

# ARTICLE 6 IMPLEMENTATION IN ZAMBIA

Africa Region Workshop for the Implementation of Article 6 of the Paris Agreement

> Federal Ministry for Economic Affairs

and Climate Action

14<sup>th</sup> - 16<sup>th</sup> May 2024

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National Coordinator





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GGGI



Leading Partner:



Supporting Partners:

CARBON LIMITS



environment programme

Funding Partners:







## **Program Structure**

Leading Partner:



Supporting Partners:

CARBON LIMITS

Pakistan





Country Partners:

Colombia

Ministry of Environment andMinistry of ClimateSustainable DevelopmentChange





Ministry of Natural Resources and Environment



Ministry of Green Economy and Environment

Funding Partners:







SPAR6C Program objective & Activities Zambia's A6 Preparedness Zambia's A6 Implementation Workplan

Implementation Status & Update



Chapter

Spare/Supporting Preparedness for Article 6 Cooperation

## **Overall Objectives & Programme Activities**

### SPAR6C Programme Objective

SPAR6C Supporting Preparedness for Article 6 Cooperation

Support the preparedness of Zambia to reduce GHG emissions and enhance participation in international carbon markets through the cooperative approaches established by Article 6 of the Paris Agreement NDC Achievement High Integrity Carbon Markets

Sustainable Development Co-Benefits



Research

**Partnerships** 

### **SPAR6C Programme Activities**

interlinked work packages • 4 in-country 2 global **Emphasizes capacity** 

building and knowledge

exchange

of Practice for Article 6 **Implementing Countries** Ì tê): **F** Colombia Pakistan Mitigation Medium-and Governance Long-term Emissions Framework Activity Thailand Planning **Development** Development Zambia <u>s</u> **Capacity Building and Private Engagement Article 6 Toolbox 6** Implementation Guides 1000

Community

**Annual Events** 

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### SPAR6C Supporting Preparedness for

# Zambia's A6 Preparedness



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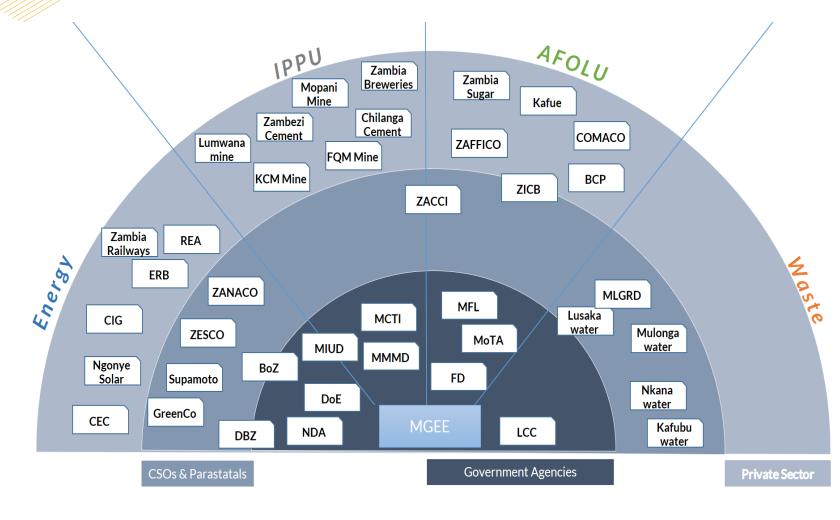




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### **Stakeholder Mapping & RNA**



The main objective of the Needs Assessment was to **identify and assess missing or insufficient capacities for active participation** of different stakeholders

- In the development and implementation of a national framework for the country's participation in the emerging carbon market under the Paris Agreement
- For the development, implementation and management of Art. 6 programs and projects

## **RNA Findings**

The readiness report, and the **feedback that we received during the RNA validation Workshop** - served as the basis for planning the work to be carried out by SPAR6C in A6 Implementation



#### 1 General Capacity Building

• Human Resources with specific knowledge in GHG emissions, assessment, development and implementation of mitigation projects under Art. 6 and climate/carbon finance

- Institutional frameworks and infrastructure to support the governance and monitoring of Article 6 activities including financing of activities
- Human Resources for the operationalization of the framework is inadequate.
   The public sector will require additional staff across various sectors for project development, implementation and monitoring

#### 2 Medium & Long-Term Emission Planning

#### Ministry of Green Economy & Environment/Other Stakeholders:

- Refine modelling of NDC measures
- Update GHG emissions Investment cost
- Cost Benefit Analysis
- Abatement costs for mitigation activities in each IPCC sector.

