

## Outcome Report

### Enhancing climate action in Africa - defining the needs and priorities for the region in the transition from the Kyoto Protocol to the Paris Agreement

Date: 13 April 2018

Client: GIZ Global Carbon Markets Programme Uganda

Organizers: GIZ Global Carbon Markets Programme Uganda, UNFCCC RCC Kampala and Carbon Africa



Figure 1: Panelists during the workshop

### Summarised Outcomes

Through input from leading DNA and negotiator voices it is foreseen that DNAs are ideally placed to further expand their roles in the transition to and under the Paris Agreement. This is particularly in relation to the provisions under paragraphs 6.2, 6.4 and 6.8. There is an apparent logical progression for utilising the DNAs structure specifically for the mechanism of 6.4 and indeed there was consensus that the existing structures and inherent capacities should be leveraged. Though given the broader Paris Agreement context it is clear that DNAs if called upon will also be required to be strengthened in order to address the expanded areas of engagement on mitigation (with potential links to 6.2 and 6.8 and beyond) and Sustainable Development, which holds an elevated position within the agreement. It is important to note that these inputs and ideas will be further influenced by the outcomes of the negotiations around the provisions of article 6 and ultimately by the reaction of individual countries through the development of internal organizational structures.

### Background

On 13th April 2018, the third day of the Kenyan edition of the African Carbon Forum, the Global Carbon Market Promotion Programme of GIZ Uganda and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety in collaboration with the UNFCCC Regional Collaboration Centre Kampala (RCC Kampala) and Carbon Africa held a side event. The interaction, was aimed at:

- Bringing together representatives from African countries to discuss the roles and needs of DNAs in the transition to the Paris Agreement;

- Identifying specific support needs and readiness required at both national and regional levels in regards to the options article 6 presents for transferring mitigation obligations;
- Sharing experiences on the technical, financial and institutional support available in the implementation of carbon market related initiatives in the region.

The event brought together African DNAs and negotiators, technical experts and government representatives. The event was supported by Carbon Africa in a moderation role with the format of the interaction separated into three main parts – contextual presentations, panel discussion and wrap-up. The overall objective of the programme was targeted towards increasing levels of understanding and identifying capacity gaps with regards to the new roles of DNAs under the Paris Agreement and the transition from the Kyoto Protocol.

## The Event

Workshop Programme with moderation by Timothy Cowman, Carbon Africa.

Time Frame	Topic	Institution
14:10-14:20	<p><b>Opening remarks</b></p> <p><b>Key note Presentation</b> Potential role of DNAs under the Paris Agreement</p>	<p>Dr. Markus Francke, GIZ Uganda</p> <p>Mr. Kunal Sharma, UNFCCC RCC Kampala</p>
14:20-15:00	<p><b>Panel discussion with guiding questions</b></p> <ol style="list-style-type: none"> <li>1. <i>Considering the reference to national authorities in the draft text (para 24d) of article 6.4 and the mechanisms overall similarities to the CDM - What similar roles do you see DNAs carrying forwards from the Kyoto Protocol to the Paris Agreement? (and what can we learn from the Kyoto Protocol experience in this regard)?</i></li> <li>2. How do you see the potential for an expanded DNA role under article 6? For example, within the provisions of paragraph 6.2?</li> </ol>	<p>Panel discussion: Chebet Maikut DNA Uganda, Rachel Boti-Douayoua- DNA Ivory Coast, Faustin Munyazikwe- DNA Rwanda, El Hadji Mbaye Diagne, AGN</p>
15:00-15:10	<p><b>Wrap up</b> Reflection on the discussions</p>	<p>Malin Ahlberg, BMU Germany</p>

### Part I - Contextual presentations

#### 1. Opening remarks & Key note Presentation

The opening remarks were delivered by Dr. Markus Francke and Ms. Gloria Namande from GIZ Uganda, after which a key note presentation was delivered by the UNFCCC RCC Kampala to frame the overall context of the discussions. The key points from the concise presentation as delivered by Mr. Kunal Sharma being:

