

Capacity building and stakeholder consultation on feasibility of carbon Pricing instruments in Cameroon and Article 6

Concept Note:

24 – 26 September 2024, Yaoundé, Cameroon

1- CONTEXT

Carbon pricing is an economic-based approach to reducing GHG emissions through the imposition of a price on carbon, thereby encouraging investment in more climate-friendly solutions. It is a very cost-effective instrument to combat greenhouse gas (GHG) emissions and to ensure low-carbon development. Carbon pricing can contribute to both the achievement of Nationally Determined Contributions (NDCs) and low-carbon development strategies in the long term. To date, an ever-increasing number of governments in countries around the world are considering implementing carbon pricing policies in their efforts to reduce GHG emissions. The number of carbon pricing instruments in operation worldwide is now 75, a net gain of two since April 2023. There are now slightly more carbon taxes in operation than ETs (39 taxes versus 36 ETs). In recent years, an increasing number of developing countries have launched initiatives to analyze and introduce carbon pricing, particularly in Africa (e.g. Côte d'Ivoire, Senegal, Ethiopia, Nigeria, Malawi, Ghana and South Africa).

In his opening remarks at COP25, UN Secretary-General Antonio Guterres stressed the need for "political will to tax carbon", "political will to end fossil fuel subsidies" and, in general, "political will to move from income taxation to carbon taxation – taxing pollution rather than people". In a recent speech he gave on December 2, 2020, he stressed, following many climate organizations, that the cost of carbon pollution should be factored into the price of fossil fuels, as this is a measure that would bring certainty and confidence to the private and financial sectors.

Cameroon has demonstrated a robust intent to explore carbon pricing instruments and the potential they pose to limiting emissions growth and revenue mobilization for climate action. An example includes incorporating carbon pricing objectives in its NDC (2021) and National REDD+ Strategy (2018). Also, a circular by the President on 30 August 2023 indicated the country's considerations for the introduction of a carbon tax in the fiscal year 2024.

With a view to mobilizing domestic resources, Cameroon is requesting support from the CIACA initiative to explore the establishment of carbon pricing instruments to enable it to mobilize resources internally for the implementation of its NDC. To achieve this, there is a need to build the capacity of key stakeholders and sector players, ensuring they have a solid understanding of carbon pricing, which will help them make informed decisions. The training workshop will also provide participants with understanding of Article and its role in NDC implementation.

2- OBJECTIVE OF THE WORKSHOP

The main objective of the workshop is to raise awareness among Cameroonian stakeholders about economic instruments, such as carbon pricing, that can be explored nationally to reduce emissions in line with the goals of the Paris Agreement. This will constitute a consultative approach to conducting a carbon pricing feasibility study in Cameroon which ensures that relevant stakeholders are engaged

and have good understanding of various instruments and their implications to guide any possible decisions they country may wish to consider.

The workshop will focus on the following main themes:

- Offer a detailed understanding of carbon pricing, covering its purpose, various approaches in the Cameroonian context, and various initiatives in Africa.
- Highlight the opportunities and benefits of implementing carbon pricing for mitigation measures and low-carbon development.
- Discuss the possibilities for utilizing revenues generated through carbon pricing within the implementation context.
- Provide a comprehensive overview of Article 6 of the Paris Agreement, including its approaches (6.2, 6.4, and 6.8), and explain its role in raising ambition and the implementation of NDCs.
- Explain the link between carbon pricing and various elements of international climate policy: (i) climate finance; (ii) monitoring, reporting, verification (MRV) and transparency; (iii) cooperative action under Article 6; and (iv) needs-based funding.

3- RESULTS

The expected results include:

- Build capacity on the topic of economic instruments for mitigation, in particular carbon pricing and Article 6 with a particular focus on emissions reduction and revenue mobilization for enhanced climate action in the broader context of the Paris Agreement.
- Understand the different elements of the Paris Agreement that are related to carbon pricing.
- Understand the different African experiences in this area and lessons learned
- Establish the link between carbon pricing and Article 6 and the implementation of the Cameroon's NDC;
- Establish a preliminary list of policies that may be linked and/or influence a possible national consideration of carbon pricing
- Understand the type of support that can be provided through the Ci-ACA project
- Through a consultative approach, conduct a feasibility study on the implementation of possible carbon pricing instruments
- Discuss a possible roadmap to further explore and pilot any carbon pricing instrument that the country may be interested in

4- WORKSHOP FORMAT

Organizers: Ministry of Environment, Protection of Nature and Sustainable Development (MEPNSD) in partnership with RCC WAC Africa

UNFCCC Regional Lead

Staff from the RCC WAC Africa = 2 (Article 6 and Carbon pricing expert, and NDC <-LEDS expert)

Participants

Up to 35 participants from the following stakeholder groups:

- Designated National Authorities for Article 6.4 and other relevant officials in associated roles across various ministries/national agencies.
- UNFCCC National Focal Point.