### GHG Inventories and Reporting:

 Capacity building for industry on carbon footprint calculating & industry best practice
 Strengthen Government and Private Sector dialogue
 Coordination of activities
 Joint financing instruments and activities

## **RNA Findings Cont'd**

Governance Framework Development

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- Approval procedures for new Art. 6 programs/projects.
- Transition of CDM& VCM projects to Art. 6
- Establishment of an Art. 6 registry
- Improvement of MRV
  system







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# Zambia's A6 Implementation









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#### **SPAR**<sup>6</sup>C Supporting Preparedness for Article 6 Cooperation



## **Implementation Workplan**

**A6 Governance Framework**: development of the Zambia Carbon Market Framework which will offer guidance for Article 6 project development and evaluation as well as guidance on share of proceeds and fees, the transition of CDM and VCM projects to Article 6 and the establishment of the National Registry.

**A6 Project Development**: Demonstrate Article 6 project development from development to bankability and implementation.

**Capacity Building**: Capacity building activities for private and government sector players including the financial sector

**Medium to Long Term Emission Planning**: Enhance baseline data capacities in country as well as mitigation opportunities for medium to long term emissions planning through earmarked sector studies.

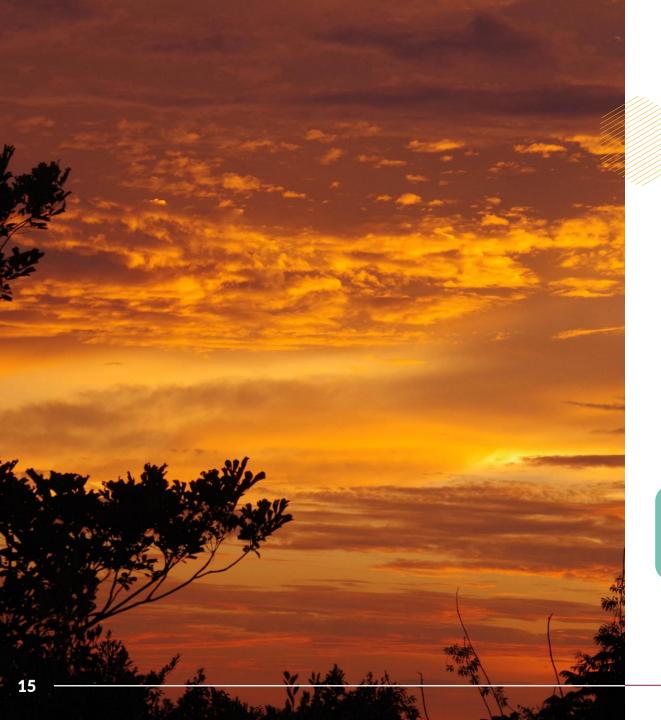
**Community of Practice: E**stablish a national community of practice for climate change and A6/carbon market research to support the country's preparedness. It will also implement a Research Mentorship Programme to support career development in climate change, Article 6 and carbon markets.



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# Implementation Status & Update

