



United Nations Climate Change
Regional Collaboration Centres

**Regional Dialogues on Carbon Pricing (REDiCAP)
Central Asia, Eastern Europe,
and the South Caucasus
REPORT**



May 2025

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About this Report and CiACA Initiative

This report is developed as part of the Collaborative Instruments for Ambitious Climate Action (CiACA) initiative, launched at the twenty-second session of the Conference of the Parties (COP 22) to the United Nations Framework Convention on Climate Change (UNFCCC) in Marrakech in 2016. The CiACA initiative aims to support countries worldwide in considering and adopting carbon pricing instruments (CPIs) to align with the goals of the Paris Agreement. The initiative is implemented through the UNFCCC Regional Collaboration Centres (RCCs) and is supported by the Government of Germany through the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN).

Focusing on Central Asia, Eastern Europe, and the South Caucasus region, this report summarizes the views and perspectives expressed by participants during the Regional Dialogue on Carbon Pricing (REDiCAP), held from 27 to 30 May 2025 in Istanbul, Türkiye. The REDiCAP aims to support policymakers and other regional stakeholders in designing, implementing, and enhancing CPIs to achieve Nationally Determined Contributions (NDCs). In addition, it provides key insights to foster regional collaboration and drive ambitious climate action through market-based instruments.

The agenda and presentation materials are accessible at the following link:

<https://unfccc.int/event/regional-workshop-on-article-6-and-carbon-pricing-in-istanbul>

Forward



JAMES GRABERT

Director, Mitigation Division

United Nations Framework Convention on Climate Change (UNFCCC)

The world is at a defining juncture in its response to climate change. While the Paris Agreement charts a shared course toward limiting global warming, turning this vision into real and sustained action remains the ultimate test of global cooperation. Achieving deep decarbonization while ensuring economic resilience demands not only political will but also innovative instruments that align climate ambition with development priorities.

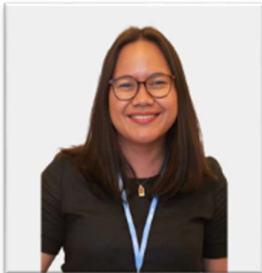
In this context, carbon pricing has proven to be one of the most effective tools available to policymakers—driving emission reductions, mobilizing investment, and sending a clear signal to markets that low-carbon pathways are the future.

The Regional Dialogue on Carbon Pricing (REDiCAP) held in Istanbul built upon this momentum. Bringing together government representatives, technical experts, and private sector actors from across Central Asia and Europe, the workshop served as a platform to exchange practical experiences, identify synergies, and discuss how cooperative approaches under Article 6 can complement domestic carbon pricing efforts.

Organized under the Collaborative Instruments for Ambitious Climate Action (CiACA) initiative of the UN Climate Change Secretariat and implemented through its Regional Collaboration Centres (RCCs), the Istanbul workshop exemplified the value of regional collaboration in accelerating the transition to a low-carbon future. It showcased how shared learning, technical dialogue, and peer exchange can empower countries to design carbon pricing frameworks suited to their national contexts while remaining aligned with global transparency and integrity principles.

The discussions in Istanbul underscored that carbon pricing is not just a policy mechanism—it is a bridge between ambition and implementation, between national priorities and global commitments. The exchange of knowledge, data, and experience across regions is creating a community of practice that can collectively advance the goals of the Paris Agreement.

As we look ahead, the REDiCAP platform will continue to foster this collaboration—supporting countries in scaling up readiness, enhancing market access, and developing robust institutions to deliver climate and economic dividends. The Istanbul workshop was a reminder that when nations and stakeholders work together, the possibilities for climate ambition and innovation are limitless.



JULIE AMOROSO-GARBIN

Regional Lead

UNFCCC Regional Collaboration Centre for Asia and the Pacific

Carbon pricing and cooperative approaches under Article 6 of the Paris Agreement continue to play a pivotal role in helping countries achieve the unconditional and conditional targets outlined in their Nationally Determined Contributions (NDCs). By enabling cost-effective mitigation and fostering international collaboration, these mechanisms serve as critical pathways for translating ambition into measurable climate action.

