delegates in the UNFCCC negotiations
- Promote regional exchange on experiences and lessons learned related to carbon pricing



# Activities

- COP and SB negotiators training workshops (e.g. Corresponding Adjustments training)
- [Article 6 negotiators handbook](#)
- Private sector Dialogues
- [Institutional and infrastructure assessment](#) (country specific and regional)
- Country carbon market profiles
- Country specific activities – Carbon Markets Youth Workshop Kenya, Private Sector workshop Sudan, Article 6 Pre-COP Uganda, Climate Finance Rwanda
- [Online Carbon taxation course](#) – collaboration with WAA/RCCs/supported by CiACA and BOAD
- Africa centric module added to [World Bank e-learning course](#) on carbon taxation



# Peer learning

- Roundtables – ITMO buyer seller, Bilateral agreements, negotiators meeting
- Africa Climate Week
- Webinars and Regional Workshops (e.g. CPLC)
- I4C Sessions



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**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

On behalf of:

Federal Ministry for the  
Environment, Nature Conservation  
and Nuclear Safety  
of the Federal Republic of Germany



**Regional Collaboration Centre – Lomé**  
Promoting Action Against Climate Change

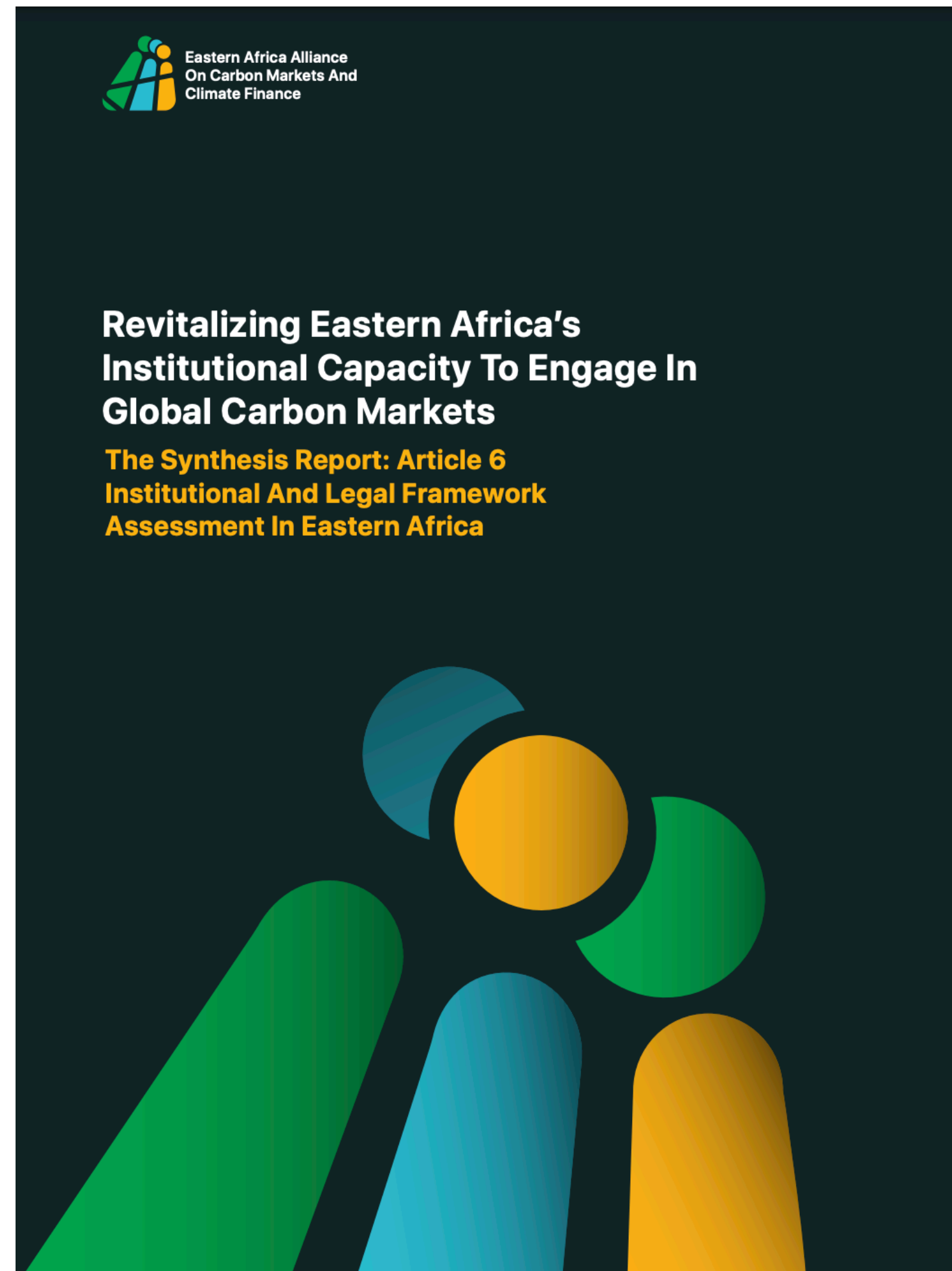


**Regional Collaboration Centre – Kampala**  
Promoting Action Against Climate Change





# Institutional and Legal Framework Assessment study

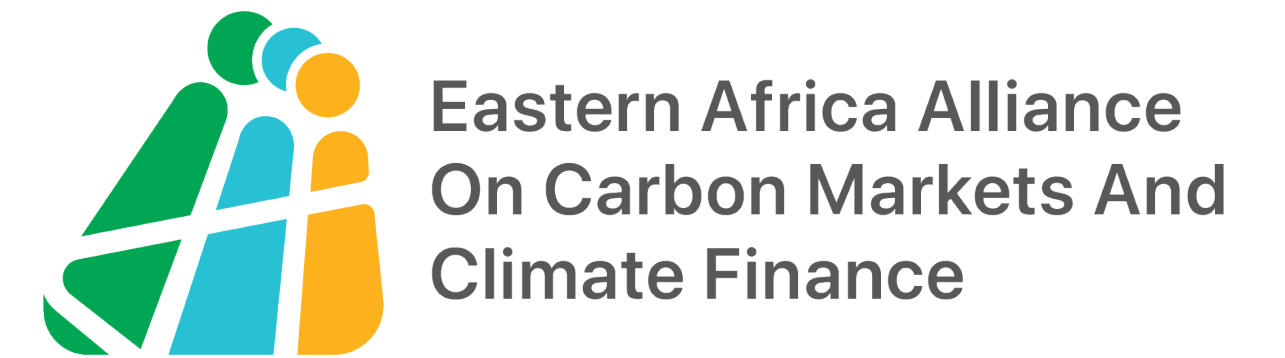


- Assessed existing institutional structures for suitability for use in implementing Article 6 activities;
- Identified capacity gaps and recommended measures for filling the gaps to enable effective engagement of Alliance member countries in Article 6 activities;
