OVERVIEW & KEY INSIGHTS

ARTICLE 6 EVENTS AT THE CLIMATE WEEK

4 – 6 SEPTEMBER 2025

1 - 6 September 2025

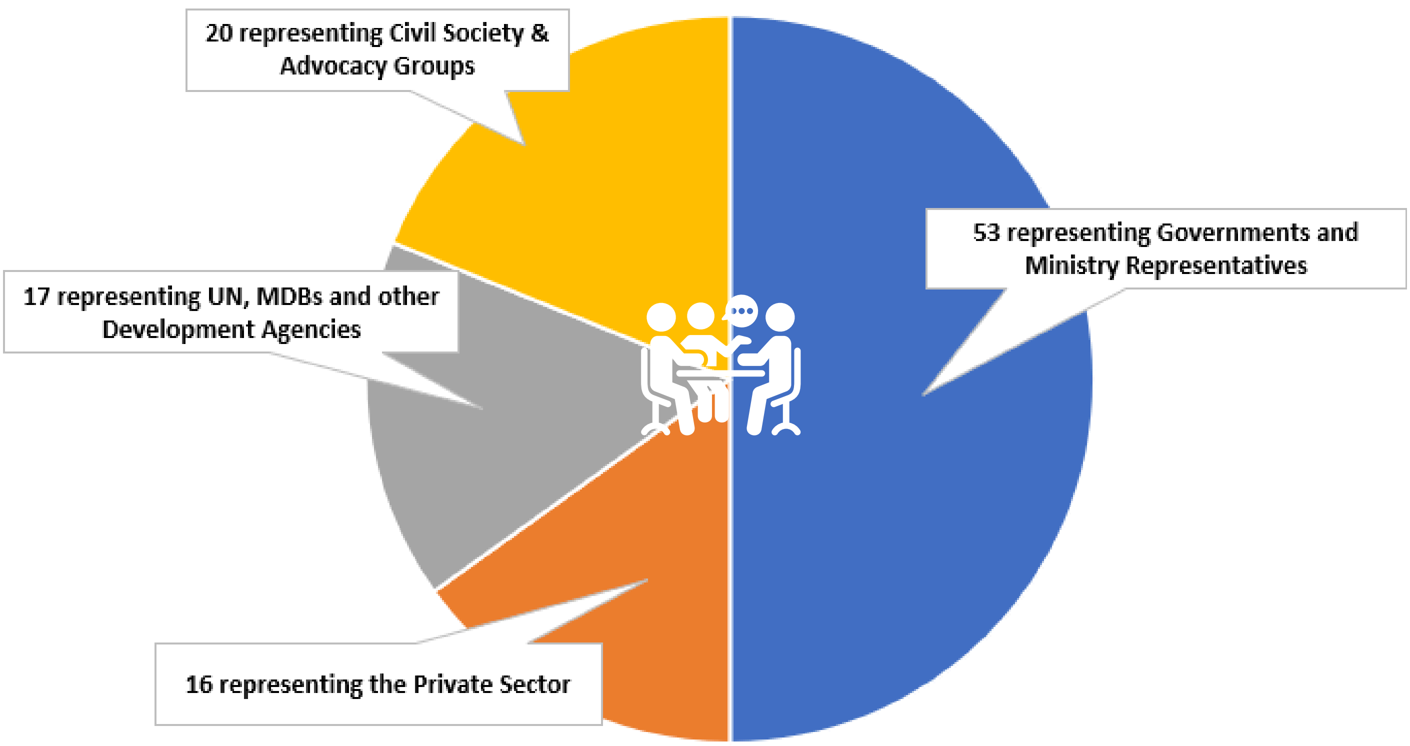
Overview

Building on the momentum gained at the first Climate Week in Panama, the UNFCCC Article 6 Capacity Building team organized two events at the second Climate Week in Addis Ababa, Ethiopia.

These events were both geared towards exploring practical engagement with the market based cooperative approaches under Article 6, together with a diverse group of stakeholders represented.

1. **Implementation Lab on:**
   Practical pathways for high integrity carbon markets under Article 6
   4 September 2025
2. **A two day dialogue on**
   Unlocking Finance: Accelerating NDC Implementation through Carbon Markets
   5 - 6 September 2025

Participant Profiles



1 Implementation Lab: Practical pathways for high integrity carbon markets under Article 6

As Parties prepare to communicate their next round of Nationally Determined Contributions (NDC 3.0) with targets set for 2035, the role of Article 6 in supporting ambitious climate action is increasingly recognized.

According to current NDCs, the proportion of Parties indicating their intention to use cooperative mechanisms under Article 6 of the Paris Agreement continues to rise. This sustained and growing interest could serve a dual purpose:

- Facilitating the cost-effective implementation of the Paris Agreement
- Catalyzing large-scale finance to accelerate emissions reduction efforts.

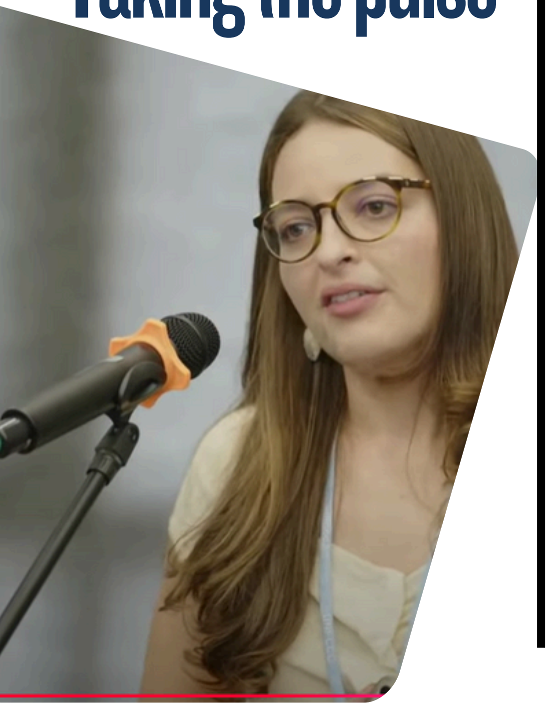
Realizing this potential demands not only policy clarity and market innovation but also hands-on collaboration, technical readiness, and ongoing dialogue among all stakeholders around risks, needs, and current and emerging national priorities.

This Implementation Lab takes a significant step in that direction. Bringing together national representatives, private sector actors, development agencies, regional alliances, and technical experts, it merges lessons learned, obstacles, and opportunities from diverse real world experiences into a single, fast-paced session designed for action and practical application.

Key objectives of the lab

- Unpack the practical steps for ensuring high-integrity and high-impact carbon projects under Article 6.
- Identify critical investment bottlenecks and solutions for scaling carbon market activities.
- Shape a collective, actionable roadmap for national /regional engagement and capacity building, while integrating critical/alternative perspectives.

Taking the pulse



The discussions began with a focused inquiry directed at each stakeholder group, inviting them to highlight at least one opportunity, key challenge, confidence level in current market conditions, and specific support needs. Although the questions were tailored to each group, all participants were encouraged to share their individual perspectives.

After sharing their individual insights, participants engaged in group discussions. Each stakeholder group then presented common themes around two main questions:

- What is your most significant practical barrier or untapped opportunity for engaging under Article 6, particularly within the Paris Agreement Crediting Mechanism (PACM)?
- What existing capacity, policy, or partnership is needed—or missing—in your context or the contexts you serve?

Here is what they had to say!

GOVERNMENTS AND MINISTRY REPRESENTATIVES

MAIN OPPORTUNITIES

- Article 6 is instrumental for **accelerating NDC implementation** and **mobilizing vital climate finance.**
- Potential for **public-private partnerships** and enhancing **bilateral cooperation**.
- Supporting **sustainable development goals and local livelihoods** through market participation.

KEY CHALLENGES

- Persistent **capacity constraints** across institutional, technical, and governance domains.
- **Lack of clear national regulatory frameworks** and confusion on Article 6 processes.
- **Coordination challenges** across ministries and sectors impairing effective policy alignment.
- **Low awareness or understanding** of market complexities at leadership levels.

CONFIDENCE IN MARKET CONDITIONS

- Varied from "confident" with a desire to build trust and scale pilot projects to "not too confident" due to infrastructural and regulatory gaps.
- Concerns about readiness and the complexity of market engagement.

SUPPORT NEEDS

- Intensive **capacity building and knowledge transfer** for government officials.
- Development of **clear, user-friendly toolkits** and policy guidelines.
- Support for necessary **infrastructure development** (e.g., registries, MRV systems).

CIVIL SOCIETY AND ADVOCACY GROUPS

MAIN OPPORTUNITIES

- Inclusive governance and transparency through standards to safeguard market integrity and community rights.
- Building capacity, harmonizing rules, and ensuring safeguards will enhance readiness and trust amongst stakeholders.

KEY CHALLENGES

- Intermediary actors attempting to market dubious credits undermining the market.
- Risks about greenwashing and double counting, which damage confidence in carbon credits.
- Weak institutional frameworks and fragmented governance complicates regional efforts and limits consistent standards.