The Regional Dialogues on Carbon Pricing (REDiCAP) embodies this vision through its targeted capacity-building and knowledge-sharing activities. REDiCAP equips countries with the technical insights and institutional tools needed to operationalize carbon pricing instruments and effectively engage in cooperative approaches. This regional workshop in Istanbul is a part of the REDiCAP initiative delivered by the UNFCCC Regional Collaboration Centre for Asia and the Pacific (RCC AP) under the Collaborative Instruments for Ambitious Climate Action (CiACA) programme.

The REDiCAP Istanbul highlighted the growing momentum for market-based approaches across Central Asia, Eastern Europe, and the South Caucasus. From institutional capacity-building to piloting Article 6 activities, the discussions reflected a strong regional commitment to advancing transparent, credible, and high-integrity carbon markets.

As the region continues to progress towards low-carbon and climate-resilient growth, the UNFCCC RCC AP continues to provide on-ground support, facilitating technical guidance, peer learning, and partnerships that help countries translate policy ambition into action.

We extend our sincere appreciation to all participants and partners who contributed to the success of the REDiCAP Istanbul Workshop and to the collective effort of building a more sustainable and interconnected regional climate future.

Abbreviations and Acronyms

CBAM	Carbon Border Adjustment Mechanism
CiACA	Collaborative Instruments for Ambitious Climate Action
COP	Conference of the Parties
CPI	Carbon Pricing Instrument
ETS	Emission Trading System
EU	European Union
GHG	Greenhouse Gas
ITMO	Internationally Transferred Mitigation Outcome
MRV	Measurement, Reporting and Verification
NDC	Nationally Determined Contribution
PACM	Paris Agreement Crediting Mechanism
RCC	Regional Collaboration Centre
RCC AP	Regional Collaboration Centre for Asia and the Pacific
RCC MENA SA	Regional Collaboration Centre for the Middle East North Africa and South Asia
REDiCAP	Regional Dialogue on Carbon Pricing
SBM	Supervisory Body of the Article 6.4 Mechanism
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market

A. Introduction

The Regional Dialogue on Carbon Pricing (REDiCAP) for Central Asia, Eastern Europe, and the South Caucasus was conducted with the purpose of supporting policymakers in implementing price-based instruments and delivered as part of the project Collaborative Instruments for Ambitious Climate Action (CiACA). This report highlights the views expressed by participants in the Dialogue, which was organized on 27 May 2025 in Istanbul, Türkiye.

This activity stems from the following mandates:

- Decision 1/CP.21 Paragraph 136: Also recognizes the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing.
- Paris Agreement Article 6, paragraph 1: Parties recognize that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.
- Paris Agreement Article 11, paragraph 3: All Parties should cooperate to enhance the capacity of developing country Parties to implement this Agreement. Developed country Parties should enhance support for capacity-building actions in developing country Parties.
- Decision 1/CP.21 Paragraph 52: Decides that, in the implementation of the Agreement, financial resources provided to developing country Parties should enhance the implementation of their policies, strategies, regulations and action plans and their climate change actions with respect to both mitigation and adaptation to contribute to the achievement of the purpose of the Agreement as defined in its Article 2.

The CiACA project objectives are achieved through engagement, awareness raising, capacity building, funded studies as well as funded experts made available to the countries. Specifically, the workshop falls under the capacity-building objectives of this project.

Supported developing countries are the main beneficiary of the project by enabling them to put in place more effective and efficient policies (which also deliver co-benefits).

B. Scope of the report

This report presents the outcomes of the REDiCAP Istanbul workshop organized by the UNFCCC Regional Collaboration Centre for Asia and the Pacific (RCC AP) in collaboration with the UNFCCC Regional Collaboration Centre for the Middle East North Africa and South Asia (RCC MENA SA) and the United Nations Development Programme (UNDP) Regional Centre in Istanbul.

The report highlights key aspects of the workshop, which brought together representatives from governments, non-party stakeholders, and regional partners working towards operationalization of Article 6 and implementation of carbon pricing instruments (CPI) in the region.

