



Eastern Africa Alliance
On Carbon Markets And
Climate Finance

LESSONS FROM THE EASTERN AFRICA ALLIANCE

Andrew Ocama

Coordinator

Eastern Africa Alliance on Carbon Markets and Climate Finance

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Eastern Africa Alliance On Carbon Markets And Climate Finance

Born from the need to shape regional readiness for new mechanisms under article 6 through a shared understanding built by collaborative use of resources

Mission

The Eastern Africa Alliance on Carbon Markets and Climate Finance aims to strengthen capacities of the member countries as well as offer a platform where countries can share experiences and foster a regional approach towards the future international carbon mechanism of Article 6 (PA) and climate finance

Vision

The promotion of a common vision on Carbon Markets and Climate Finance within the Eastern Africa region.





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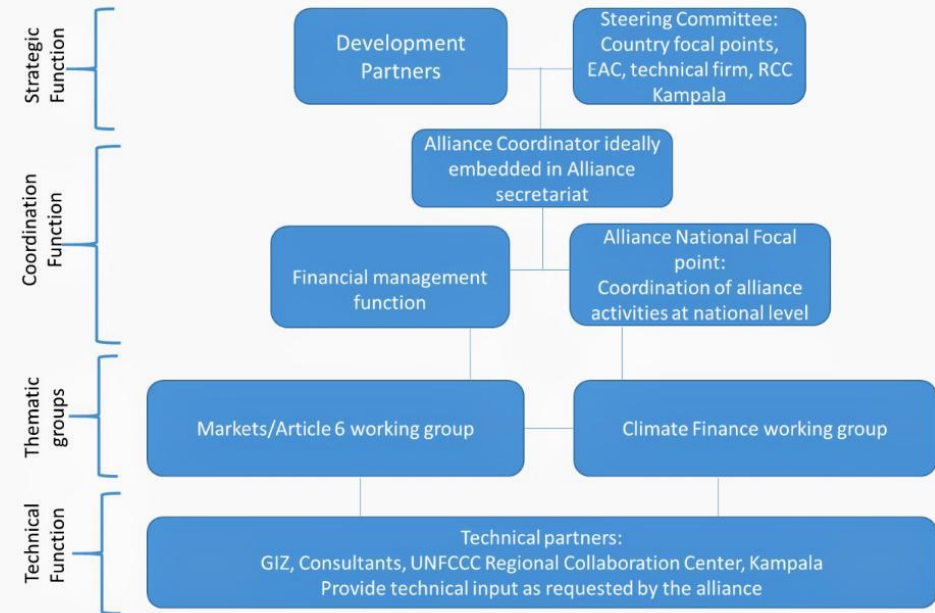
The Alliance is structured to enable strong collaboration between the different stakeholders.



At the heart of the Alliance structure is the organization of stakeholders into functional groups; strategic, coordination, thematic and technical



For efficiency, we are learning of the need to strengthen the coordination function enabling the translation of government needs to implemented activities





EAA has had a targeted approach to deliver our impact based on four main pillars



1. Support Article 6 readiness in the region, which includes public and private sector capacity building activities.

2. Manage the transition from the Clean Development Mechanism under the Kyoto Protocol into Article 6 of the Paris Agreement. A well-managed transition strengthens political certainty and investor confidence in climate policy instruments and future mechanisms.

3. Foster 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. Promote regional exchange on experiences and lessons learned on carbon markets and climate finance

Based on these pillars, the Alliance has organized workshops, developed resources and supported processes to grow carbon markets in member states. A few showcases are below




CDM TRANSITION

- Provided support to enable members understand key themes and procedural requirements for new market mechanisms.




NEGOTIATIONS

- Developed a handbook to equip Article 6 negotiators and continues to support the preparation for negotiations and facilitate their attendance



ARTICLE 6

- Facilitated the development of a blueprint to support the development of requirements in Uganda



COLLABORATION

- Developed carbon markets profiles for all member countries.

- The alliance has made a lot of progress backed by strong partnerships that have delivered various forms of support in delivering these objectives.



The following is a deep dive showcase that highlighted the relevant technologies that would be vital for EAA countries



STUDY ON CARBON MARKET
OPPORTUNITIES AND TECHNOLOGIES FOR
SEVEN EASTERN AFRICA COUNTRIES

NOVEMBER 2023

The study aimed to assist seven Eastern African countries (Burundi, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, and Uganda) in prioritizing climate mitigation technologies and project activities to operationalize Article 6 of the Paris Agreement.

