



United Nations Climate Change
Paris Committee on Capacity-building



3rd Capacity-building Hub COP26 Catalyst for Climate Action Day

Global Green Growth Institute and Perspectives Climate Group Capacity Building for Article 6 Readiness

Event Summary

The event served to discuss lessons learned on capacity-building for carbon market participation and how to ensure effective and sustainable capacity-building for the implementation of Article 6 in the coming years.

During the first part of the session on Capacity-building for Article 6 Readiness, panellists discussed the carbon markets capacity-building challenges in the past and present. There are several capacity-building challenges that developing country governments face with respect to carbon markets, such as building their capacities to meet the participation requirements, setting up critical institutional capacities, as well as enhancing capacities of market participants. One of the major roadblocks in effective implementation of the CDM was uneven participation. Challenging participation requirements as well as uneven distribution of mitigation options across the globe, with large-scale mitigation options being available more in Asia and not in Africa, contributed towards the different paces at which capacity-building took place around the world. Furthermore, there was a disconnect between technical and financial support and it was difficult to involve the right stakeholders in the process. Finally, the uncertainty regarding the rules amongst instrumental institutional actors also led to slow implementation of the Kyoto Protocol.

Various lessons from the experiences under the Kyoto Protocol are worth taking note of. “Learning by doing” played a significant role in piloting. It is important to harness the skills, experience and infrastructure that exist in the market and apply them in the context of Article 6. Capacity-building needs to go beyond governmental actors, and knowledge and expertise needs to be localised in order to reduce transaction costs in developing countries. There is no need to reinvent the wheel, but rather build on the existing infrastructure. It is critical to realise that Article 6 under the Paris Agreement is different from the Kyoto Protocol era. It is not just about a simple letter of authorisation, but about coming up with ways to ensure that there is NDC and SDG alignment.

In the second session, the panellists explored how capacity-building can be improved for future carbon market participation. Capacity can be built through workshops and providing trainings to individuals and then translating this individual skill to the institutional level. Additionally, efforts are required to ensure that this individual skill is retained. Virtual learning in the times of the COVID-19 pandemic have proved





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to be an effective source of disseminating information. Virtual platforms allowed for frequent technical trainings and reaching out to a wider audience at the same time.

Alliances and RCCs also have an indispensable role to play in capacity building by bringing together important stakeholders and experts from different sectors, as well as fostering peer-to-peer learning. Learning-by-doing and learning-by-knowing (through experiences from other countries) proved to be effective under the Kyoto Protocol era and must be utilised under the Paris Agreement era as well. Capacity-building strategies need to start incorporating all new principles coming out of Article 6 negotiations.

There are several new approaches to perform capacity-building and a right mix of approaches is required that keeps all the important stakeholder groups, including the youth, involved from the beginning.