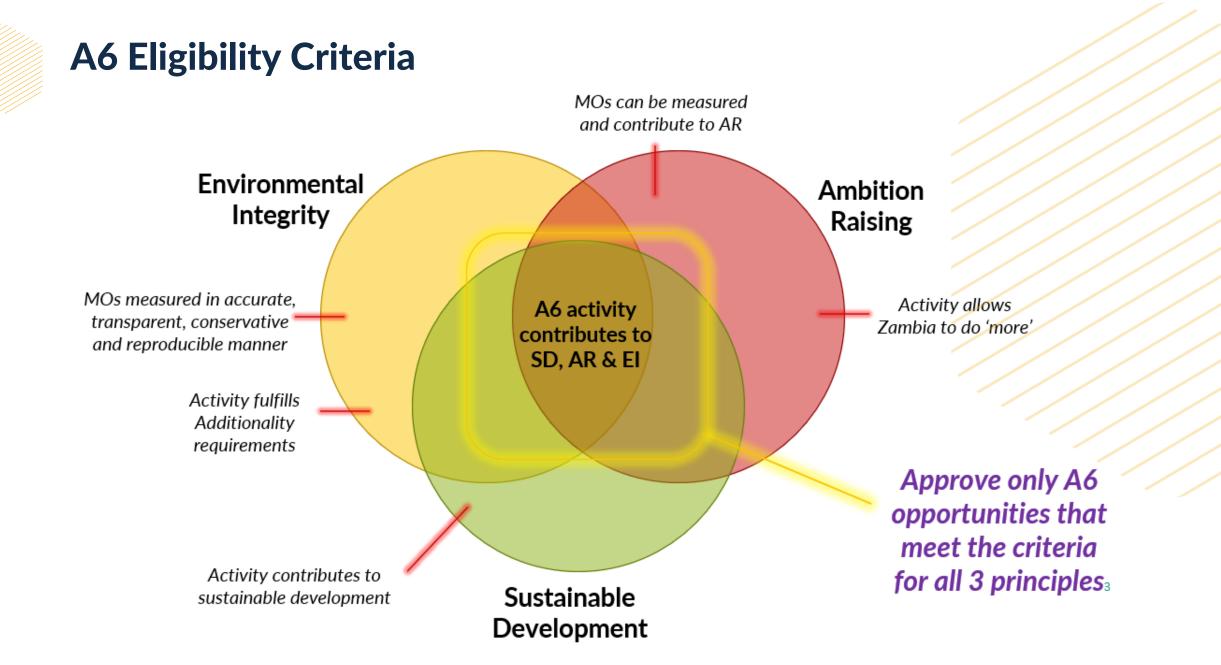


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## A6 Governance Framework

- Has three overarching and commonly accepted principles:
  - Ensuring environmental integrity
  - Sustainable development
  - Ambition raising
- Proposed working paradigm:

Maximize A6 activities' sustainable development impacts while ensuring environmental integrity and ambition raising



### **A6 Eligibility Criteria: Indicators**



**Ind. 1:** Eligible mitigation activity type i.e., alignment of mitigation activities with Zambia's NDC

**Ind. 2:** Additionality demonstrated through investment analysis and regulatory surplus

**Ind. 3**: Activity baselines in compliance with NDC target

**Ind. 4:** Estimation of the required carbon price to achieve financial viability

**Ind. 5:** Addressing non-permanence risks (LULUCF activities)

**Ind. 6:** Alignment with IPCC methodologies and best practices for GHG estimations

Ind. 7: Blending of financing sources

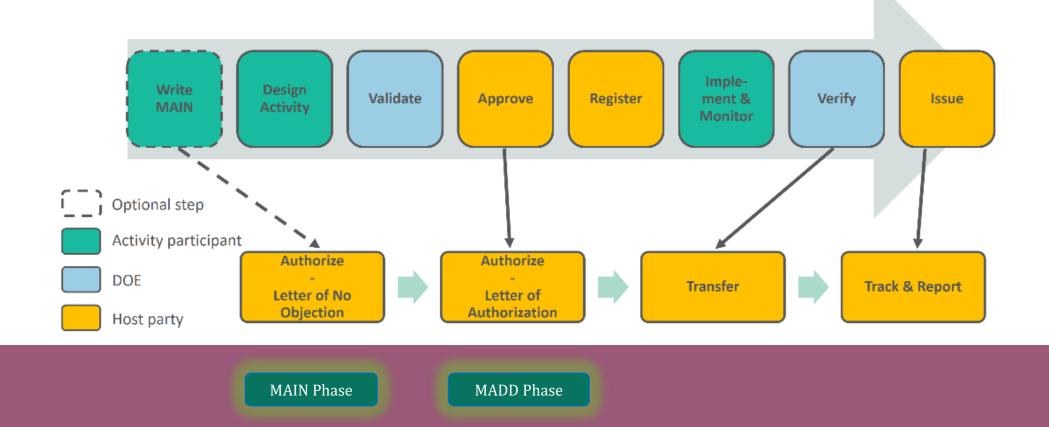
**Ind. 8:** Minimization of uncertainties of GHG estimations

Ind. 9: Leakage risks shall be minimized

- Ind. 10: Contribution to SDGs
- Ind. 11: Obtain an EIA or Strategic EIA as required by law
- Ind. 12: Asses ex-ante SD impacts
- Ind. 13: SD as a monitoring parameter
- Ind. 14: Agreed benefit sharing plan
- Ind. 15: Comprehensive stakeholder consultations

