

# Can Article 6 of the Paris Agreement help finance Africa's just transition and resilience building?

***Fourth Africa Climate Talks***

*Maputo, Mozambique, 27-29 July 2022*

**Opportunities for achieving Mitigation  
Outcomes in Africa are significant...**

# Mitigation Outcomes from Nature-based Solutions

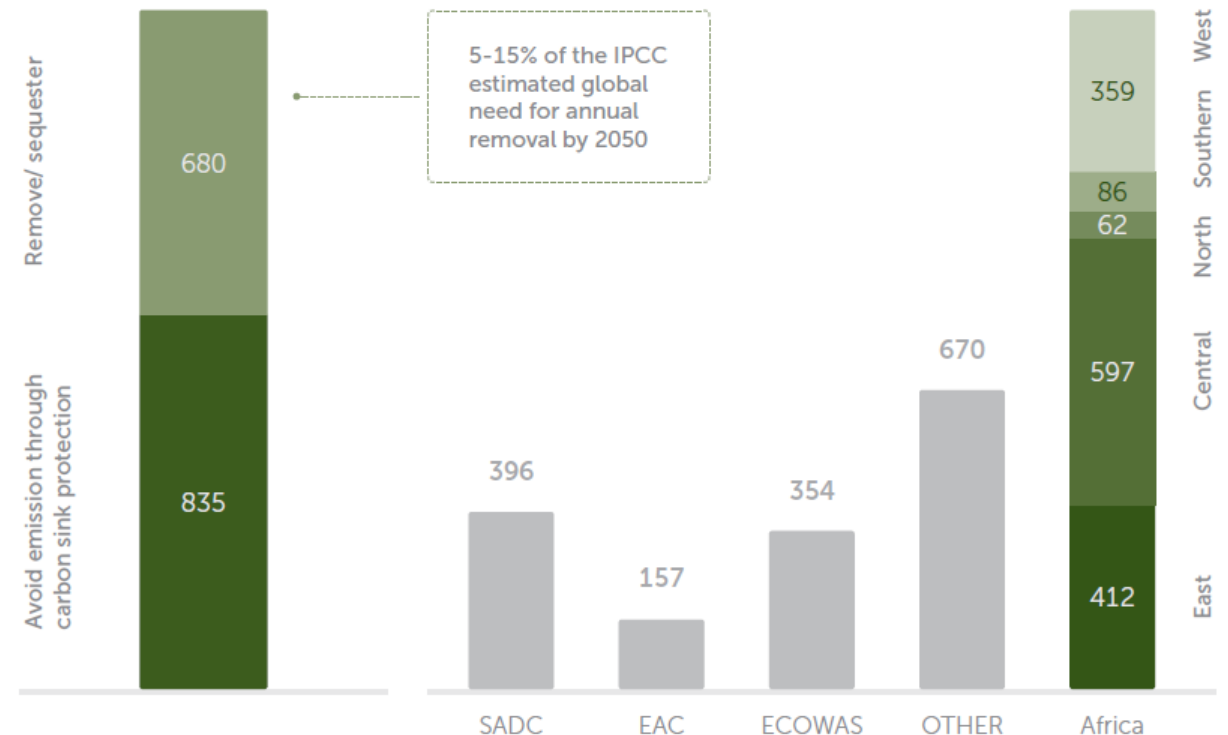
According to a recent report prepared by the Mo Ibrahim Foundation, nature-based solutions in Africa can achieve mitigation outcomes in the order of **1.5 billion tCO<sub>2</sub>e per year**

In Mozambique, it has been estimated that the country achieved emission reductions in the order of **145 million tCO<sub>2</sub>e** from REDD+ in the period 2015-2019

Developing the market for Carbon credits in Africa: with nature-based removal alone Africa can meet 30% of the world's sequestration need by 2050

Total mitigation potential through nature-based solutions costing no more than \$120/ton  
Million tons CO<sub>2</sub> e/year at conservative cost estimates