CONFIDENCE IN MARKET CONDITIONS

- Most participants from this group chose "Confident, but need more clarity with evolving standards," highlighting uncertainties about technical rules.
- Some were "Not too confident," citing "Poor quality projects and credits - not robust application of standards."

SUPPORT NEEDS

- Strong calls for "Capacity building and sensitization awareness" campaigns.
- Creation of comprehensive "legal instruments to frame and develop technical capacity."
- Enhanced regional collaboration for shared learning and standardized approaches.

UN, DEVELOPMENT AGENCIES AND MULTILATERAL DEVELOPMENT BANKS

MAIN OPPORTUNITIES

- Opportunity to lead development of high-integrity market standards and frameworks.
- Support for institutional strengthening, financing mechanisms, and capacity building in partner countries.
- Facilitating knowledge exchange and regional cooperation.

KEY CHALLENGES

- Gaps in institutional readiness and policy coherence at national level.
- Misunderstandings regarding the role of carbon markets within broader climate finance architecture.
- Fragmented capacity building support limiting consistent country engagement.

CONFIDENCE IN MARKET CONDITIONS

- Mixed, recognizing a need for robust activation strategies with emphasis on integrity and inclusivity.
- Call for stronger safeguards to build stakeholder confidence.

SUPPORT NEEDS

- Integrated and common Article 6 readiness assessments.
- Coordinated efforts toward harmonization across sectors and regions.
- Establishment of regional hubs and tailored technical assistance programs.

PRIVATE SECTOR

- Can create jobs opportunities, resilience, economic growth illustrates the sector's view of Article 6 as a catalyst for sustainable economic development.
- Markets can enable private actors to contribute to sustainable development and leverage innovative projects.
- Long term demand signals and clearer pricing mechanisms were emphasized to reduce uncertainty and scale investments.

MAIN OPPORTUNITIES

- Expressed as "confident but cautious" reflecting optimism tempered by a need for clearer frameworks.
- Desire for "simpler procedures" and more supportive market infrastructure.

CONFIDENCE IN MARKET CONDITIONS

- Regulatory and procedural uncertainty: Host country regulations provide more visibility but can be unclear indicates a need for streamlined processes.
- Skill gaps and lack of understanding of Article 6 requirements create barriers to participation.
- Concerns about "exploitation of communities by project proponents" call for ethical oversight.

KEY CHALLENGES

- Access to technical advisory, financing, and market platforms.
- Clarity on policy and legal certainty to encourage private sector engagement.
- Stronger public-private partnerships and capacity strengthening.

SUPPORT NEEDS

Solutions Mapping

As part of the Call for Solutions prior to the sessions in Addis Ababa, selected organizations were invited to share their insights on practical pathways for engaging and enabling high integrity carbon markets, especially in the context of promoting engagement and activity under the PACM.

Selected organizations, including Perspectives Climate Group and the African Development Bank, shared their insights based on the prior discussions in the session, and also showcased some of their current initiatives and support offerings designed to overcome identified barriers.

Here is a quick summary:

PERSPECTIVES CLIMATE RESEARCH
on
Building high-quality Art. 6 Project Pipelines

- The opportunity to drive carbon markets at scale is unprecedented following years of negotiation. Now is the time to prove their viability by emphasizing high integrity criteria, which are critical for responsible use and effectiveness.

- Focusing on high integrity is essential, especially as Article 6 enables countries to implement their NDCs. Carbon markets must be closely aligned with national priorities and strategies, ensuring trust in quality, which is vital for attracting investments and sending strong market signals. Without this trust, market demand and success may be compromised.

The PACM (Paris Agreement Crediting Mechanism) sets a benchmark for integrity with stringent requirements for additionality, robust baseline setting, and environmental and social safeguards.

To roll this out effectively, PACM's quality principles, like below-business-as-usual baselines, must be translated into rigorous methodologies. These methodologies should be applied consistently to high-integrity activities with clear alignment to country NDCs and priorities.

Alicia Schmid , Perspectives Climate Group

- Expanding programs of activities is key to delivering mitigation at scale. In previous schemes, such as the CDM, programs of activities drove a major shift toward African participation: while only 3% of total projects were in Africa, over 30% of programs of activities were African-based. Such collective schemes remain crucial in the Paris Agreement era for scaling up climate action. The transition from CDM to PACM can catalyze existing, operational activities—but host countries must evaluate eligibility by the end of this year to benefit.

- Collaboration is fundamental for accelerating high-integrity carbon credit pipelines. Success depends on partnerships among governments, private sector actors, investors, and buyer countries to tackle financial, technical, and regulatory obstacles. Transparent procedures for authorization, accounting, and reporting support broad participation, with the private sector playing a leading role in methodology development, project implementation, and mobilizing investment.

- Building high-integrity pipelines will foster climate resilience and sustainable development, but progress depends on decisive global partnerships and swift, coordinated implementation.

AFRICAN DEVELOPMENT BANK ON AFRICAN CARBON MARKETS SUPPORT FACILITY

Dr. Olufunso Somorin
African Development Bank

- Significant progress is being made in advancing carbon markets in Africa, with a focus on solution-oriented discussions. AfDB is developing a dedicated **carbon market support facility** to boost African countries' participation.

- Conversations center on two critical areas: **upstream engagement** (policy frameworks, institutional capacity, regulatory systems, and incentives for the private sector) and **downstream activities** (project development and market implementation).

- The facility aims to be demand-driven, addressing the need to avoid past exclusion of Africa in international carbon markets and **ensuring high integrity** and **quality become standard norms** across financial, legal, and regulatory frameworks.

Concluding Comments and Next Steps

The UNFCCC Secretariat responded to the insights and questions from the participants, as well as addressing common misconceptions related to Article 6 engagements during the session.

Amongst these was an observation by some participants that engagement in cooperative approaches under the PACM may not be as simple as under bilateral cooperation under Article 6.2. However, experience and ongoing reviews reveal that both involve complex regulatory, compliance and reporting challenges under Article 6.2. This is where the **Paris Agreement Crediting Mechanism (PACM)**, as a centralized approach, **can simplify engagement and help overcome many challenges**. The market experience and feedback from private sector and development agencies indicate that a centralized mechanism like PACM can make the process more streamlined and manageable.

It was also noted that **PACM does not operate separately from compliance and voluntary markets**; rather, it serves both. Many countries are embedding Article 6 mechanisms within their Nationally Determined Contributions (NDCs), with 78% of Parties indicating intent to engage. Guidance is evolving, and integration continues as countries prepare their upcoming NDCs.

PACM aims to ensure quality, durability, and market stability, which are key to unlocking finance and expanding carbon credit pipelines.

Finally, the Secretariat highlighted the **deadline of 31 December 2025** for countries to **submit eligible Clean Development Mechanism (CDM) activities for transition to PACM,** emphasizing the importance of timely action to maintain future demand opportunities.

Carbon markets can survive only if they deliver on four concepts: supplementarity, integrity, fungibility, and transparency.

The Paris Agreement Crediting Mechanism delivers on all these.

Perumal Arumugam, UNFCCC Secretariat

2 Unlocking Finance: Accelerating NDC implementation through Carbon Markets

Following up to the implementation lab, the UNFCCC Secretariat's Article 6 Capacity Building Unit, organized a comprehensive two-day dialogue in Addis Ababa, Ethiopia, focusing on "Unlocking Finance: Accelerating NDC Implementation through Carbon Markets in Africa".

The primary goal of this event was to explore how carbon markets, particularly those established under Article 6.4 of the Paris Agreement, could be effectively leveraged to mobilize climate finance and expedite the implementation of Nationally Determined Contributions (NDCs) globally, with a specific and significant emphasis on the African continent.

Key objectives of the dialogue

- Examine the climate and development finance landscape in Africa, pinpointing existing gaps and identifying strategic opportunities for leveraging carbon markets.
- Explore how countries were embedding carbon markets and pricing mechanisms into their NDCs
- Build a common and robust understanding of carbon market mechanisms, with a particular focus on the Paris Agreement Crediting Mechanism (PACM).
- Highlight early learnings and expereinces of selected countries that had successfully undertaken carbon market transactions
- Share experiences and promising practices among countries, regional bodies, and multilateral organizations.

Key Takeaways : Opening Session

Article 6 must be seen as a catalyst for systemic transformation.

By integrating carbon markets with national planning and regional cooperation, Article 6 becomes more than just an instrument of compliance; it becomes an enabler of inclusive sustainable development, ensuring benefits flow equitably to communities most affected by climate change.

James Grabert
Director, Mitigation Division
UNFCCC Secretariat

Today, value is not about what is biggest, but what is rare, precise, and durable. Value is about integrity, scarcity, and impact—and this shift is being mirrored in the global carbon market.

As the market undergoes a profound reset, we must move from an era of high-volume, low-cost offsets to a new landscape defined by stringent integrity standards and high-quality carbon credits.

Dr. Olufunso Somorin
Regional Principal Officer Green Growth and Climate Change
African Development Bank

Integrity is the non-negotiable foundation upon which the entire edifice of carbon markets must be built. We cannot have a system that destroys itself by failing to deliver on its promises of trust.

This is precisely why the work on Article 6.4 is so vital—it provides the essential roadmap, regulation, and harmonization needed to move from local successes to a globally integrated market.

