

Setting the scene: Key aspects of Article 6 leadership

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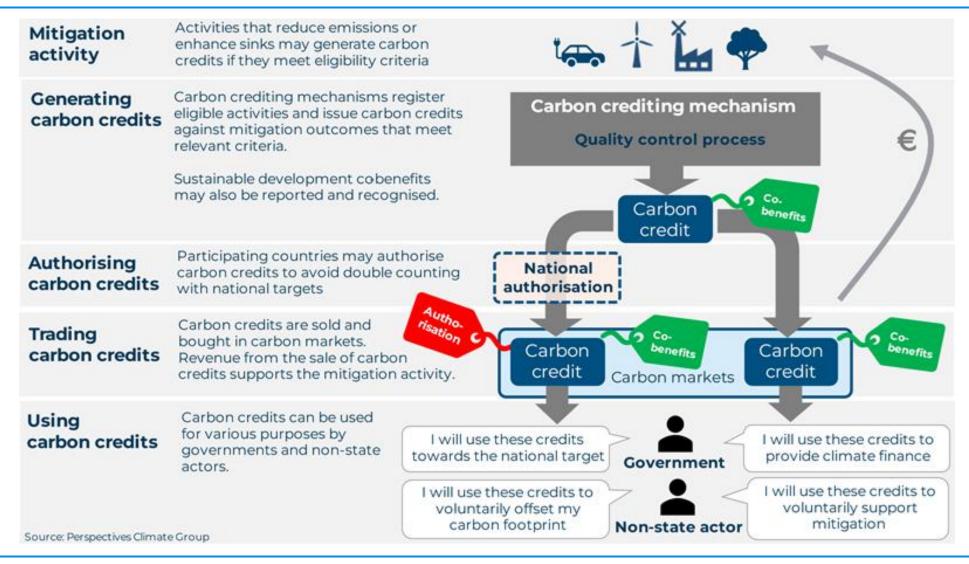
COP27 Side Event:

Exploring Article 6 cooperation opportunities in the Maghreb and African region, November 15, 2022

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Key aspects of the Art. 6 cycle





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Key links between the Moroccan NDC and Article 6

- Morocco expresses strong interest to engage in market mechanisms as provided for in Article 6 of the Paris Agreement
 - "Morocco considers, moreover, to be essential the establishment of market mechanisms (...) in particular by reducing total costs to achieve the objective of limiting the rise in temperature (...)" (Morocco 2021 p. 6)
 - Likely to engage as a seller, raising funds to meet its NDC targets
- The NDC update also refers to ongoing readiness work for participation in the future international carbon markets.
 - Aims to establish baselines to participate in pilot projects on future mechanisms in the context of the World Bank Partnership for Market Implementation (PMI) and Transformative Carbon Asset Facility (TCAF)
 - Intends to leverage the experience gained through CDM engagement under the Kyoto Protocol
 - Swiss KliK pilot activity in the waste sector



Article 6 "groundwork" in Morocco in the last years

Partnership for Market Readiness and Implementation



- MRV system and development of a sectoral baseline the electricity, cement and phosphate sectors
- Capacity building with sectors respective ministries and government agencies

Transformative Carbon Asset Facility



- develop a policy-based carbon finance program that will cover energy pricing reform, energy efficiency, and renewable energy policies within the scope of Morocco's National Energy Strategy.
- Development of PIN ongoing



Article 6 Piloting – Enabling Initiatives

- "Designing Policy Approaches under Article 6" Programme
 - led by GGGI, funded by SEA and Norwegian Ministry of Climate and Environment
 - develop policy approaches that could potentially generate ITMOs for acquisition by Norway and Sweden under Art. 6.2 cooperation
 - Capacity building for accounting procedures for CA
 - Morocco one of two selected countries for phase II

Groundwork and enabling initiatives create favourable framework conditions for the use of cooperative approaches in Morocco



What makes a frontrunner: Ghana



Lessons learnt

Arranging bilateral agreements takes a lot of time and resources.

Resource requirements for Article 6 readiness (for staff, capacity building, etc.) are a challenge

Managing different international and national stakeholders is challenging.

Ghana's achievements

Ghana's level of Article 6 readiness is outstanding-

High-level political commitment was crucial in convening all relevant ministries on the issue

Strong political buy-in is a main contributing factor.

Dedicated team across government and cross-institutional coordination

Strong legal basis and provision of sufficient resources is a key enabling factor.

Building on existing experiences and strengths, instead of 'reinventing the wheel', e.g., simplified registry system.

Key questions to be discussed in our event

- What ingredients does it need to become a leader in Article 6?
 - Institutional setting
 - Creation of "epistemic community of Art. 6 actors
 - Understanding of sales potential
- What are the requirements of the currently active ITMO buyers?
 - Volumes
 - Prices
 - Characteristics regarding environmental integrity and sustainable development co-benefits
- How can current leaders preserve their advantage as competition increases?
 - Africa vs other continents







Thank you!

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