- Facilitated country to country learning on establishing Article 6 support structures.
- The study applies desk research, document analysis as well as qualitative interviews with each EAA member countries' focal point as well further carbon market stakeholders

## **Institutional and regulatory developments required**

1. Authorization of transfer of ITMOs
2. Application of corresponding adjustments to avoid double counting
3. Reporting and Tracking requirements for the transfer of ITMOs
4. Sustainable development with regard to national priorities, strategies and regulations
5. Environmental integrity

# Authorization & Application of Corresponding Adjustments



- National decision on lead institutions to take on responsibility
- Domestic **authorization procedures** required
- Avoid having different procedures for different types of 6.2 cooperative approaches
- Development of procedures directly linked to reporting (BTR) and NDC accounting
- Develop **procedures and tools** for performing and reporting of Corresponding Adjustments
- **Capacity to perform of CA** within responsible institutions – training programme that applies what is taught

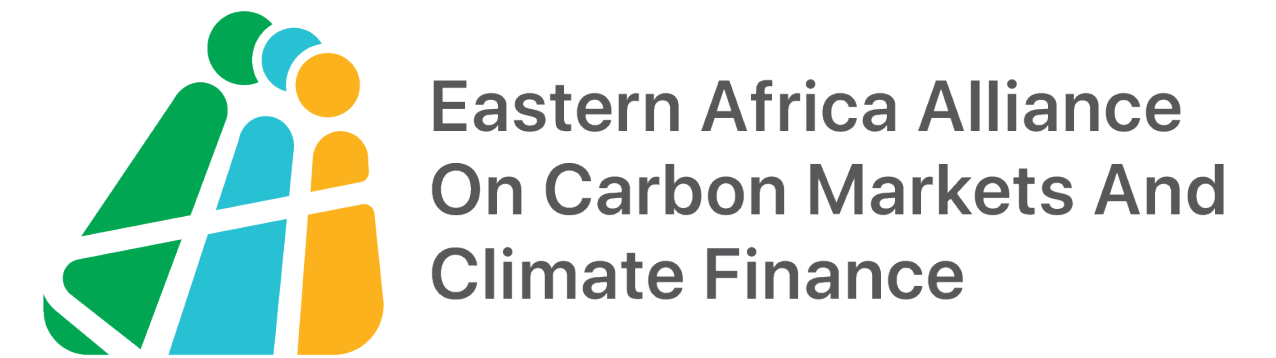


# Reporting

- Quantitative information in ITMOs authorized, transferred, acquired, held, cancelled, used and corresponding adjustments.
- Similar requirements for each country it is recommended to **develop guidance/reporting templates and practices**
- Tailor to national institutional set-up
- Early action on Article 6 piloting in some EAA countries can serve as starting point – SCF, JCM