By raising our sleeves and working diligently, brick by brick to implement this framework, we do more than create a mechanism; we architect a powerful engine for sustainable development

Dan Ioschpe
COP 30 High Level Champion

Key Takeaways :

Africa’s Climate Finance Landscape and Carbon Market Potential

While global renewable energy investment soars past $1.75 trillion, Africa remains the continent that benefits the least.

This glaring disparity is not just a funding gap; it's a systemic failure. Here is where innovative solutions like monetizing carbon credits become critical—they are not merely an environmental tool, but a strategic key to unlocking the innovative financing and project bankability.

IRENA's project facilitation and support vehicles, e.g. Climate Investment Platform (CIP) and Energy Transition Accelerator Financing Platform (ETAF) are aiming to facilitate countries in developing and financing projects.

Ahmed Abdelaziz Al Badr
Director Project Facilitation and Support | IRENA

Under the Paris Agreement, our NDCs are commitments, not just invitations. Therefore, we must prepare them with an implementation and funding strategy from the start.

This is a dual opportunity. We can design our NDCs to achieve our development goals—like energy access, clean cooking, and food security—in a less carbon-intensive way, while using instruments like the carbon market to generate revenue and make these vital projects a reality.

The key to unlocking this is addressing the critical lack of upfront funding for local communities, so these plans can move from paper to transformative action.

El Hadji Mbaye Diagne
Art 6.4 Supervisory Body Member

The main challenge that we observe is that projects require a high upfront investment. With a new approach under UNDP's High Integrity Carbon Markets Initiative, we intend to provide certainty to buyers that eligibility criteria is robust enough, and legal certainty that can help banks and multilateral development banks trust in the process and make these projects bankable.

We are helping governments put those building blocks in place. We try to be one initiative that deals with both demand and supply to close this finance gap.

Victor Escolana
CarTechnical Advisor, UNDP

Interested in watching the session? View the recording [here]

Key Takeaways :

UNFCCC support in building national capacities for Article 6

This session included presentations and discussions led by the UNFCCC's Regional Collaboration Centres. The Regional Carbon Market Experts from the RCCs provided a comprehensive exposé on Article 6 while also highlighting the support UNFCCC provides to the countries, through the RCCs, to engage in Article 6 mechanisms, bridging the gap between policy frameworks and practical implementation.

Key Highlights

Umamaheswaran Krishnan
UNFCCC Regional Collaboration Centre
MENA & South Asia

- **Financial Imperative**: Africa requires $3 trillion for NDC implementation by 2030, with Article 6 mechanisms offering critical pathways to access both climate finance and carbon finance for conditional NDC targets.

- **Global Momentum:** 78% of countries explicitly plan to use Article 6 mechanisms (6.2, 6.4, or 6.8), rising to 80% with recent NDC submissions, demonstrating unprecedented international commitment

- **Private Sector Gateway:** Article 6 is the only Paris Agreement provision that directly engages both public and private sectors in implementable climate activities, enabling real-world impact at scale.

Yannick Wabo
UNFCCC Regional Collaboration Centre
West and Central Africa

What kind of support can the RCCs provide?

- **Institutional & Legal Support**
  - Development of national Article 6 strategies and implementation plans
  - Institutional framework design and government approval processes
  - Legal framework development and regulatory guidance
  - Designated National Authority (DNA) nomination support
- **Technical Capacity Building**
  - 14-step readiness pathway for comprehensive Article 6 implementation
  - Positive list development for activity approval and authorization
  - MRV system design and digital platform advisory services
  - Host party participation form completion and submission
-
- **Ongoing Initiatives**
  - Country-specific case studies and knowledge products
  - Regional knowledge sharing platforms
  - Non-market approaches (Article 6.8) integration

Interested in watching the session? View the recording [here](#)

Key Takeaways from Group Discussion on:

Mobilizing and aligning finance for climate action and carbon markets

Recognizing the urgent need to scale up investment to meet ambitious National Determined Contributions (NDCs), the session brought together the critical voices shaping the continent's climate finance landscape.

Participants were divided into core stakeholder groups for focused, parallel discussions:

1. Governments
2. Multilateral Development Banks (MDBs)
3. UN & Development Agencies,
4. Private Sector
5. Civil Society

The goal was to move beyond high-level theory and ground the conversation in practical realities. Each group was tasked with exploring three central themes:

- The current trends, gaps, and opportunities in climate finance flows to Africa.
- Strategies for unlocking finance and addressing persistent barriers.
- The specific role carbon markets under Article 6 can play in complementing existing finance streams and developing a robust climate investment ecosystem.

The rich discussions that followed revealed a clear consensus: while carbon markets hold significant potential to channel new and additional finance towards climate action and NDCs, realizing this potential requires concerted, coordinated action to address critical gaps in policy, capacity, and risk-sharing.

Here are some of the distilled perspectives from each stakeholder group.

What the Government representatives had to say :

Policy & Regulatory Gaps:

A significant barrier is the lack of clear, specific policies and regulatory frameworks for carbon markets. This includes undefined procedures for project approval, unclear carbon rights, benefit-sharing mechanisms, and unstable tax/foreign exchange rules. This regulatory uncertainty discourages investment and project development.

Institutional & Capacity Constraints:

Many countries suffer from limited institutional capacity and technical expertise. There is a need for dedicated carbon market offices, stronger inter-ministerial coordination, and enhanced skills in areas like Monitoring, Reporting, and Verification (MRV), developing market baselines, and project pipeline management.

Alignment with National Climate Goals:

To be effective, Article 6 activities must be fully integrated into National Determined Contributions (NDCs). This requires developing national Article 6 strategies that prioritize sectors and activities, ensuring that carbon market finance directly contributes to achieving national emission reduction targets rather than operating in isolation.

Need for Partnerships and Coordination:

Success depends on strengthening domestic partnerships (public-private-community) and regional cooperation. Aligning standards and procedures with neighboring countries can help create larger, more attractive markets and ensure environmental integrity.

What UN, MDBs and Development Agencies had to say :

Development agencies saw their role as facilitators, focusing on providing cohesive, practical, and long-term support to build country capacity.

Integrated Technical Assistance:
Support should integrate Article 6 into broader climate finance and NDC implementation strategies, not treat it as a standalone issue. The most effective assistance combines policy support with hands-on help for MRV systems, registry development, and governance frameworks.

Effective Capacity Building:
The most successful initiatives are holistic, long-term, and combine training with practical pilot projects. Peer-to-peer learning, regional communities of practice, and replicable models that involve Designated National Authorities (DNAs) are highly valued.

Improved Inter-Agency Coordination:
To avoid duplication and reduce the burden on governments, agencies must improve communication and coordination. This can be achieved by aligning behind a single country-led roadmap, sharing work plans and diagnostics publicly, and dividing roles based on each agency's comparative advantage.

Significant Barriers:
The main obstacles are immature carbon markets and significant knowledge and capacity gaps within countries, which make it difficult to structure bankable projects.

Role of Concessional Finance: There is recognition that grant financing and concessional funds are crucial to de-risk projects and attract private capital, making early-stage investments more viable.

Financial Innovation:
New instruments like conservation bonds and better access to vertical climate funds (e.g., GCF, GEF) are needed to innovate and scale carbon market investments.

What civil society and advocacy groups had to say :

Civil society focused overwhelmingly on ensuring that carbon markets are equitable, transparent, and beneficial to local communities.

- **Safeguards and Equity:**

The highest priorities are strong environmental and social safeguards, ensuring community tenure and access rights, and guaranteeing fair and transparent benefit-sharing for directly impacted communities.

- **Meaningful Participation:**

For civil society to effectively influence policy, there must be capacity building on carbon market fundamentals for CSOs themselves, coupled with mechanisms for genuine advocacy and inclusion in the policy development process.

- **Transparency and Accountability:**

Essential mechanisms include clear regulatory governance, accessible data disclosure, independent verification, and publicly available registries to ensure projects are credible and accountable to all stakeholders.

What the private sector had to say :

Private sector participants highlighted the need for stability, clarity, and reduced risk to make carbon markets an investable asset class.

- **Key Investment Risks:** The dominant barriers are policy and regulatory uncertainty, including fears of unexpected regulatory changes. Other major risks include methodological and crediting risks, complex certification processes, political and economic instability, and concerns about reputational damage or accusations of greenwashing.

- **Requirements for Attractiveness**: To attract investment, markets need simple, clear, and stable regulations aligned with global standards. Investors also seek long-term certainty, such as upfront letters of authorization for entire project crediting periods (e.g., 5+ years) to secure returns on investment.

- **Role of Public Intervention:** The public sector must catalyze private finance by de-risking investments. This can be done through policy certainty, financial guarantees, fiscal incentives (e.g., tax breaks), and building essential market infrastructure like national registries and MRV systems. A strong partnership approach between government and private actors is deemed essential for success.

Early experiences in carbon market engagement under Article 6

This session shared perspectives from partner agencies and Parties to share early experiences of integrating Article 6 into the NDCs and climate policies.

