



## Promoting a regional vision on carbon markets and climate finance

### Background

Many Eastern African countries are eager to participate in the Article 6 mechanisms of the Paris Agreement. Countries in the region regard Article 6 of the Paris Agreement (PA) as an opportunity to facilitate the implementation of their Nationally Determined Contributions (NDCs) through unlocking additional climate finance and facilitating technology transfer that promotes sustainable development region-wide. Past experiences with the Clean Development Mechanism of the Kyoto Protocol and the challenges to its implementation provided valuable lessons for the Eastern African region. One significant lesson is that the Eastern African region has to ensure, that its interests and priorities for the new generation of carbon mechanisms are considered during the development and implementation of Article 6 rules.

It is against this background that Burundi, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda formed the Eastern Africa Alliance on Carbon Markets and Climate Finance in June 2019 during the 50th sessions of the UNFCCC Subsidiary Bodies. The Alliance is inclusive and thus open for all interested countries in the Eastern Africa region. Supported by the German Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU), the interim secretariat of the Alliance is the UNFCCC Regional Collaboration Center Kampala and GIZ Uganda. The secretariat is assisted by the Alliance coordinator, who is supported by the Collaborative Instruments for Ambitious Climate Action Project (CI-ACA), which is a multi-donor project that is managed by the UNFCCC.

The formation of the Alliance is an important step towards the promotion of a common vision of the Eastern Africa region on carbon markets and climate finance, building a strong coalition of countries that shape Article 6 of the Paris Agreement by considering national and regional priorities.

### Objective

Promoting a long-term position and participation of Eastern Africa countries in international carbon markets and increasing the region's capacities to access climate finance for NDC implementation.

### Members

Burundi, Ethiopia, Kenya, Rwanda, Tanzania, Uganda

### Vision

Promoting a Regional Approach for Carbon Markets and Climate Finance



## Our Approach and Support

The overall objectives of the Eastern Africa Alliance of Carbon Markets and Climate Finance are to promote the long-term position and participation of Eastern Africa countries in international carbon markets and increase the region's capacities to access climate finance for NDC implementation. In order to support member countries efficiently, countries have identified Alliance National Focal Points who are responsible for raising country needs and coordinating Alliance activities within their national context. The Alliance applies the following four-pillar approach and supports countries in many aspects related to carbon markets and climate finance.

- 1 The Alliance aims at enhancing Article 6 readiness in the region, which includes public and private sector capacity building activities.
- 2 Supports countries with the transition from the Clean Development Mechanism under the Kyoto Protocol into Article 6 of the Paris Agreement.
- 3 Fosters active and better-coordinated participation of delegates from the region in the UNFCCC negotiations on market mechanisms, climate finance as well as other international fora.
- 4 Promotes regional exchange on experiences and lesson learned on carbon markets and climate finance.

## Recent Developments

### The Alliance has made some significant progress

since its establishment in June 2019. Through a country-based needs analysis for the six-member countries, the Alliance has embarked on developing its work plan for the upcoming year. Furthermore, the Alliance has recently appointed a coordinator who will be responsible for the implementation of the Alliance work plan, the strategic expansion of the Alliance as well as for the coordination

IMAGE



PreCOP25 Event in Dar es Salaam (Image by:GIZ)

and support of Alliance National Focal Points with regards to Article 6 negotiations.

**In terms of implementation**, the Alliance activities are already underway including the development of a Standardized Baseline for Kenya's grid emission factor. The Alliance has further organized technical workshops on Article 6 and general negotiation skills to prepare negotiators and Alliance National Focal Points for Article 6 negotiations during the 25th Conference of the Parties (COP25).

**The private sector** plays an important role in the Alliance, especially taking into consideration that the objectives set out by the Paris Agreement will only be possible if significant levels of private investments can be leveraged. With Article 6 being a major entry point for the private sector into the Paris Agreement, the Alliance brought together relevant private and public sectors of the Eastern Africa region to discuss opportunities and priorities for the future carbon market mechanisms under Article 6 in the region.

**Understanding the CDM portfolio** of the Eastern Africa Region is key for taking any stand with regards to CDM transition. The Alliance is hence partnering with the Climate Finance Innovators, a consortium of experts supported by BMU, to analyse the current status quo of the CDM portfolio.