- A reminder on the role of DNAs under the Kyoto Protocol with a focus on the issuance of Letters of Approval to CDM project participants in line with the host countries sustainable development.
- An outline of the scope of Article 6, as a whole linking the provisions into the broader NDC context before moving to then highlight paragraphs 6.2 cooperative approaches, 6.4 the mechanism and 6.8 the framework for non-market approaches.
- A procedural update on the status of the UNFCCC negotiations on Article 6, being 3 rounds of submissions by parties and the recent release of informal documentation by the Chair of SBSTA48 containing the draft elements of the guidance for 6.2, the rules, modalities and procedures for paragraph 6.4 and the work programme of 6.8 (<https://unfccc.int/process/conferences/bonn-climate-change-conference-april-2018/sessions/sbsta-48#eq-24>);

- A brief introduction to the aforementioned draft texts with a focus on reference to national authorities such as under 6.4 and 6.2, though critically highlighting that this text is not a formal submission and will be subject to substantial further discussion.
- *Countries where also reminded that the signing of the Doha Agreement is an important step in supporting a smooth transition.*

## **Part II – Panel discussion with guiding questions**

The Panellists were leading experienced voices from the region being invited DNA representatives and African negotiators. Building on the contextual backdrop a panel discussion was undertaken, guided by two questions with a summarised overview of the input from the participants presented below:

- 1. Considering the reference to national authorities in the draft text (para 24d) of article 6.4 and the mechanisms overall similarities to the CDM - What similar roles do you see DNAs carrying forwards from the Kyoto Protocol to the Paris Agreement? (and what can we learn from the Kyoto Protocol experience in this regard)?***

### **Logical Progression**

In general terms, all the participants confirmed that due to the similarities between the CDM and the mechanism existing DNAs are ideally placed to play a central role in supporting a smooth transition from the Kyoto Protocol to the Paris Agreement, and in the implementation of the latter. There is no desire to reinvent the wheel and the built-up capacity should be leveraged. Substantial experience has been gained, for example in familiarity with methodologies and national level approval processes.

*NB – These ideas were put forward within the context of a clear understanding, as emphasised by El Hadji Mbaye Diagne, that the panel was working off the basis of informal documentation and that there was indeed no explicit reference to DNAs within them and that any future role is subject to the outcome of ongoing negotiations.*

### **Building from the Kyoto Protocol**

The strong foundation as established under the CDM of the Kyoto Protocol was also highlighted as a key aspect, lessons learned from the past years engagement should be carried forwards. Faustin Munyazikwiye emphasised that on technical grounds the existing methodologies and approval processes have been proven to work and therefore could be instrumental in this next phase. Chebet Maikut and Rachel Boti-Douayoua, went further to specifically outline that the future role of DNAs should address some of the issues that surfaced under the Kyoto Protocol. Highlighted examples included: supporting the availability of local consulting and auditing service providers potentially reducing price disparities, development of a more technical role for DNAs in order to initially screen projects and provided capacity building to minimize costs and the monitoring of projects post implementation. It was also further emphasised that the promotion activities undertaken for CDM by DNAs should be enhanced under the implementation of Article 6 with specific efforts potentially aimed at further engaging the private sector and attracting investors.

### **Expanded role**

Given the previous two points the participants went on to reflect that the mechanism of paragraph 6.4, also represented the need for an expanded area of scope for DNAs. This was presented and discussed at length with two main aspects covered – consideration of broader mitigation actions beyond the project level and linking to national sustainable development. On the mitigation component, for the participants it was clear that a national authority is required to oversee the approval projects and to certify that the mitigation outcomes happened at the country level with no double counting or claiming of results. There was also further emphasis placed on how these relate to

the broader mitigation actions within a host country which was explored in depth in the second guided question as presented below. Some exploratory input around this idea included, these national authorities could be responsible for all mitigation actions under Article 6 for example managing the transfer of Internationally Transferred Mitigation Outcomes (ITMOs). Building from this DNAs under the Paris Agreement could seek to establish a database of national mitigation outcomes potentially linked to a registry. Chebet Maikut in particular highlighted that DNAs could explore mitigation actions developed under sectors not covered by a countries NDC. The second main expanded role aspect was the theme of Sustainable Development. The panellists stressed its central position within the Paris Agreement and that consequently the role of the DNAs should be aligned with this. It was proposed that this would require the DNAs to be actively engaged in updating the national Sustainable Development assessments and define the Sustainable Development criteria at national level to reflect a countries relevant strategies and policies (Green Growth, Low Carbon Development etc), SDG engagements and NDCs amongst others.