GIZ's support for Carbon Markets in Africa

Ritah Rukundo, GIZ

GIZ's support is systematically organized into three interconnected areas of intervention:

- **Enabling Regulatory Frameworks:** Providing support for developing national Article 6 strategies, legal and regulatory frameworks, and policies for emissions trading systems (ETS) and carbon taxes.
- **Building Technical Capacity:** Offering technical guidance on establishing Measurement, Reporting, and Verification (MRV) systems, Article 6 registries, and digital monitoring tools to ensure high-integrity carbon transactions.
- **Implementing Pilot Projects:** Actively supporting the development and implementation of sector-specific pilot projects, including feasibility studies and the creation of standardized methodologies and baselines.

UNEP - CCC insights on early experiences in Article 6 engagement

Andi Sanusi

Successfully embedding Article 6 into national climate plans requires action on three fronts:

- Countries must move beyond simply signaling intent to use Article 6. Their NDCs should provide detailed information on how it will be used conditionally, the preferred methodologies, overall GHG budget implications, and the roles of the private sector and local communities.

- Create explicit linkages between NDC targets and **national sustainable development priorities**. This ensures that Article 6 activities approved at the project level (using tools like the SD tool) directly contribute to these broader national goals.

- Developing strong domestic legal and regulatory frameworks is essential for governing participation in carbon markets. These frameworks are necessary to manage authorizations, ensure transparency, and align market activities with the sectors and rules outlined in the NDC.

Highlighted the practical connection between high-level NDC language and on-the-ground implementation, specifically through:

- Designated National Authorities (DNAs) using the NDC to communicate host country priorities to project developers in a greater nuance and detail.
- The use of the **Sustainable Development (SD) Tool** at the activity level to ensure projects deliver on development promises and contribute to the Sustainable Development Goals (SDGs).
- Called for countries to share their early experiences and challenges in drafting and finalizing their national carbon market frameworks to accelerate collective progress and avoid working in isolation.

Insights from the West African Alliance on Carbon Markets

Ousmanne Fall Sarr

Critical need for:

- **Systematic Coordination** that includes a structured needs assessment and partner mapping at national and regional levels to strategically align support, avoid duplication, and build synergies for Article 6 readiness.
- **Inclusive Multi-Stakeholder Engagement,** whereby national and regional platforms should be established (e.g., Carbon Market Hubs) to foster continuous dialogue among all stakeholders—government, private sector, communities, and financiers—which is essential for overcoming challenges and unlocking the investment needed to implement projects.

Lessons from Kenya's expereince

Ressa Kombi

Transition from a Disintegrated to a Coordinated, Multi-Donor Support Model:

Kenya's initial approach, where individual development partners supported isolated components, proved high-risk. The withdrawal of a single partner halted critical progress.

The lesson learned is to avoid siloed support. Kenya's solution is the Kenya FAST Project, which pools support from multiple partners under one coordinated steering committee. This ensures continuity, shared responsibility, and prevents the host country from being left stranded, thereby securing a more resilient path to Article 6 readiness.

Lessons from South Africa's expereince

Mkhutazi Steleki

South Africa's journey highlights that effective Article 6 implementation is not just about policy but about building cohesive institutions, conducting meticulous technical planning, and fostering inclusive coordination across all levels of government and society.

- **Mind the Implementation Gap:** There is a significant challenge in transitioning from being a climate negotiator to an implementer. This requires building entirely new institutional frameworks, policies, and human capacity ("warm bodies") that often do not yet exist, creating a major capacity gap for governments.

- **Critical Need for Whole-of-Government Coordination:** Success hinges on breaking down ministerial silos. South Africa is deliberately involving key departments like Finance, Transport, Energy, and Trade in drafting its carbon market framework. This is essential to align with existing systems (like their carbon tax) and avoid conflicting policies, especially when powerful ministries like Finance lead related initiatives.

Pragmatic, Step-by-Step Readiness:

- Drafting a **national framework** with international support.
- Conducting a **gap analysis** of their existing carbon registry against Article 6 requirements to decide whether to upgrade it or develop a new one, rather than rushing into a solution.
- **Continuous Capacity Building**: Running nationwide stakeholder consultations across all nine provinces to build understanding and identify needs, while actively seeking partners to provide the necessary technical resources to keep work progressing.

Lessons from Rwanda

Faustin Munyazikwiye

- Rwanda's key experience has been that early and comprehensive stakeholder engagement is critical.

- Establishing a cross-ministerial technical committee and decision-making board that included Finance and Environment was vital for creating a legitimate and easily adopted framework approved at the cabinet level.

- **Implementation Hinges on Technical Capacity and Realistic Timelines:** Despite a successful policy launch, Rwanda faces practical implementation challenges:
  - Building a national registry has proven complex, requiring redesigns. The solution is to plan for a transition period using an interim international registry while ensuring future interoperability.
  - **Scarcity of Local Experts:** A critical shortage of accredited local verifiers/validators makes the process expensive and discourages private sector investment. This requires regional capacity-building efforts.
  - **Integrity vs. Accessibility:** There is a tension between maintaining the rigorous processes needed for market integrity/transparency and making the system accessible enough to attract project developers. Changing this mindset is a key challenge.
- **NDC Integration Requires Concrete Data, Not Estimates:** A major strategic challenge is quantifying the carbon credit potential for the NDC. Without robust assessments, countries risk:
  - **Overselling:** Committing to sell more credits than they can actually generate, jeopardizing their ability to meet their own NDC targets.
  - **Negotiation Disadvantage:** Entering bilateral agreements with buyers who have superior data and understanding, putting the host country at a significant disadvantage. Rwanda highlights a crucial need for international support in conducting these assessments to ensure confidence in carbon market engagements.

Rwanda's experience demonstrates that even for a "first mover" with an approved framework, the biggest hurdles are technical execution, building local capacity, and securing the precise data needed to integrate carbon markets into NDCs without compromising national climate goals.

Lessons from Senegal

El Hadji Mbaye Diagne

- **Country ownership and a clear roadmap are paramount:** Senegal's success is rooted in developing its own national strategy and roadmap through two years of extensive consultation with all stakeholders (private sector, project developers, etc.). This allowed them to clearly identify their needs, gaps, and priorities. When international partners offered support, Senegal directed them to this existing roadmap, ensuring all assistance was aligned with national priorities rather than donor agendas.

- **The "Temporary Regulation" Strategy:** To avoid delays and capitalize on early mover interest from bilateral partners (e.g., Switzerland, Japan, Singapore), Senegal adopted a pragmatic approach. They enacted a temporary regulation to govern initial Article 6 activities. This allowed them to begin project identification and cooperation immediately while continuing to develop a more comprehensive and permanent legal framework in parallel.

- **Bilateral agreements under Art 6.2 demand significant technical capacity:** A major challenge highlighted is that not all bilateral cooperation is created equal. While engaging under Article 6.4 can be more straightforward, complex bilateral agreements under 6.2 (e.g., with Japan using JCM or creating new standards with Switzerland) require a very high level of technical and institutional capacity. These systems often demand that the host country actively participates in technical work, methodology approval, and issuance, necessitating robust procedures, guidelines, and trained personnel that many countries are still building.

Key Takeaways : Day 2

Session 7:
High integrity & impactful carbon markets under PACM

This session provided a behind-the-scenes look at the governance of the Paris Agreement Crediting Mechanism (PACM), explaining the foundations of its claims to high integrity and high impact. Featuring three members of the Mechanism's Supervisory Body (SB), the discussion detailed the rigorous, inclusive processes to ensure high integrity and high impact carbon credits under PACM, as well as views from the private sector through IETA.

Understanding the role of the PACM's Supervisory Body

El Hadji Mbaye Diagne | SBM Member & Co-chair Methodology Panel

The Paris Agreement Crediting Mechanism (PACM) is governed by a Supervisory Body (SBM) under the CMA (Conference of the Parties serving as the meeting of the Parties to the Paris Agreement). The SBM is composed of 12 members and 12 alternates, ensuring regional balance with two members from each of the five UN regions, plus one from LDCs and one from Small Island Developing States.

More details on the SBM Governance can be seen here.

A New, More Stringent Mechanism

""The PACM is not a simple continuation of the CDM. It is built to be more conservative and stringent based on the Glasgow rules and best practices."

Key examples of enhanced integrity include:

- **Stricter Baselines:** Baselines must be set below business-as-usual and must incorporate a country's NDC and the goals of the Paris Agreement.
- The mechanism is **activity-neutral,** covering all emission reduction and removal activities. **Only "avoidance" activities are excluded until at least 2028.**

- The development of the mechanism is highly transparent: all meetings are public, and all draft documents are published for stakeholder input well in advance.

Role and Work of the PACM Methodology Panel

- The Methodology Panel, consists of globally selected experts and operates with the same transparent, inclusive principles as the SBM.
- The panel is working on a two-track approach to create usable methodologies:
    - **Updating CDM Methodologies:** Existing CDM methodologies must be significantly revised to meet Article 6's stricter rules on additionality, baselines, and suppressed demand. They are prioritizing renewable energy and waste sector methodologies first.
    - **Developing New Methodologies:** New proposals are being assessed for sectors like clean cooking, hydrogen, and renewable water pumping, based on newly adopted standards.