Total mitigation potential by location  
Million tons CO<sub>2</sub> e/year

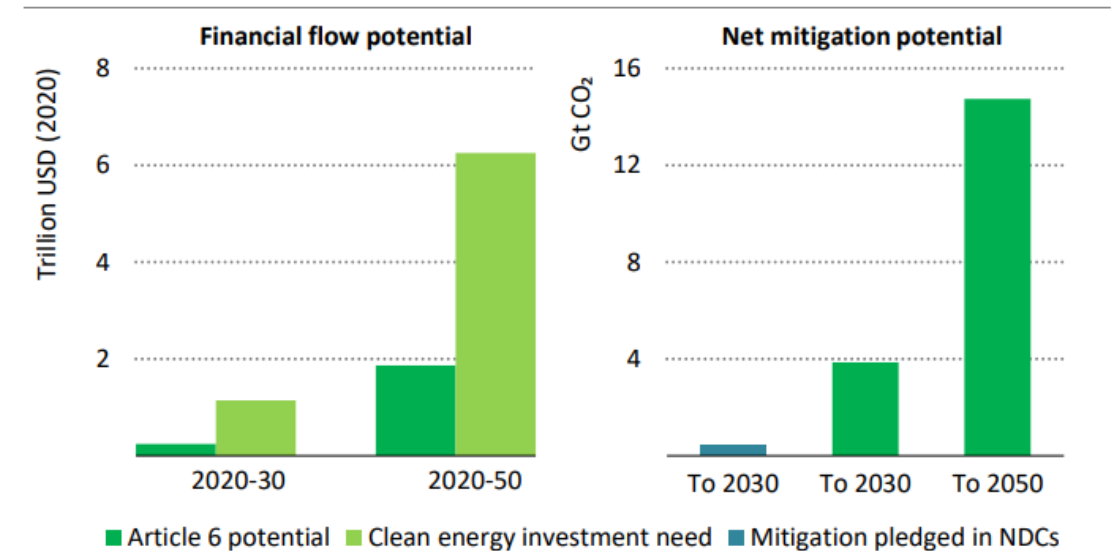


# Mitigation Outcomes from Energy Transition

According to the International Energy Agency, Africa could achieve mitigation outcomes in the order of **3.8 billion tCO<sub>2</sub>e** over the period 2020-2030 (380 million tCO<sub>2</sub> per year)

In Mozambique's large hydro projects are one of the single largest opportunities to drive the clean energy transition in Southern Africa, potentially resulting in emission reductions of **25 million tCO<sub>2</sub>e** per annum

**Figure 3.35** ▶ Article 6 financial flows and CO<sub>2</sub> emissions reduction potential in Africa in the SAS



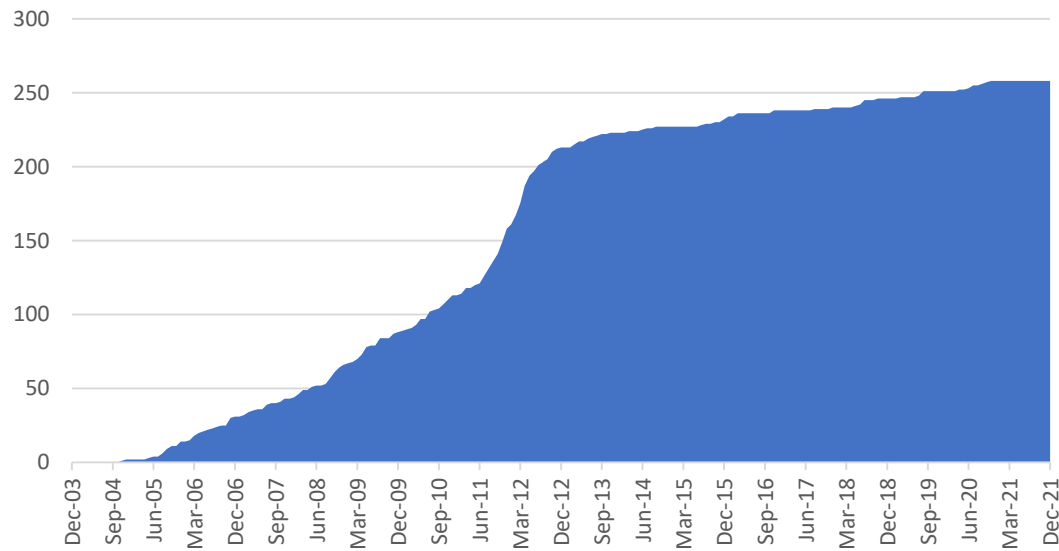
**The question is how Africa can best prepare itself to capture the value of these potential mitigation outcomes**