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- Technical Experts in Cameroon's REDD+ programme.
- Participants from key NDC sectors (Energy – Electricity Generation, Energy – Transport, Agriculture, Agriculture – Livestock, Forestry, etc.)
- Ministry of Finance
- Ministry of Economy, Planning and Regional Development
- Ministry of Environment, Protection of Nature and Sustainable Development (NDC Team)
- National Observatory on Climate Change
- Academia (e.g. University of Yaoundé, University of Douala)
- Urban Communities of Douala and Yaoundé
- Representatives from private sector (Eneo, Hysacam, GECAM)
- National REDD+ and Climate Change Civil Society Platform and other relevant NGOs
- National independent experts
- UNDP, FAO, GIZ, JICA, AFD
- JVE (Jeunes Volontaires pour l'Environnement) - Young Volunteers for the Environment.

Duration

3 days

Date

24 - 26 September 2024

Place

hôtel Merina

AGENDA

Timetables	Thematic	Responsible
08:30 - 09:00	Registration	
09:00 - 09:30	Opening Ceremony: <ul style="list-style-type: none"> ✓ A word of welcome ✓ Round of introduction ✓ Message from the Regional Lead RCC WAC Africa ✓ Message from the Ministry Representative 	UNFCCC NFP RL RCC WAC Africa MEPNSD Participants
09:30 – 10:30	<u>Section 1: Scene setting presentation – 45 minutes</u> <ul style="list-style-type: none"> ✓ Paris Agreement Overview - Main obligations of Parties under the PA with a focus on NDCs and ETF ✓ Nationally Determine Contributions (NDCs) with a focus on Cameroon's current NDC and NDC 3.0 priorities. ✓ Presentation on the Guidance for NDC under the Decision 4/CMA.1 Discussion (Q&A) – 15 minutes	RCC NDC & LT-LEDS Expert
10:30 – 11:00	Coffee break and Photo Group	All
	<u>Session 2: Introduction to Carbon Pricing – CIACA and Climate Finance</u>	



Timetables	Thematic	Responsible
11:00 – 11:45	<p><u>Sub-session 2.1: Introduction – 30 minutes</u></p> <ul style="list-style-type: none"> ✓ What is carbon pricing? How does it work? ✓ Brief overview of the main approaches ✓ What can carbon pricing be used for? (Benefits of Carbon Pricing) <p>Discussion (Q&A) – 15 minutes</p>	RCC WAC Africa Article 6 and Carbon Pricing Expert
11:45-12:30	<p><u>Sub-session 2.2: Specificities of carbon pricing (the regional aspect) – 45 minutes</u></p> <ul style="list-style-type: none"> ✓ What are the different types of carbon pricing instruments? Pros and Cons of Different Options <p>Discussion (Q&A) – 15 minutes</p>	RCC WAC Africa Article 6 and Carbon Pricing Expert
12:40–13:40	Lunch break	All
13:40–14:40	<p><u>Sub-session 2.3: introduction to CIACA Initiative – 40 minutes</u></p> <ul style="list-style-type: none"> ✓ What is the CIACA project? ✓ Status of work under the CIACA Initiative ✓ Carbon pricing initiatives in Central Africa ✓ What are the opportunities and challenges in the region? <p>Discussion (Q&A) – 20 minutes</p>	RCC WAC Africa Article 6 and Carbon Pricing Expert
14:40 – 15:15	<u>Sub-session 2.4: Experiences sharing by Gabon/Senegal/</u>	
15:15 – 16:00	<p><u>Sub-session 2.5: Group Hands-on exercise on carbon pricing: - 45 minutes</u></p> <p>Participants will be put into groups and practice an exercise to enhance their understanding of the linkage between carbon pricing, domestic revenue and NDC implementation.</p>	Experts and Participants
16: 00 -16: 15	<p><u>Group presentation on group exercise – 15 minutes</u></p> <ul style="list-style-type: none"> ✓ Experience sharing on group exercise by group reps. 	Group Reps
16: 15 -16: 30	End of the Day 1	
Day 2		
09:00–09:30	Recap of the Day 1	Participants
	Session 3: Possibility to operationalize Carbon Pricing in Cameroon	
09:30 – 10:30		Invited Lecturer from the University of Yaoundé II.