Current Status and Next Steps

- There are already projects registered under A6.4, but these are all transitioned CDM projects. There are no new A6.4 projects yet because new methodologies are in the pipeline.
- The Methodology Panel aims to have at least one new methodology approved by COP 29, which would allow Project Participants (PPs) to submit new project activities.
- While universities, consultancies, and international bodies are active, more input is needed from governments to ensure that on-the-ground realities are reflected.

Roles and Responsibilities of Host Parties

Mr. Tirivanhu Muhwati, SBM Member

- Article 6.4 requires a **greater involvement and responsibility from host countries** compared to the Clean Development Mechanism (CDM), where involvement was often limited to a single focal point.

- Host countries must transition to a **"whole-of-government" approach**, requiring a team with diverse expertise, not just one person in the Designated National Authority (DNA).

“The success of the Article 6.4 mechanism depend heavily on host countries being proactive, well-equipped, and strategic regulators. ”

Core Responsibilities for Host Countries

To ensure environmental integrity and align with national goals, host parties have several mandatory ("shall") and recommended ("good to have") duties:

- **Strategic Alignment:** Ensure all A6.4 activities contribute directly to achieving the country's NDC and other climate strategies (e.g., Low Emission Development Strategies).
- **Authorization and Approval:** Host parties hold the final authority to approve all activities and authorize participants, ensuring projects don't overlap and align with national development objectives.
- **Technical Oversight:** Actively manage crediting periods (including renewals) and have the capacity to develop or approve standardized baselines.
- **Integrity Management:** Perform corresponding adjustments to national emissions inventories when Internationally Transferred Mitigation Outcomes (ITMOs) are exported.
- **Ongoing Engagement**: Continuously interact with the Supervisory Body and can request reviews or voluntary cancellations of activities.

Urgent Need for Capacity Building and National Frameworks

- The wide range of responsibilities necessitates significant internal capacity building within governments, universities, and research institutions.

- Host countries must develop robust national legal and regulatory frameworks to govern authorizations, which are legal processes.

- It is crucial to nationalize international tools, such as the mandatory sustainable development tool, and establish national-level grievance mechanisms, benefit-sharing plans, and Free, Prior, and Informed Consent (FPIC) processes to ensure high integrity and equitable outcomes, especially for African nations.

Accreditation under the PACM

Mkhutazi Steleki
SBM Member & Co-chair Accreditation Expert Panel

The Accreditation Expert Panel is responsible for accrediting Designated Operational Entities (DOEs), which are the independent auditors that validate and verify emission reductions. Under PACM, rigorous accreditation process ensures market credibility and environmental integrity, as it guarantees the units generated are real and verifiable.

A Rigorous and Comprehensive Process
The accreditation process is highly technical and thorough. It involves:

- A formal application against set standards and procedures.
- Global stakeholder consultation, desk reviews, and on-site assessments.
- Evaluation of the entity's capacity, expertise, and governance across specific scopes (e.g., energy, suppressed demand).

The panel makes recommendations to the Supervisory Body, which holds the final decision-making authority.

Opportunities under PACM : Taking the Private Sector Pulse

Bjorn Fonden, IETA

- The private sector views carbon markets as an essential tool for achieving net-zero commitments, which are now held by a majority of large global companies.
- There is significant, quantified demand for high-integrity credits, notably from schemes like CORSIA (460 million tonnes by 2030) and sovereign buyers 200M tonnes by 2030, indicating a ready market for PACM credits.

- A survey of **over 100 companies** reveals **strong interest** in **transitioning projects to the PACM.**

- The key attractions for the private sector are:
  - The UNFCCC stamp of approval mitigates reputational risk.
  - Credits are expected to command a significant price premium, with buyers willing to pay >$10 more for ITMOs than for standard voluntary credits.
  - Host country authorization and robust UN rules provide long-term investment certainty.

- The private sector identifies Agriculture, Forestry (ARR), Carbon Removals (CDR), and Clean Cookstoves as key areas of interest under PACM.

- However, there is a concern that the draft standards could be difficult to comply with due to overly stringent requirements on monitoring and reversal risk.

The main barrier is now domestic, not international:

- **With the rules largely finalized post-COP 29, the primary barrier to investment is no longer international uncertainty but host country regulatory frameworks.**
- **Private investment is stalled by unclear national rules on authorization processes, benefit-sharing, fees, and registry integration. Companies need predictable and transparent domestic systems to deploy capital.**

In a wide-ranging discussion that followed, there were some questions and themes that are often common queries.

Here is what the UNFCCC and the SBM members had to say about them:

If we participate in PACM, what about participating in bilateral arrangements under 6.2?

"The fundamental advantage of the Article 6.4 mechanism is its built-in compliance with UN rules. Because it is designed to meet all Article 6.2 requirements by default, the credits it generates are immediately eligible for international transactions, eliminating the need for additional verification and streamlining the process for host countries and buyers."

Mbaye Diagne

When do we see actual transactions under PACM?

"Actual transactions using PACM credits are expected to begin soon, but the volumes would need at least a year to scale.

- **Immediate (Now - Near Future):** The first transactions will involve units from transitioning CDM projects that are already registered under PACM. These can be used in Article 6.2 transactions.
- **Starting Next Year (2025):** New projects can begin registering under PACM, thanks to the new methodologies expected by the end of 2024.
- **Significant Volume (~2026):** A substantial flow of units from these newly registered projects is expected in approximately two years, as projects require time after registration for implementation, monitoring, and verification before issuing credits.

Crucially, PACM itself is a crediting mechanism, not a trading platform. It generates high-integrity units, but the actual transactions (buying/selling) occur under Article 6.2 frameworks or voluntary markets."

The host country DNAs are often confused about the practical differences between Article 6.2 and Article 6.4, particularly regarding Letters of Approval versus Letters of Authorization, CDM transition and when a credit can actually be traded.

What is the way forward?

" **1. Approval vs. Authorization:**

- **Approval (for CDM Transition)**: This is a separate, preliminary step. Host countries have until December 31, 2025, to give approval for CDM projects to transition to PACM. This is not an authorization and does not pre-determine how the resulting credits can be used.
- **Authorization (for Credit Use):** This is a later, distinct decision that specifies if credits can be used for compliance (e.g., towards an NDC) or other purposes. PACM rules provide flexibility, allowing host countries to issue this authorization after credits are issued but before their first international transfer.

- **PACM vs. Article 6.2:**
  - PACM is a Crediting Mechanism: It generates high-integrity units. The actual transactions (buying/selling) occur under Article 6.2.
  - **PACM's Key Advantage:** Units from PACM are **pre-approved** for Article 6.2 use because the mechanism is built to meet all UNFCCC requirements by design. This reduces the risk of inconsistencies or rejections during international review, a risk that exists with other standards.
  - **Defining an ITMO:** A credit becomes an Internationally Transferred Mitigation Outcome (ITMO) upon its **first international transfer**. The term "Authorized Mitigation Outcome" (AMO) describes a credit that has been authorized by a host country but has not yet been transferred.

- **Key Benefit of PACM for Host Countries: Simplified Reporting**
  - PACM acts as a standardized, multilateral platform.
  - If a country has multiple projects, it only needs to submit **one initial report** to cover all PACM activities, rather than separate reports for each bilateral (Article 6.2) agreement. This significantly reduces the administrative burden for DNAs."

Perumal Arumugam, UNFCCC Secretariat

For land-based projects, shouldn't activities related to forests follow the established rules under Article 5.2 (REDD+) rather than trying to fit into PACM?

""For forest-based activities, a host country must first have an approved REDD+ strategy under Article 5.2 before such activities can be eligible under PACM, creating a clear link between the two articles."

Perumal Arumugam, UNFCCC Secretariat

Session 8:
De-risking carbon market and stimulating demand

This session explored the essential financial tools and strategic approaches that could make carbon market investments more attractive and less risky. The discussion examined a spectrum of solutions—from guarantees and insurance products to innovative blended finance models—that could protect investments and enhance returns.