**So what can we learn from the Kyoto markets...**

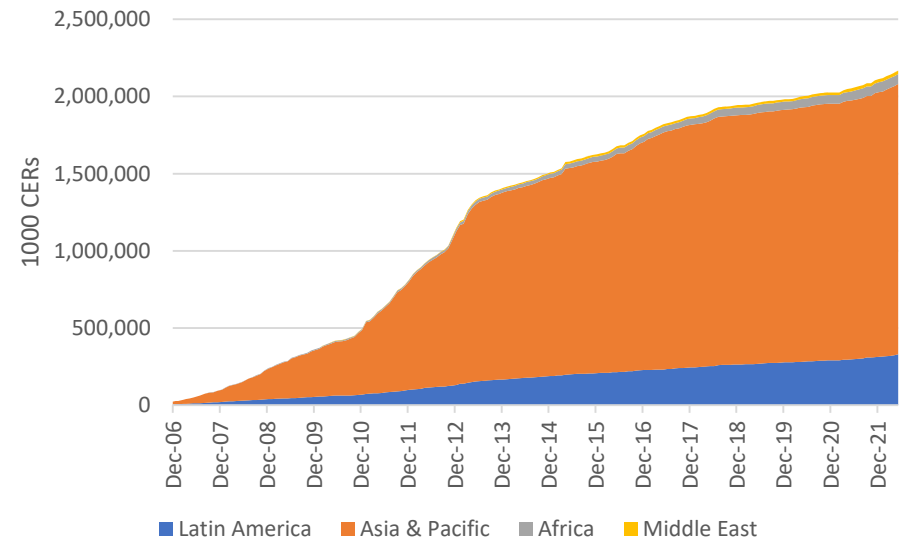
# Lesson learned #1: Start now!

By the time Africa started waking up to the opportunity, countries in Asia had already issued 100s of millions of carbon credits under the Clean Development Mechanism (CDM).