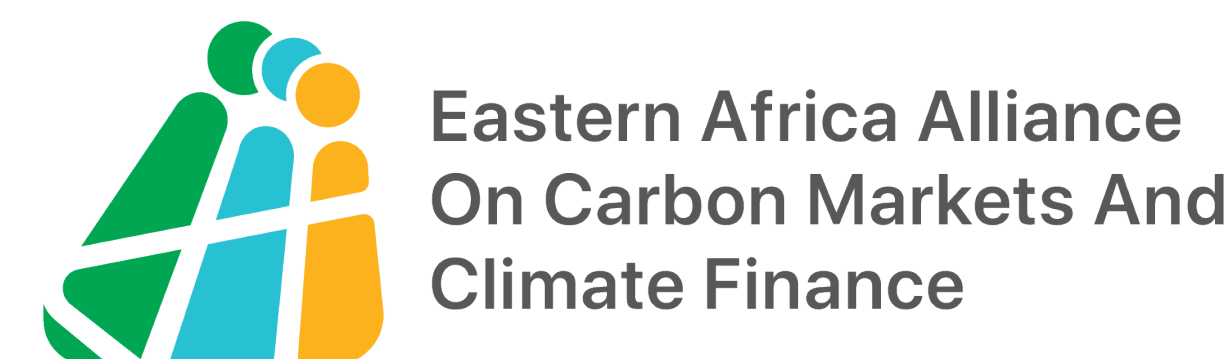
# Infrastructure - Registries



- Registries – Article 6.2 National registry, international registry; World Bank Warehouse
- Recommended “interim solution” until UNFCCC will provide a centralized registry for those countries that do not have a domestic registry for Article 6.2 approaches
- Consider operation of ‘basic’ (e.g excel based) vs ‘full-fledged registry’ during interim period of Art.6 early action ahead of finalizing UNFCCC rules
- Cost-benefit analysis of international vs domestic registries
- Understand staffing and resource requirements to operate registry and its interface with other departments (NDC MRV, inventory etc)



# Participation in Article 6.4 and CDM transition

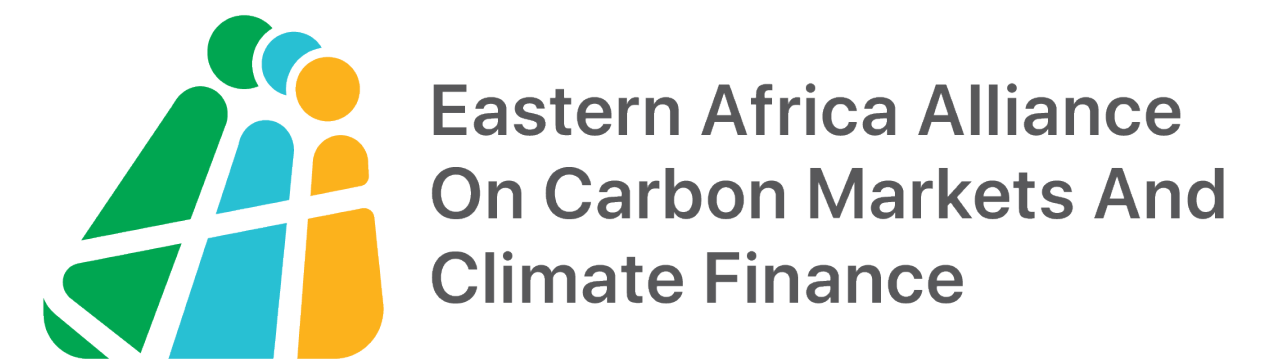


Beyond CDM transition of activities and units, it was also about institutional procedures

- **Environmental integrity**
  - Develop/approve approaches for baseline setting and additionality
  - Continuation of standardized baselines
  - Consider technical assistance element in bilateral discussions in to ensure capacity and resources to safeguard environmental integrity
- **Sustainable development**
  - Develop criteria to evaluate projects with their NDCs and contribution to sustainable development.
  - Procedures on how to – confirm and explain how activities promote SD, establish process for the assessment and approval of SD
  - Alignment with SDG reporting and ensure institutional coordination with responsible Ministry/Unit.



# Support in replicating and scale up of activities



## 1. Corresponding adjustments training (Regional)

- Explored the concept and methods
- Undertook an exercise with a draft template
- Initial training on the basics and requires dedication to more technical sessions

## 2. Carbon markets training for young professionals (Kenya)

- Aside from the basics of carbon markets, the needs assessment indicated interest on how carbon markets can benefit the country and how youth can take part career wise.
- Opportunity for local verification institutions, local verification auditors and project developers



# Summary of support required



- **Policy and procedure development support** – Each country requires a specific implementation strategy and road map that prioritises activities, details stakeholder consultations required and activity deadlines to develop the policies and procedures. Established dedicated Article 6 teams/working groups are quickening the process.
- Development of **authorization and corresponding adjustment procedures, reporting templates** for institutional frameworks for implementing market mechanisms
- Ensure **alignment of MRV with NDC accounting and reporting**, integration with existing responsibilities and capacities (e.g. inventory, BTR etc)
- CDM transition – **Additionality** and **baseline approaches**, review of methodologies
- Simple interim registries
- Need for local and regional verifying institutions and auditors
- Technical capacity training programme – go beyond the DNA to technical officers; could consider embedded advisors
- Major challenges faced was the delay in an Article 6 decision and no legal frameworks in place.
- Advantage to build on existing institutional structures (from CDM)

# Thank You

## Contact Us

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## Website:

[www.easternafricaalliance.org](http://www.easternafricaalliance.org)



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**Member States:** Uganda, Kenya, Tanzania, Rwanda, Burundi, Ethiopia, Sudan