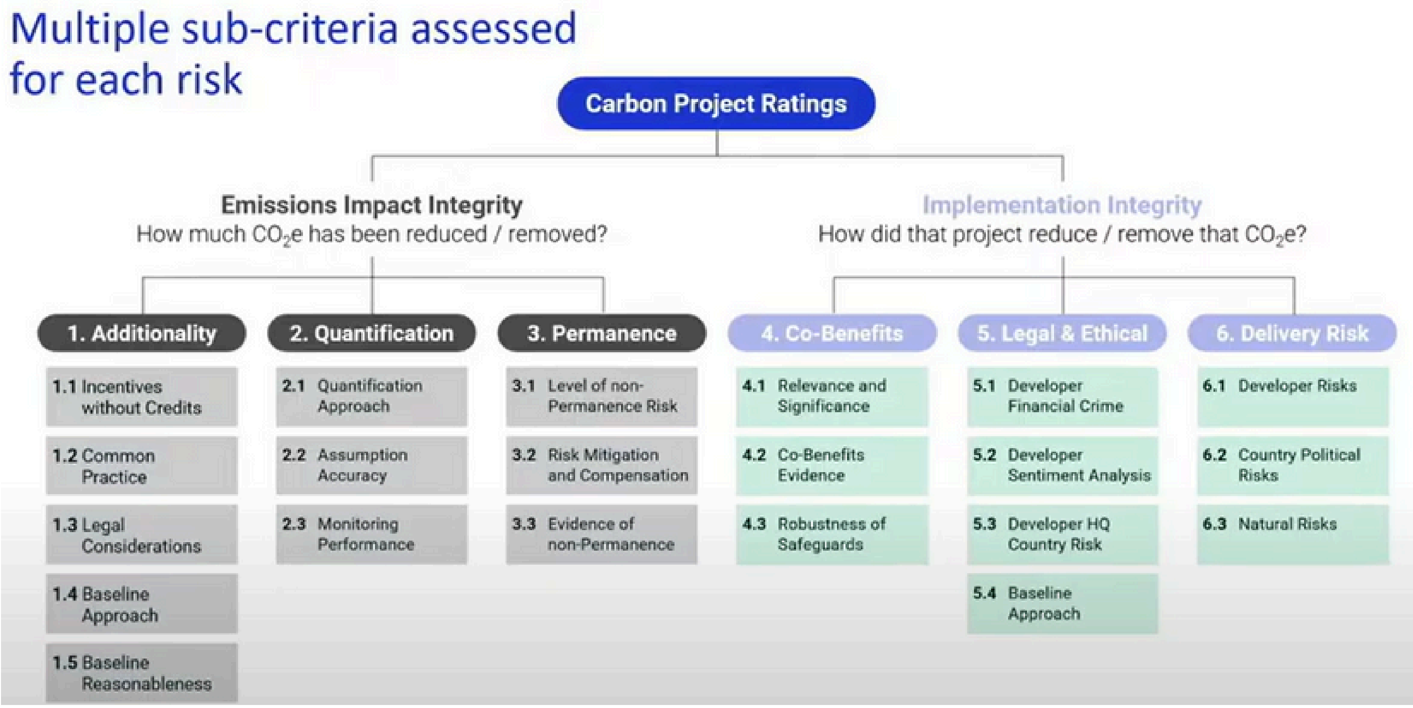
A key focus was on how a more enabling regulatory environment was fundamental to building investor confidence. The session unpacked the strategies to de-risk carbon markets and accelerate the flow of capital towards high-integrity, high-impact climate action.

Understanding risks in Carbon Markets

Juana Fernandez | Vice President and Carbon Markets Lead
Morgan Stanley Capital International (MSCI)

A framework for assessing Carbon Credit integrity

- Integrity and reputational risk are multi-faceted. MSCI evaluates projects against six core criteria:
    - Emissions Impact (Additionality, accurate quantification, and permanence).
    - Project Integrity: Co-benefits, legal/ethical standards (e.g., community engagement, benefit-sharing), and delivery risk (for ex-ante projects).
- This framework is aligned with the Core Carbon Principles (CCPs) and uses geospatial tools and in-depth due diligence to provide a standardized, comparable assessment of project quality.



- **MSCI's Article 6 Integrity Framework assesses:**
  - **Country Ambition & Delivery:** Evaluates if a country's NDC is ambitious and if it is on track to meet its targets, using a blended model that includes a "fair share" principle. A corresponding adjustment from a country that is ambitious and on track is considered higher quality.
  - **Revocation Risk:** Assesses a country's Article 6 readiness (market activity, regulatory infrastructure) and general operating environment (political/economic stability) to gauge the risk of a government revoking an authorization.

3. The Letter of Authorization (LOA) is a Critical Quality Signal

- At the project level, the **clarity and comprehensiveness of the LOA** are key indicators of integrity.
- High-quality LOAs are **publicly available**, meet all mandatory UNFCCC requirements, clearly define the "first transfer," set revocation conditions, and outline **benefit-sharing mechanisms**. .

4. Market Data Shows a Strong Premium for High-Integrity Credits

- **Buyers are increasingly prioritizing quality.** Data shows retirements of high-integrity credits (rated 'A' or above) have doubled, while retirements of lower-quality credits have significantly decreased.
- This demand is creating a **widening price premium** for high-quality credits. New projects in the pipeline are of significantly higher integrity than older, registered projects, indicating the market is driving quality improvement.

Mitigating carbon market risks in Africa through the ACSF

Dr. Olufunso Somorin, Regional Principal Officer Climate Change & Green Growth
African Development Bank

- **Learning from Africa's historical performance in Carbon Markets**
  - The continent has historically been left behind, accounting for only 2% of projects under the Kyoto Protocol's CDM and with 70% of recent Voluntary Carbon Market (VCM) credits coming from just five countries.
  - A primary reason for this underperformance is identified as a critical lack of available capital to develop both the necessary policy frameworks and the projects on the ground.
  - The AfDB recognizes that carbon finance is now a central pillar in the NDCs of nearly all African countries. Therefore, supporting its development is key to achieving implementable NDCs.
  - The Bank is integrating carbon finance into its traditional operations and has begun approving dedicated carbon projects, such as one in clean cooking.

To address the finance gap at scale, the AfDB is developing a new, standalone African Carbon Support Facility. This facility is designed to be demand-driven and substantially capitalized. It will operate through two strategic windows:

- **Upstream Window:** Focused on targeted policy and capacity support. A key initiative is to develop a readiness index/matrix for African countries to help donors provide equitable, targeted support and avoid duplicating efforts in some countries while ignoring others.
- **Downstream Window:** Aimed at correcting market concentration by providing financing (guarantees, equity, concessional loans) to African-owned and structured project developers. Currently, only 19 developers are responsible for 65% of Africa's VCM credits, and the goal is to foster a more diverse and equitable ecosystem.

The facility will use its selection and investment process as a tool to incentivize and champion high-integrity projects, aligning financial support with environmental and social credibility.

Support for de-risking carbon markets by IRENA

Ahmed Abdelaziz Al Badr - Director Project Facilitation and Support | IRENA

- **Role as a Facilitator and De-risker, Not a Bank**
  - IRENA acts as a facilitator and fund manager, not a bank. Its core function is to assemble partnerships and de-risking instruments to accelerate projects to financial closure, with the responsibility for funding lying with its partner institutions.

- **Strategic Partnerships to De-risk Projects for Africa**
  - A key strategy is partnering with major institutions to mitigate risks that typically block investment in Africa. This includes working with Swiss Re to provide guarantees for development banks (like AfDB) against losses, making them more confident to lend.

IRENA is also collaborating with MIGA (World Bank Group) to create guarantees for authorization letters, covering unique risks like geopolitical instability, e.g. Ukraine.

3. Concrete Initiatives to Channel Demand to Africa

A major initiative is a partnership with the International Civil Aviation Organization (ICAO) for CORSIA. They are creating a dedicated investment window to validate and finance CORSIA-eligible projects, with Boeing (and potentially Airbus) as a key private sector partner.

This includes financing Sustainable Aviation Fuel (SAF) feedstock production in Africa, specifically identifying Kenya and Côte d'Ivoire as potential hubs.

Session 9:
Understanding Demand & Market Potential

This session explored the evolving demand landscape for carbon credits under Article 6 of the Paris Agreement. It delved into the key drivers fueling demand from both compliance and voluntary markets, as well as from national climate commitments. The discussion also featured data-driven forecasts on potential market growth, pricing, and the critical risk factors that will shape the future of international carbon trading.

Demand Drivers and Market Outlook - Article 6

Juana Fernandez | Vice President and Carbon Markets Lead
Morgan Stanley Capital International (MSCI)

- **Sovereign Demand is Growing but Concentrated, While Supply is Fragmented**
  - Sovereign interest in Article 6 is increasing, with about 30 agreements now in the implementation phase. A significant shift is that one-third of these are with Sub-Saharan African countries, positioning the region as a frontrunner.
  - However, demand is concentrated among a handful of buyers (e.g., Switzerland, Japan, Singapore), while potential supply is spread across over 40 countries. This fragmentation is a current bottleneck for market scale.
- **Article 6 Credits command significant premium**
  - Early data indicates a substantial price premium for Correspondingly Adjusted ITMOs (from both Article 6.2 and PACM) compared to standard voluntary credits.

- A clear example given was energy efficiency credits: while the VCM price index is around **$3.5**, transactions for authorized Article 6 credits in the same sector are occurring in the **$10-$20+ range**.
- This premium is driven by the credits' compliance value and higher integrity, though public price transparency remains limited.

- **CORSIA is the dominant short-term demand driver, facing a supply crunch**
  - The **CORSIA scheme is the most significant immediate source of demand** for Article 6 credits, with projected demand of up to **163 million tons** by 2027.
  - Forecasts show a likely **supply shortage**, which could drive CORSIA-eligible credit prices to a range of **$26 to over $60 per ton** in the near term, with long-term projections as high as **$125+ per ton by 2035**.

- **PACM is positioned to capture future high-value demand**
  - While current transactions are under Article 6.2, the PACM is strategically important because its credits are **"built-in" to meet all Article 6 requirements**. This inherent alignment makes them lower-risk and highly attractive for compliance buyers, positioning them to capture the significant price premiums identified in the forecasts.