Cumulative number of CDM projects registered in Africa

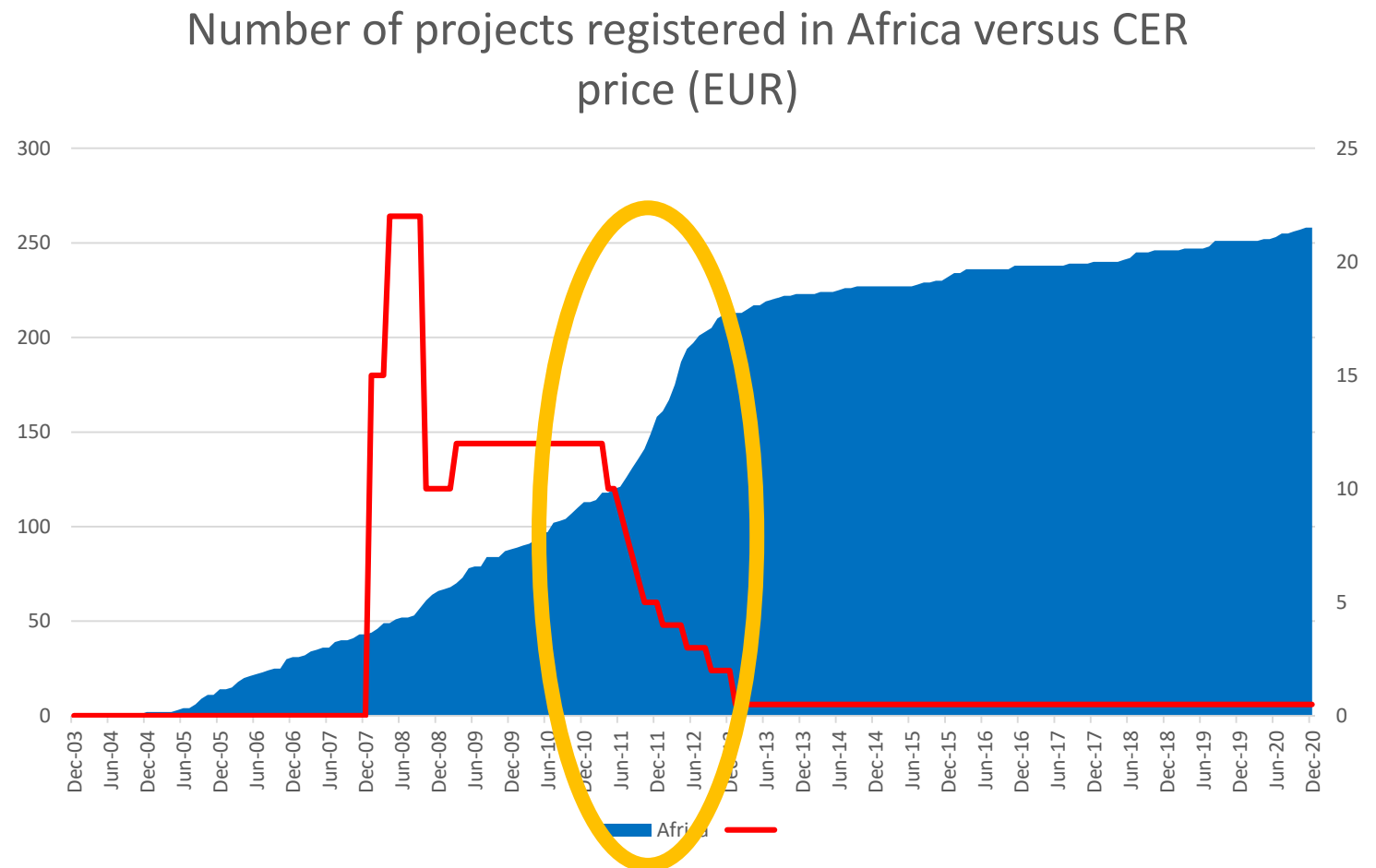


Cumulative CER issuance per region



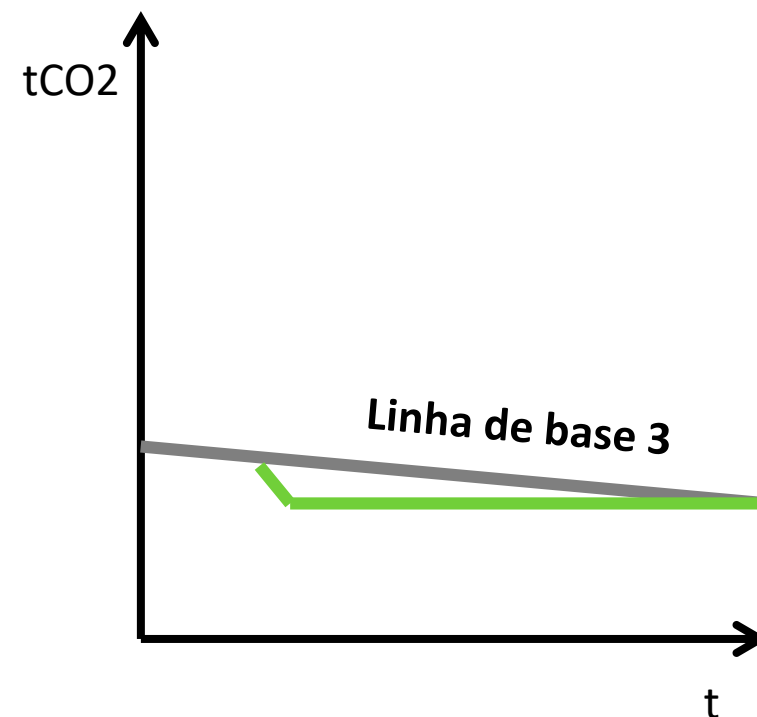
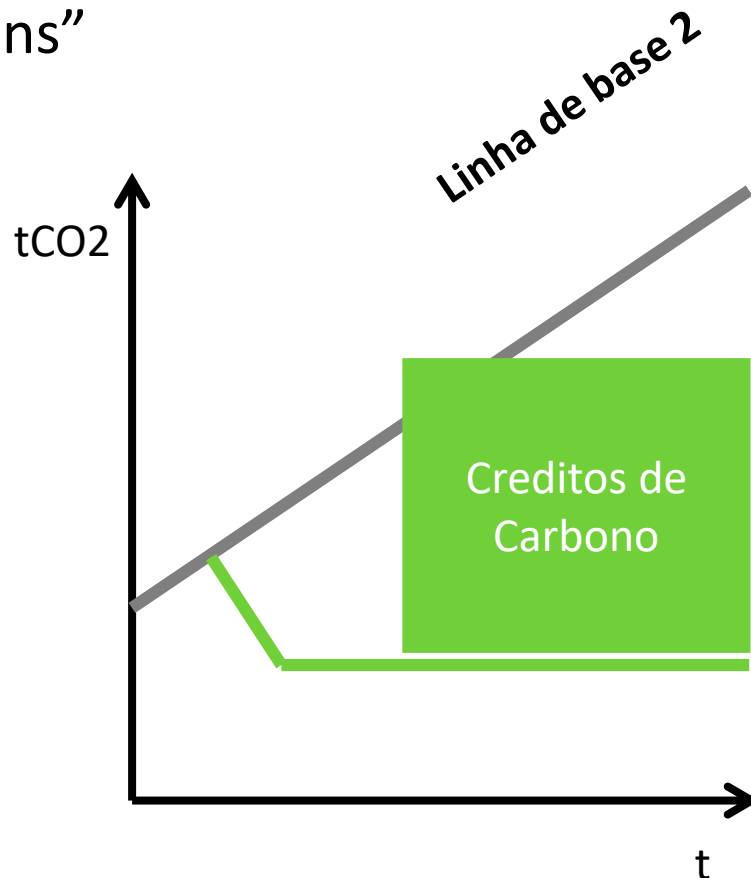
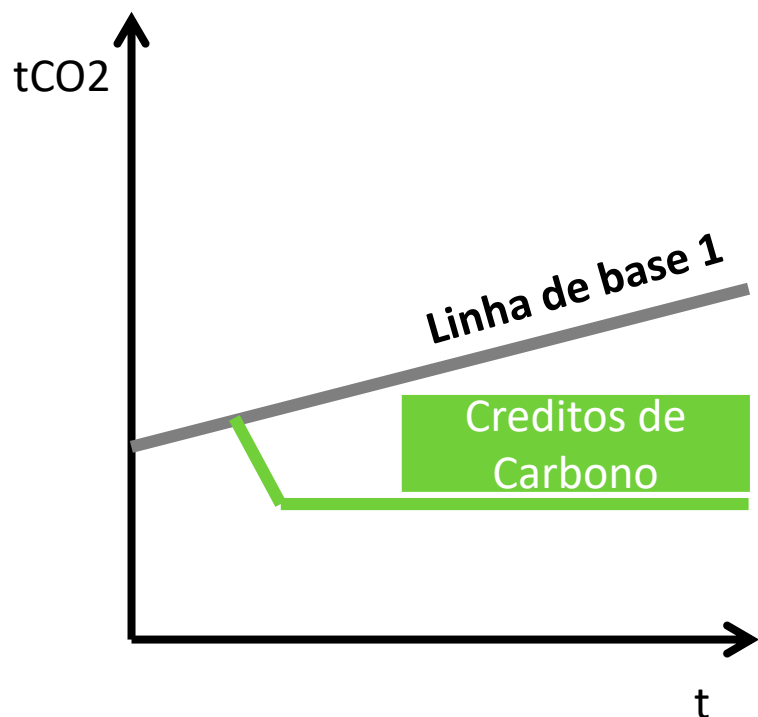
# Lesson learned #2: how to secure a long-term value for the carbon credits

At the time Africa started registering carbon projects under the CDM, the market prices for carbon credits plummeted because of 1) the EU banning CDM credits from the EU markets and 2) the lack of commitment for the second commitment period of the Kyoto Protocol



## Lesson #3: Develop baselines and methodologies that are tailored to the African context

“Achieving a consensus on the baseline that both buyer and seller are comfortable with, is therefore to a certain extent an issue of negotiations”





# How can Africa maximize the benefits from the mitigation outcomes and environmental services that are being delivered to the world?

Food for discussion:

- Africa to work towards a common negotiation position on Article 6?
- Establish a dedicated Carbon Fund for Africa?