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Timetables	Thematic	Responsible
	<p><u>Sub-session 3.1: Legal and Governance Framework for operationalizing carbon pricing in Cameroon.</u></p> <ul style="list-style-type: none"> ✓ Presentation of the Climate Action Governance Framework in force in Cameroon ✓ Current status of economic instruments that give benefits to low-carbon solutions ✓ What is planned for the next 5 or 10 years? What are the opportunities at the national level/ see the international context? <p>Discussion (Q&A)</p>	
10:30 – 10:45	Coffee break	All
10:45 – 11:45	<p><u>Sub-session 3.2: MRV for Carbon Pricing</u></p> <p>Presentation on MRV arrangements for climate action in Cameroon. Identification of challenges and gaps.</p> <p>Discussions and Q&A – 15 minutes</p>	Designated National Authorities for Article 6.4
11:45 – 12:15	<p><u>Sub-session 3.3: Cameroon’s Carbon Market Experience</u></p> <ul style="list-style-type: none"> - Presentation on Cameroon’s REDD+ and CDM experience and how that can be leveraged for carbon pricing implementation. 	Designated National Authorities for Article 6.4
12:15 – 13:30	<p><u>Sub-session 3.4: Breakout Session: What could work for Cameroon? Identification of appropriate carbon pricing initiatives</u></p> <p>An interactive group sessions to exchange views on national carbon pricing priorities.</p> <p>Facilitated discussion on:</p> <ul style="list-style-type: none"> - What is the national decision-making process regarding the review or implementation of carbon pricing instruments? - What could be the main carbon pricing approaches and instruments considered for your country? - What are the concerns to be taken into account? How to ensure the best alignment with national objectives/priorities? - What are the priority areas to consider when developing carbon pricing approaches for your country? - What do the private sector/market participants expect from market instruments/carbon pricing at the national and global level? <p>How can carbon pricing contribute to the achievement of Cameroon’s national development goals?</p> <p>What should be the role of national and regional institutions and regional integration organizations with regard to carbon pricing?</p>	Participant, Experts/invited lecturer from the University of Yaoundé II.
13:30 – 14:30	<u>Lunch break</u>	
14:30 – 15:00	<u>Sub-session 3.4 cont.: Presentation of summary of group discussions</u>	



Timetables	Thematic	Responsible
15:00 – 16:00	<p><u>Roadmap elements</u></p> <p>Participants will share their key takeaways from the discussions and suggestions on the way forward</p> <p>Definition of the schedule of support activities</p>	Experts, Participants
16:00 – 16:15	End of the first Day 2	
Day 3		
09:00–09:30	Recap of the Day 2	Participants
	<u>Session 4: Article 6 - Cooperative Approaches</u>	
09:30 – 10:30	<p><u>Sub-session 4.1: Article 6 overview – 30 minutes</u></p> <ul style="list-style-type: none"> ✓ An overview presentation on Article 6, covering its approaches (6.2, 6.4, and 6.8). ✓ Unlocking Article 6 potential and catalyzing climate action for NDCs. <p><u>Sub-session 4.2: Leveraging the Article 6: Basic Requirements – 40 Minutes</u></p> <ul style="list-style-type: none"> ✓ Presentation will provide an introduction to Governance and Institutional arrangements; Article framework development; Positive list development process including support for project origination/ activation & development; Project Development Cycle, Share of Proceeds; Negotiating Bilateral Agreements; Host country Authorization Process and Corresponding Adjustments; Recording tracking – registries. 	RCC WAC Africa Expert on Article 6 and Carbon pricing.
10:30 – 10:45	Coffee break	All
10:45 – 11:45	<p><u>Sub-session 4.2 cont.: Leveraging the Article 6: Basic Requirements</u></p> <ul style="list-style-type: none"> ✓ Presentation will provide an introduction to Governance and Institutional arrangements; Article framework development; Positive list development process including support for project origination/ activation & development; Project Development Cycle, Share of Proceeds; Negotiating Bilateral Agreements; Host country Authorization Process and Corresponding Adjustments; Recording tracking – registries. 	Participant, Experts
11:45 – 1:00	<p><u>Sub-session 4.3: Exploring Article 6.4 – Mechanism and Opportunities – 45 Minutes</u></p> <ul style="list-style-type: none"> ✓ Overview of Article 6.4 ✓ Transitioning from CDM to Article 6.4 ✓ Roles and responsibilities of the Designated National Authorities ✓ Article 6.4 eligible activities ✓ The Article 6.4 Activity Cycle <p><u>Sub-session 4.4: Article 6.8 Background and Experiences – 15 Minutes</u></p>	RCC WAC Africa Expert on Article 6 and Carbon pricing



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Timetables	Thematic	Responsible
	<ul style="list-style-type: none"> ✓ <u>Overview of Article 6.8, including its definition, purpose, and how it differs from the market-based approaches of Articles 6.2 and 6.4.</u> ✓ <u>The Article 6.8 platform</u> ✓ <u>Potential non-market opportunities in Cameroon.</u> <p><u>Sub-session 4.5: Private sector roles in Article 6 for NDC Implementation</u></p>	
1:00 pm – 2:00 pm	<u>Lunch break</u>	All
2:00 pm – 3:00 pm	<p><u>Discussion on next steps:</u></p> <ul style="list-style-type: none"> - <u>embedding Workshop Learnings into NDC 3.0 and National Strategies</u> - <u>Key messages on carbon pricing approaches in Cameroon context.</u> 	Experts, Participants
15:00 – 15:30	Closing and Completion of the Workshop's Work	