



GGGI early Experiences in Article 6 Implementation in Maghreb and Africa region

Fenella Aouane - Global Green Growth Institute (GGGI)

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GGGI at a glance

Headquartered in Seoul, Republic of Korea, GGGI has **44 Members**.



Our Vision

A LOW-CARBON, RESILIENT
WORLD OF STRONG,
INCLUSIVE, AND
SUSTAINABLE GROWTH



Our Mission

GGGI SUPPORTS ITS
MEMBERS IN THE
TRANSFORMATION OF THEIR
ECONOMIES TO A GREEN
GROWTH ECONOMIC
MODEL.

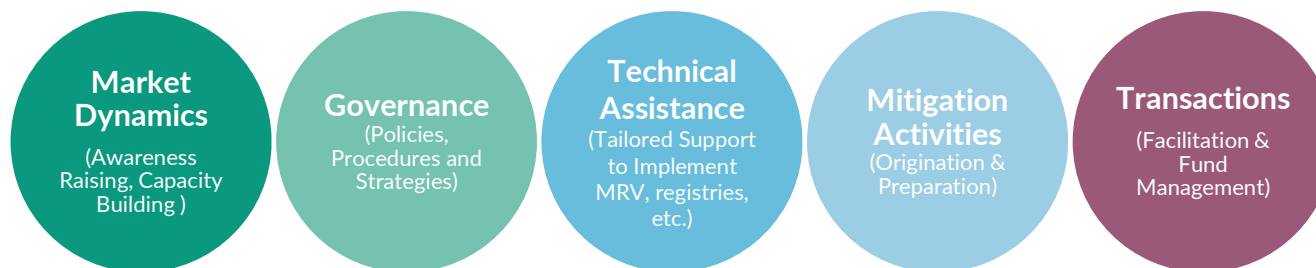


Our Position

A TRUSTED ADVISOR &
DEVELOPMENT PARTNER
EMBEDDED IN MEMBER &
PARTNER GOVERNMENTS



GGGI's work in international carbon trading



Objectives and GGGI's role

- Open international carbon trading markets, under Article 6 and other mechanisms
- Support countries to put in place frameworks to enable them to trade



Are there equal opportunities for buyers and sellers in the market?

14%



- Trading is not a priority in itself; the priority is meeting **global targets**.
- A6.2 allows for **greater flexibility** under **cooperative approaches**.
- **NDCs** level the playing field

48%



BUYERS SET THE PRICE

- The market disproportionally **favors the buyer needs**.
- Different **readiness** stages / **entry levels**.
- Many countries don't have **national carbon pricing** or legal frameworks.
- Different **power level** in political negotiations.

IT IS TOO EARLY TO KNOW

- Rules are not well defined
- Paris Agreement recognizes CBDR (sustainable development and poverty alleviation)
- Some concerns can be addressed in bilateral negotiations (e.g., price fluctuation)

LACK OF CAPACITY

- Lack of understanding about carbon markets
- Inequity in skills, available knowledge and access to information.

38%



- Discussions are still **ongoing**.
- **Lack of awareness** about the processes.
- Some countries are **blindly engaging**.

Carbon Transaction Platform

Primary objective: Facilitate carbon transactions under Article 6 of the Paris Agreement worth X mil tCO₂eq by 2030 among GGGI Members & partners

Vision: Address gaps in seller countries' experience and participation in international carbon markets

OBJECTIVE 1

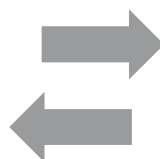
Facilitate multi-directional knowledge exchange to improve CTP members' confidence in participating in Article 6 carbon trading



Multi-directional
Knowledge Exchange



Convening and
Capacity Building



OBJECTIVE 2

Enable carbon trading between participating sellers and buyers through origination support, matchmaking and carbon trust fund management