#### Ind. 16: Contribution to transformational change

### **A6 Mitigation Approval Process**

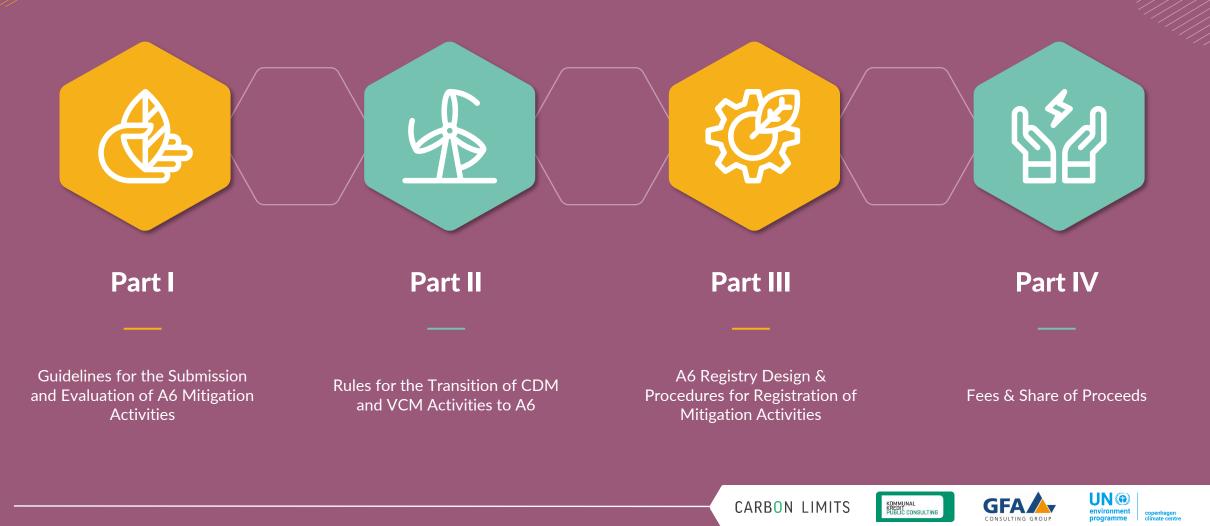


• Zambia's A6 approval process a two-phased assessment and authorization process.





### Zambia's Carbon Market Framework



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## **A6 Institutional Processes**

1. Zambia's Climate Change Bill in its' draft form has established institutional processes for the coordination of carbon market activities.

MGEE Department for Green Economy & Climate Change	MGEE is responsible for overseeing the regulation of carbon markets and bilateral engagements with prospective Article 6.2 Acquiring Parties.
Technical Climate Change Committee for Mitigation	Serve as the technical working group for operationalizing of Article 6, and is the authority for assessing, approving, or rejecting A6 opportunities/activities
Zambia Environmental Management Agency	Fulfils technical requirements under the UNFCCC and the Paris Agreement including the MRV and accounting, GHG inventory, registry operations, reporting and corresponding adjustments
Secretariat	Secretariat functions provided by the Ministry of Green Economy and Environment (MGEE), Department for Green Economy & Climate Change

- 2. The Carbon Market Framework, will also establish the processes and procedures for the operationalization of Carbon Markets under Article 6.
- 3. The Government of Zambia is also seeking to undertake a process of aligning existing Forest Carbon Stock Management (SI 66) Regulations with the CMF and introducing SI's on Benefit Sharing Mechanisms
- 4. Integrated Measurement, Reporting & Verification (iMRV) System: there will be the establishment of a National Carbon Registry that will be integrated with the national iMRV. This is in process.



## **Capacity Building**

- 1. Continuous Capacity Building for both government and private sector stakeholders in institution of guidelines and the operationalisation of Article 6 is taking place.
- 2. Article 6 and VCM capacity building has been conducted and is underway for both Government & Private sector. Financial Sector Capacity Building is also planned for 2024 to enable the financial sector to access blended finance opportunities and support increased investment in mitigation activity development.
- 3. A local Community of Practice to support A6, carbon market & climate change research has been established. The research cluster consists of the Govt. and research institutions. The cluster also aims to support the increase in career professionals and has commenced a research mentorship program.

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# **A6 Project Development**

A total of 27 projects were submitted as potential A6 pilots and 3 projects have subsequently been selected as pilot activities for project development including financing approaches and implementation. The 3 projects are;

- i. Kafue Sugar;40MW RenewableEnergy Project
- ii. Art. 6-based national Clean Cookstove Program
- iii. Green Tourism Project

ECS National Cookstove Program

Creation of an open platform that supports scaling up modern cooking in Zambia using digital MRV by Emerging Cooking Solution <u>(</u>

Green Tourism Project

Promote sustainable forest and agriculture management, energy efficiency, renewable electricity generation and sustainable green transport by Ministry of Tourism



Kafue Sugar Project

Installation of a Biomass Plant for the generation of electricity from Biomass by Consolidated Farming Ltd.

### **Medium to Long-term Emission Planning**



#### Livestock Sector Studies:

- Assess EF for different manure systems for cattle
- Assess heads, sex and age of different cattle categories



#### Forestry Sector Study:

Assess biomass use for firewood and charcoal production



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#### Power Sector Study:

- Update GEF calculation, using national data moving from simple OM to simple adjusted OM with a reference period of 3 yrs.
- Build capacity for using carbon finance for RE generation



#### Cement Sector Study:

• Sectoral analysis of the cement sector

#### Waste Sector Study:

• Sectoral analysis of the waste sector

Studies will also result in a capacity building measure on the opportunities for Art. 6 related activities in each sector, costing of mitigation measures, cost benefit analysis, assessment of investment volume, determination of the marginal abatement cost, to support the 2025 NDC update.







# Thank you

### **Contact information**

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