Each country received a specific list of top-five prioritized technologies and activities, such as soil and water conservation, solar PV, biogas production, improved cookstoves, and biomass to energy, among others.

The study employed scored the identified GHG mitigation technologies and activities based on criteria like co-benefits, accessibility, cost, and national potential.

It placed emphasis on understanding the evolving rules of carbon markets, particularly cooperative approaches under Article 6.2 and 6.4 of the Paris Agreement, to leverage international carbon markets effectively.

The report suggested further detailed investigations into the viability of prioritized technologies, exploring collaboration and knowledge sharing, monitoring technology progress, and considering simplified approaches for demonstrating additionality and developing standardized baselines.

The driver of impact has been the collective of NFPs and strong collaboration with partners at GIZ and the UNFCCC. We have also identified avenues that will drive our growth as a collective

Drivers of impact



Collective of NFPs

Link in driving the delivery of country priority needs and working together drives regional effectiveness and strengthens achievements.



Dedicated Finance

Key institutional financing from partners enables us meet planning priorities



Strong Institutional Partnerships

- Enables us leverage technical capacity despite current
- Institutional hosting facilitates efficiency

Areas for Growth



Institutionalized Capacity Growth.

Growing the alliance will require building a team to provide high quality specialist capacity in climate finance and in carbon markets



Broader Strategic Focus

This will be based on a new strategic focus based on a broader array of impact in recognition of the need for greater



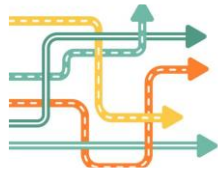
Greater Visibility

Strengthening visibility at government level will be a priority in order to improve further raise the impact of our work with member states



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The Challenges faced by the Alliance
serve as the foundation for the
ongoing institutional transition



Divergent national contexts: Each member country has its own economic, political, and environmental realities, necessitating flexible and adaptable approaches.



Limited technical capacity: Building expertise on carbon markets within member countries required targeted capacity-building initiatives.



Navigating the evolving landscape of Article 6: The dynamic nature of international carbon market regulations demanded constant adaptation and strategic adjustments

Progress Tracking (Ongoing)

	Rwanda	Uganda	Tanzania	Kenya	Burundi	Ethiopia	Sudan
<i>1. Adaptation of NDCs</i>	Adopted	Adopted	Adopted	Adopted	Adopted	Adapted	Adapted
<i>2. Establish Legal Basis for Article 6 preparation</i>	National carbon market framework adopted	National carbon market framework approved	Carbon Trading Regulations (2022)	National Climate Change Act Amended - Four frameworks in development	In process	Standardized crediting framework (SCF) regulations (6.2)	In Process
<i>3. Designate DNA for the authorization of ITMOS</i>	Complete	Complete	Pending	Complete	Complete	Complete	Pending
<i>4. Approve process, criteria and fee structure for the authorization of ITMOS</i>	Rwanda Carbon Market Institutional Framework	Environment task force on climate change mechanisms	Pending	Temporary structure	Pending	Re-SCF	Pending
<i>5. Consider additional requirements for projects, list eligible standards and crediting periods</i>	Adapted Global Standards.	Developed priority national standards	Pending	Pending	Pending	Pending	Pending
<i>6. Negotiate and enter into bilateral agreements with third party countries (Please state any agreements reached)</i>	Signed	Ongoing	Pending	Signed	Pending	Ongoing	Pending



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Recommendations for the SAA

Measures that will develop a collective ownership and commitment to a shared purpose

Start with shared vision and interests: Identifying common challenges and opportunities can provide a strong foundation for regional collaboration. Caribbean states could focus on areas like renewable energy development, deforestation mitigation, and adaptation strategies as initial areas of joint focus.

Embrace inclusivity and flexibility: Different countries will have different needs and priorities. A flexible structure that allows for tailored programs and accommodates diverse perspectives will be key to long-term success.

Invest in regional knowledge exchange: Sharing best practices, technical expertise, and lessons learned is vital for accelerated progress. Establishing a platform for knowledge exchange and capacity building will empower all member states.

Seek strategic partnerships: Leverage the expertise and resources of international organizations, development partners, and private sector players to complement regional efforts and amplify impact.

Resource Mobilization Strategies: Develop robust strategies for resource mobilization, including innovative financing mechanisms and partnerships with international organizations, to sustain Alliance activities over the long term.

Establish effective institutional structures: Identify structures to enable a smooth coordination infrastructure

Questions and Discussion



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giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

On behalf of:



Federal Ministry
for Economic Affairs
and Climate Action

of the Federal Republic of Germany



RCC East and Southern Africa

Collaboration for Climate Action