Origination and
Matchmaking



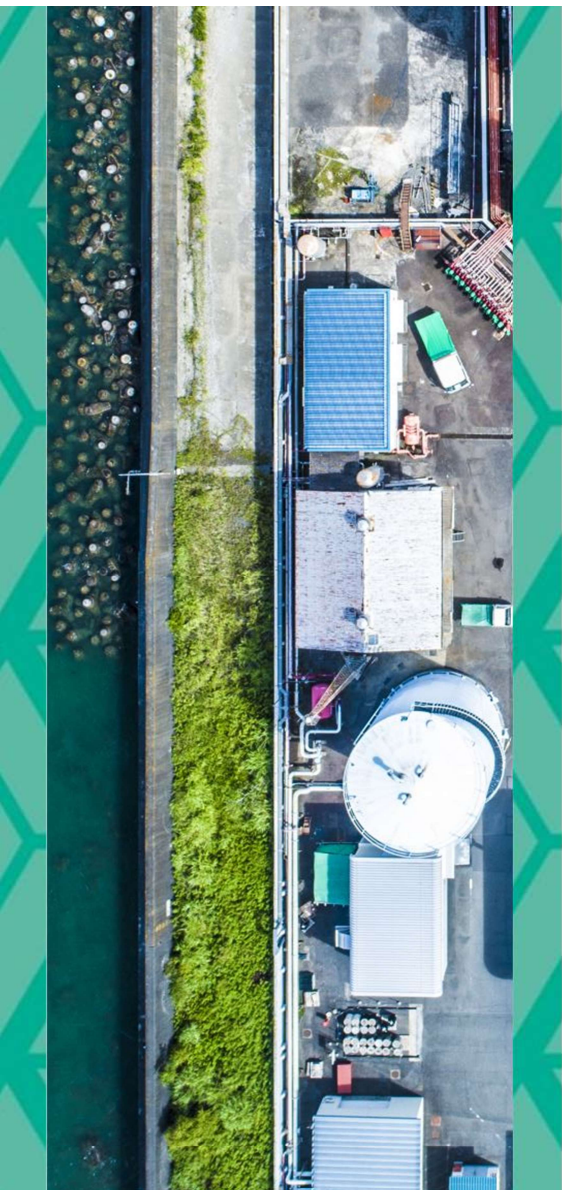
Trust Fund
Management



GGGI Carbon Activities in Maghreb and Africa

“National policies can assist in **shifting investments and financial flows** made by private and public investors into more climate-friendly alternatives and **optimize** the use of available funds by **spreading the risk** across private and public investors”.

External funding will be needed, particularly for sectors in developing countries that depend on government investment.

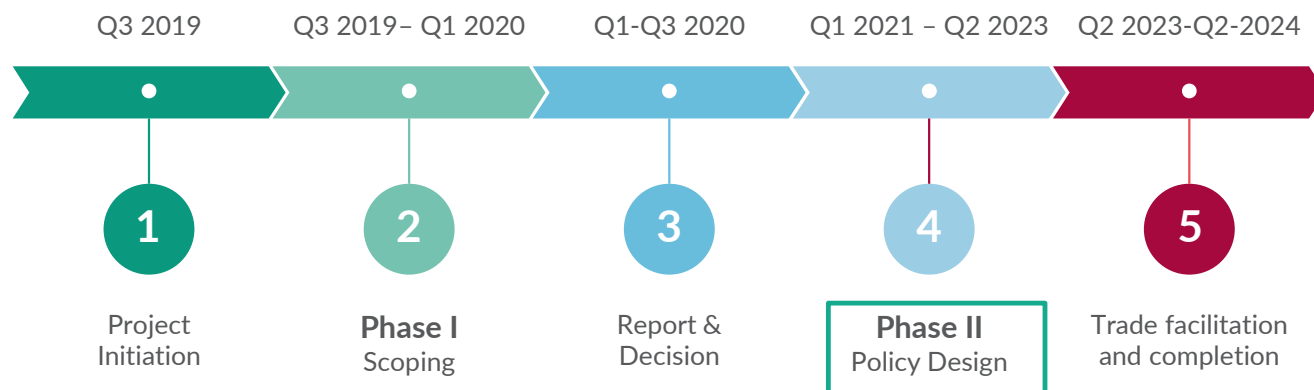


DAPA Program

OBJECTIVE: Complete ITMO transactions based on policy approaches

Resource partner: *Norwegian Ministry of Climate and Environment*

Countries:



Started in 2019 with scoping in 8 countries
Policy approaches currently being designed in collaboration with 4 host countries