- **Clear Market Signals from Host Countries are Critical to Unlock Supply**
  - To attract investment, host countries need to provide clear signals, particularly by publishing **"positive lists"** of project types they are willing to correspondingly adjust.
  - Providing clarity on authorized volumes would give developers and investors the confidence to fund projects and scale up the supply needed to meet the projected demand.

- **The Global Carbon Market is Poised for Major Growth**
  - The global carbon credit market is projected to grow from **$1.5 billion to upto US$ 35 billion by 2030**. A key finding is that **half of the total demand by 2030 could be for Article 6 credits**, highlighting the critical role of the mechanism in the future of carbon finance.

Summary of Discussions: Demand Drivers & Market Outlook

The voluntary carbon market (VCM) likely **peaked in volume in 2023**. The market is now expected to evolve, with a potential future where the VCM becomes a smaller, high-value market focused on funding **new removal technologies and high-cost mitigation options**, while compliance markets (particualrly Article 6) dominate in volume.

- **CORSIA remains the most concrete source of near-term demand** for Article 6 credits, with projections of **140-160 million tons** needed.
- Beyond current compliance schemes, the long-term driver will be the need for **gigaton-scale carbon dioxide removal (CDR)**. The science is clear: even after achieving net-zero emissions, the world will need to remove **hundreds of gigatons** of CO_2 from the atmosphere to stabilize concentrations at a safe level.
- This creates a fundamentally **optimistic long-term outlook** for carbon markets, with demand extending well beyond 2050 to service net-negative targets.

Sovereign Demand is Currently Undersized but Has Growth Potential

- Current sovereign demand modeling is **conservative**, based only on countries that have explicitly stated their intention to use Article 6.
- The **next round of NDCs (2025)** is a critical opportunity. If more countries include clear, quantitative targets for using international carbon markets (Article 6), the projected sovereign demand could increase substantially.

Session 10:
Enhancing collaboration and capacity building

This session highlighted some of the key support initiatives and resources available from regional and multilateral actors, aimed at building technical capacity, institutional readiness, and collaborative frameworks essential for effective carbon market participation in Africa—and beyond.

GIZ Capacity-Building Approach to Article 6

Sven Egbers, GIZ

- **A Three-Pillar, Integrated Strategy**
  - GZ's support is structured around three interconnected pillars that reinforce each other:
    - **Pillar 1: Readiness:** Developing foundational Article 6 strategies, legal frameworks, and institutional structures, including technical capacity for authorization, and reporting amongst others.
    - **Pillar 2: Capacity Building:** Long-term, hands-on training for government, private sector, and civil society, moving beyond one-off workshops to consistent support adapted to each country's context.
    - **Pillar 3: Pilot Projects & Sectoral Approaches:** Implementing practical, on-the-ground projects (e.g., green cooling, e-cook stoves) to demonstrate how carbon markets work in practice and create "learning by doing" opportunities.
- Pilots inform policy, policy gives investors confidence, and capacity building ensures all actors can play their roles. Focusing on only one area—such as laws without pilots or training without practical application—risks creating unused frameworks or unscalable projects.

Growing Momentum and Complexity

- There is a recognized surge in interest in carbon markets across Africa, extending beyond the core "Article 6 bubble." However, the complexity of carbon markets remains a significant barrier, creating a strong and growing demand for an integrated and long-term technical support.

UNIDO: A New Program for Industrial Decarbonization

Petra Schwager, UNIDO

UNIDO is launching a new Global Carbon Solutions program. As the UN agency mandated for inclusive and sustainable industrial development (SDG 9), its unique focus is on leveraging carbon markets to drive green industrial development and decarbonization in the industrial sector.

The program is structured around three core pillars to build host country readiness:

- Institutional & Legal Support: Establishing legally recognized systems and MRV frameworks.
- Capacity Building: Training government and other actors.
- Article 6 Strategy Development: Creating clear national strategies to attract investment.

Focus on Industrial Project Pipelines, Especially Green Hydrogen

- A key differentiator is its focus on developing a carbon project pipeline specifically for industrial decarbonization. A flagship initiative is the development of a new carbon methodology for green hydrogen projects, leveraging UNIDO's existing global program in this sector to pilot and validate the approach.
- UNIDO explicitly aims to complement, not duplicate, existing efforts. The organization is reaching out to other agencies and partners to coordinate support, offering to "pick up where others drop out" and provide targeted assistance based on a country's specific stage of readiness.
- Leveraging its established role, UNIDO plans to actively engage the private sector to contribute to Article 6 readiness and project development, tapping into an underutilized potential for collaboration.

UNEP-CCC: Capacity Building and Market Integrity

Andi Sanusi, UNEP - Copenhagen Climate Centre

UNEP Copenhagen Climate Centre is developing user-friendly, public platforms to bring transparency to the Article 6 landscape.

The key initiatives include:

- **Article 6 Pipeline:** A tool to track and simplify data on Article 6.4 activities, including CDM transitions, to promote market transparency.
- **Sustainable Development (SD) Tool Initiative:** Actively working to pilot and improve the user-friendliness of the SD tool for project developers, feeding practical insights back into the UNFCCC's supervisory body (SBM) negotiations.

Strong Focus on Integrating Sustainable Development

A core objective across all UNEP's work is to ensure Article 6 activities deliver tangible co-benefits and adhere to a "no harm" approach. They are engaged in policy dialogues and capacity building specifically to embed sustainable development at the heart of carbon market activities.

Collaborative and Non-Duplicative Support

Emphasized a commitment to coordination and avoiding duplication while providing coherent advice to governments by aligning with other organizations, ensuring countries receive consistent support and are not confused by conflicting guidance.

Bridging the Gap Between Readiness and Transactions

The UN-RED Programme specifically focuses on moving countries past readiness to commercial deals. This includes:

- Facilitating Public-Private Partnerships: Believing that scaling carbon markets requires blending public and private sector strengths.
- Hosting Supply-Demand Roundtables: Organizing events to connect governments with near-term supply to potential buyers, starting commercial conversations 12-18 months before credits are issued to ensure the market functions effectively.
-

UNFCCC Secretariat: A scalable and responsive Article 6 Capacity-Building Strategy

Zubair Shahid - UNFCCC Secretariat

Shifting from negotiations to implementation demands new scales and modes of support

With Article 6 now in the implementation phase, the demand for support has surged. The goal is to transform the current "carbon markets bubble" as alluded to earlier into a vibrant space of action oriented capacity building, requiring a massive yet coordinated effort.

An iterative approach to capacity building

The UNFCCC secretariat's strategy for capacity building on Article 6 is structured around a graduated, three-step approach to ensure support is relevant to a country's specific stage:

- **Foundational:** Providing basic knowledge products for newcomers to understand Article 6 fundamentals.
- **Enabling:** Offering targeted support for developing national frameworks, such as helping countries create "positive lists" of eligible project types.
- **Market Ready:** Focusing on advanced implementation to move countries toward active market participation.

A key focus is on enabling sustainable knowledge sharing and capacity development - both in terms of accessibility and scale. The secretariat is developing and publising accessible, and virtual knowledge resources including explainers and guides to ensure that the important knowledge is accessible to all stakeholders rather than a finite group attending its capacity building events. This would ensure that the knowledge is not just accessible to a broader set of stakeholders globally, but ensure that accurate information is provided rooted in the agreed decisions and guidelines.

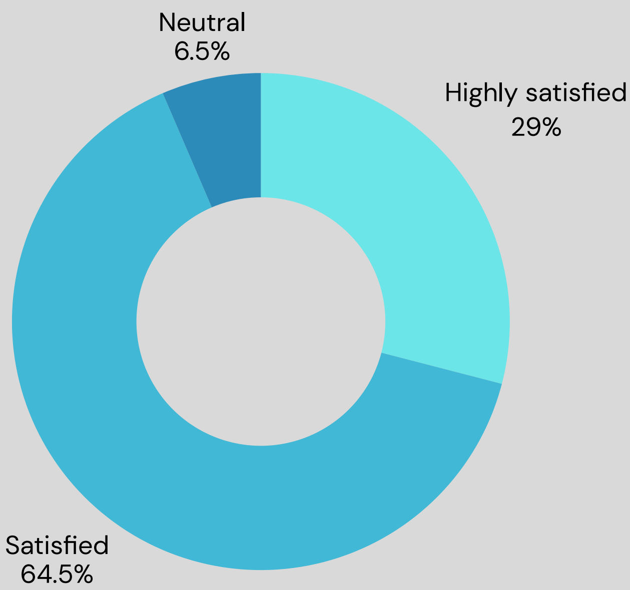
Prioritizing Regional Engagement and Partnerships

The Secretariat is leveraging its Regional Collaboration Centers (RCCs) to bring support "as close to the ground as possible." It strongly emphasizes collaborating with regional actors and other partners (e.g. GIZ, UNIDO, IRENA) to leverage comparative advantages, avoid duplication, and ensure a unified message reaches all stakeholders.