**2. How do you see the potential for an expanded DNA role under article 6? For example, within the provisions of paragraph 6.2?**

All the panellists in line with the responses to the first guided question foresaw an enhanced future role for DNAs under the Paris Agreement with engagement under the cooperative approaches provisions of paragraph 6.2, each participant moving to elaborate on specific aspects for consideration.

Rachel Boti-Douayoua outlined that an expanded role for DNAs in covering all mitigation actions and not just the mechanism is important in order to both cover the certification of an outcome and also the allowance for the transfer. DNAs should be the automatic point of reference under 6.2 due to them having overseen this area of work to date in addition to the issue that the creation of too many entities could potentially lead to a development barrier. The DNA role should also be further enhanced moving from solely administrative to covering technical aspects in order to minimise the hiring of external experts.

For El Hadji Mbaye Diagne it was important to reflect that the fundamental difference between paragraphs 6.4. and 6.2, lies in 6.4 being centralised while 6.2 is decentralised. On these ground, all countries should aim to maintain the same institutions as those established through the DNAs given that the structures are already in place with the requisite skills. He concluded through emphasising that due to the need to report and avoid double counting the maintenance of a national database at the DNA level will be needed.

Under 6.2 at the national level, for Faustin Munyazikwiye, there is a need to have an institution with the capacity to monitor and report on GHG reductions not only under the mechanism but also through NDCs, NAMAs etc. The critical aspect here is the through the alignment at global level and implementation at local level, where nationally a monitoring framework is needed so as to be clear to all stakeholders. A role that he could foresee expanding to cover the potential linkages under the three presented paragraphs of Article 6.

Through further building on the point of decentralisation under article 6.2 as raised previously, Chebet Maikut emphasised the provision of flexibility at the national level for mitigation action and market instruments. Stating that more liberty should be given to national governments in terms of environmental integrity implying that there is a role for the DNA to play in this process. In conclusion, a point on the need for development partners to demonstrate leadership under article 6 potentially through carbon pricing initiatives was raised.





*Figure 2: Cross-section of participants during the workshop*

### **Part III – Wrap up: Reflection on the discussions**

Ms. Malin Ahlberg, on behalf of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), personally reflected on the key points raised during the panel discussion. On the expanded roles for DNAs under the provisions of article 6 it is unclear for her if we will see the emergence of 1 or 3 authorities as per the paragraphs. Though she was quick to emphasise that the internal organization of a country is its own prerogative a point embedded in the fact that participation is voluntary. Having said that in the interest of supporting a smooth transition, aligned with the clear position of the panellists, emphasise was again placed on the apparent advantage to be gained from building on the existing strengths and capacities of countries today under their respective DNAs. It is clear that an authority is required at the national level to check aspects of double counting and double claiming both within the UNFCCC and in emerging schemes such as that under ICAO whose position is currently not 100% clear. The proposal for mitigation actions being undertaken both inside and outside the NDC was well noted though she felt that this would require further thought given that the need for accounting and transparency of the implementation of the NDC. Furthermore, and again echoing the panellists, the enhanced position of Sustainable Development was highlighted with the responsibility of the DNA needing to be greatly enhanced to reflect this, in terms of both evaluating and adjusting to the SDGs.

### **Potential next steps**

The outcomes of these public discussions on the evolving role of DNAs within the transition to and in the implementation of the Paris Agreement are important steps in what is a broader two-way process. Firstly, feeding into and supporting the African position on Article 6 within the UNFCCC negotiating process, more specifically in relation to the aforementioned efforts on drafting and agreeing on the guidance for 6.2, the rules, modalities and procedures for paragraph 6.4 and the work programme of 6.8. Secondly in supporting African countries as the Governance structures that reflect engagement with the Paris Agreement begin to take shape domestically. In both cases it is important to highlight that established institutions such as the African Group of Negotiators and the DNA Forum could draw from and build on these ideas as they engage further in moving thoughts into actions. In addition, at the regional level relevant bodies should look to further explore this topic at the earliest opportunity, including for example within the West African Alliance on carbon markets and climate finance and the emerging sister alliance under the East African Community.