SPAR6C Program Activities

6

interlinked work packages

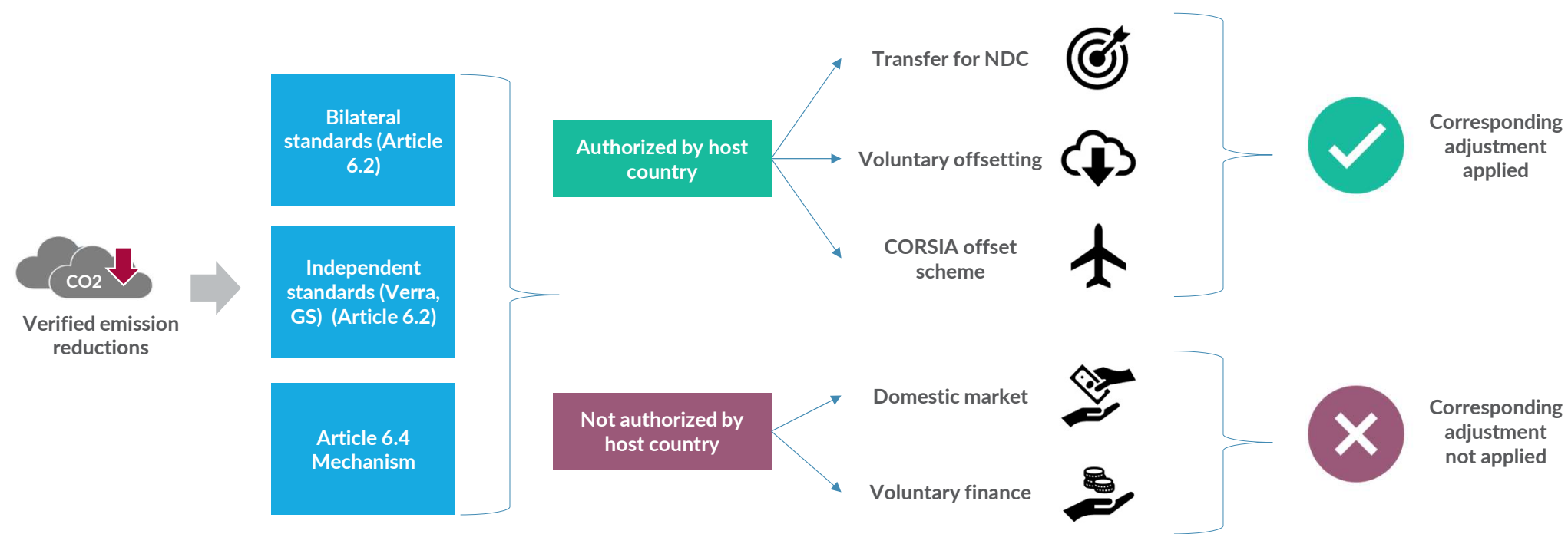
- 4 in-country
- 2 global

Emphasizes capacity building and knowledge exchange

GGGI leads a consortia of UNEP CCC, GFA Consulting, Carbon Limits and KPC Consulting.



Inclusion of Voluntary Market Activities



Lessons Learned



National needs need tailored institutional arrangements

- Build on existing capacities, decision-making structures, administrative and technical support functions for Article 6
- No one size fits all
- Include wide range of government stakeholders (Ministries of Finance, Foreign Affairs, sectoral ministries) and potentially non-government stakeholders (private sector, CSOs)



Fear of the unknown requires strong capacity building

- Article 6 perceived as complex, with the risks not fully understood;
- Market norms still to emerge
- Capacity building should be viewed as a continuous activity
- Strong expertise exists in pockets, but multi-stakeholder nature of A6 requires broader capacity building and engagement



Practical issues create friction in restarting the market

- Baseline development requires transparency into NDC development assumptions, information isn't always accessible
- Lack of A6-aligned standards available for A6.2 transfers
- Reporting requirements appear daunting
- Some UNFCCC offerings still unclear, eg international registry
- CDM transition may take attention in some countries

Thank You



www.gggi.org



*Fenella Aouane – Deputy Director, Head of Carbon Pricing
Global Practice*
fenella.aouane@gggi.org

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