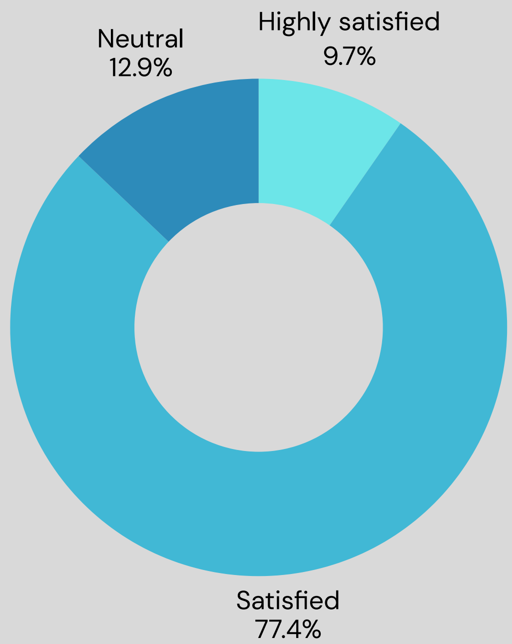
Participant Feedback

How satisfied are you with the knowledge you gained from this training on the following topics?

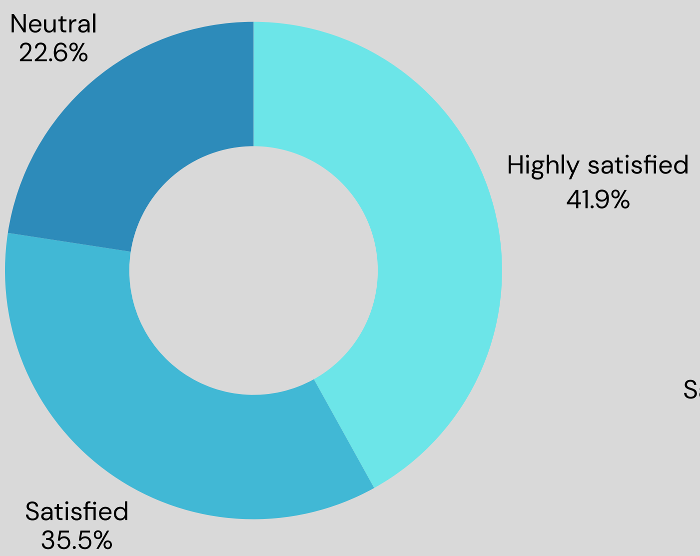
The role of Article 6 in supporting the implementation and enhanced ambition of NDCs.



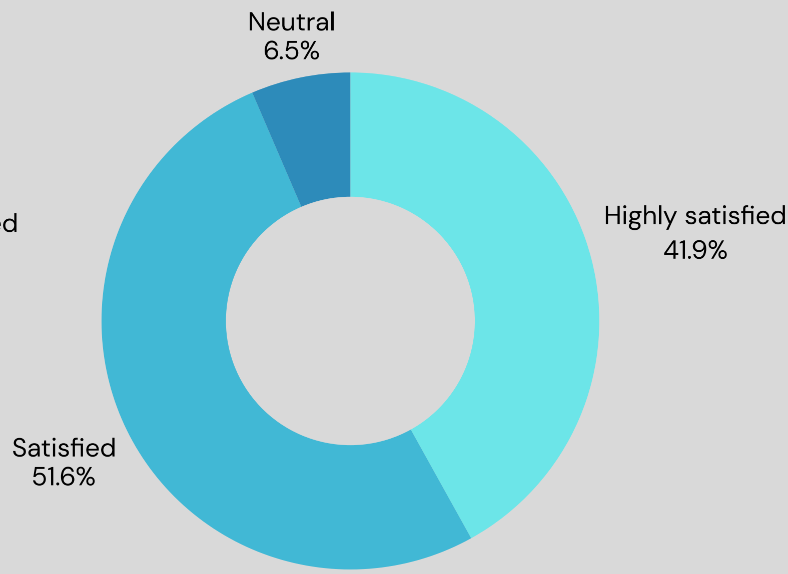
The roles, responsibilities, and participation requirements of Host Parties under Article 6



Better understanding of the high integrity attributes of PACM

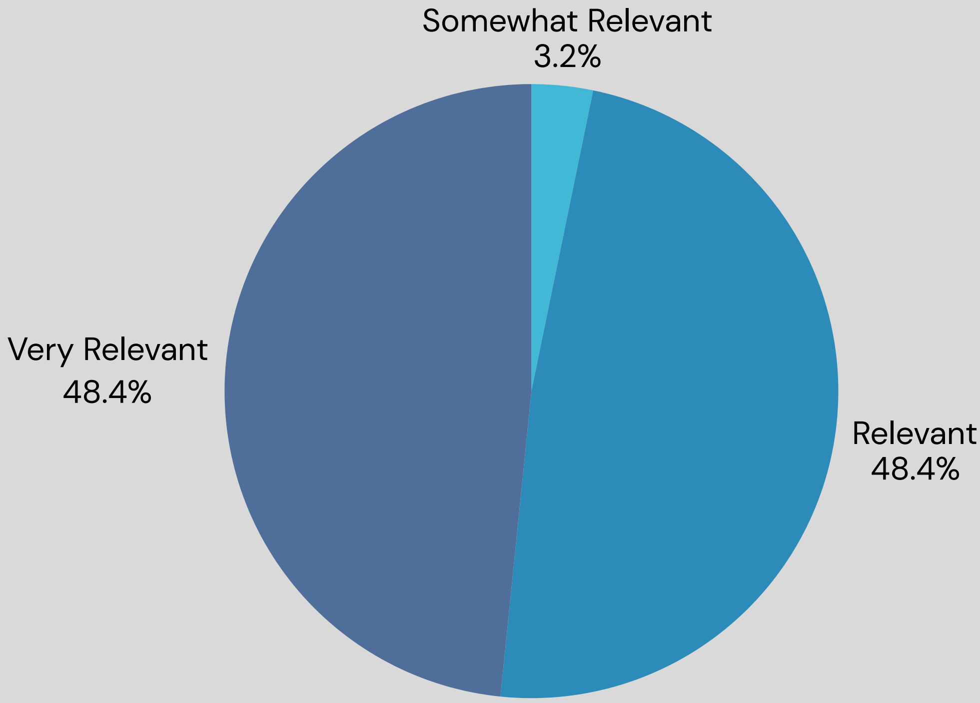


Better understanding of Article 6.4 / PACM

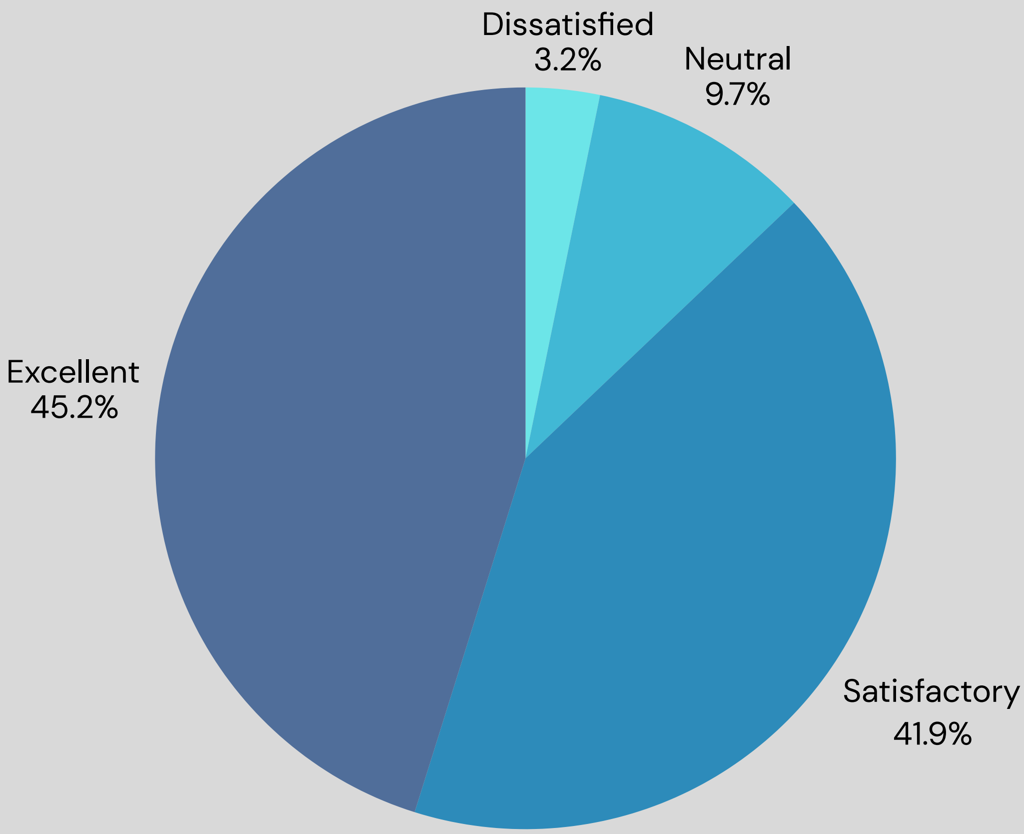


Participant Feedback

Was the information provided useful and relevant for your engagement with Article 6 in your context?



How would you rate the format and delivery of the programme?



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