In addition to the substantive experts from the UNFCCC Secretariat and its RCCs, the event was attended by 21 participants from 12 countries including:¹

- Government representatives and Article 6 Designated National Authorities
- Representatives from Regional Partners including Intergovernmental Organizations and Multilateral Development Banks

For more details on the participants, refer to the participant list in the annex of this report.

The workshop served as a platform for dialogue on effective carbon pricing strategies, stakeholder engagement and implementation pathways and to support the countries to operationalize CPIs to meet the targets identified under their conditional & unconditional Nationally Determined Contributions (NDCs).

Participants received comprehensive training on Definition, scope and classification of CPIs with examples and case studies from the region as well as the implications of CPIs on NDC achievement and ambition.

1. The representatives were from Albania, North Macedonia, Bosnia and Herzegovina, Tajikistan, Georgia, Türkiye, Kazakhstan, Turkmenistan, Kosovo, Ukraine, Kyrgyzstan and Serbia

C. Approach and structure

The workshop was structured to foster knowledge exchange, strengthen institutional capacities, and provide hands-on technical training on carbon pricing and Article 6 of the Paris Agreement. Through interactive sessions, practical exercises, and group discussions, participants developed a comprehensive understanding of domestic policy instruments, such as CPIs, and interlinkages with Article 6.

Discussion focused on Regional Dialogue on Carbon Pricing, developments and policy experiences focusing on carbon pricing across Central Asia, Eastern Europe, and the South Caucasus. Sessions examined how well-designed CPIs can enhance climate ambition and mobilize investment for mitigation.

D. Discussion

The workshop fostered in-depth discussions on key aspects of CPIs and Article 6 implementation on both opportunities and challenges.

The workshop was dedicated to strengthening participants' understanding of CPIs and their strategic relevance for NDC implementation. The sessions were designed to situate carbon pricing within broader national climate policy frameworks, highlighting its role as a central policy lever for cost-effective mitigation, fiscal mobilization, and ambition-raising under forthcoming NDC 3.0 submissions. Through a combination of global perspectives, regional stocktaking, and country-level case studies, the discussions underscored the increasing policy relevance of carbon pricing across Central Asia, Central and Eastern Europe and the South Caucasus.

1. Conceptual Foundations of Carbon Pricing Instruments

The sessions opened with a conceptual framing of carbon pricing, emphasizing its function as a market-based instrument that internalizes the cost of greenhouse gas (GHG) emissions by assigning a price to carbon. Participants were reminded that carbon pricing is not an end in itself, but a means to drive systemic decarbonization by correcting market failures, incentivizing low-carbon technologies, and discouraging emissions-intensive activities. By embedding the climate externality into economic decision-making, CPIs provide a strong and predictable signal for investment shifts toward cleaner production processes, energy efficiency, and innovation. Importantly, carbon pricing was presented as a policy tool that is most effective when deployed alongside complementary measures, including regulatory standards, public investment, and industrial policy, thereby forming part of a coherent and mutually reinforcing policy mix.

2. Global Policy Context: Carbon Pricing and the Paris Agreement

The global context for carbon pricing was highlighted through reference to the Paris Agreement. Paragraph 136 of the Paris Agreement recognizes the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing. The scaling up of CPIs can significantly accelerate emissions reductions when integrated into national climate strategies. Participants noted that carbon pricing offers a rare convergence of environmental effectiveness, economic efficiency, and fiscal utility, making it particularly relevant for countries seeking to align climate ambition with development priorities.

3. Carbon Pricing as a Tool for Fiscal Mobilization and Just Transition

A key theme emerging from the discussions was the role of carbon pricing in generating fiscal space to support a just transition and climate resilience. Revenues from carbon taxes and emissions trading systems (ETSs) can be earmarked or recycled to finance social protection measures, support vulnerable communities, invest in clean infrastructure, and strengthen climate adaptation efforts. Several speakers emphasized that the credibility and political acceptability of CPIs are often enhanced when revenue use is transparent and clearly linked to development co-benefits. In this regard, carbon pricing was positioned not only as a mitigation instrument but also as a tool for broader economic transformation and resilience-building.

4. Carbon Pricing and Participation in Article 6 Carbon Markets

The sessions also highlighted the importance of carbon pricing in enabling participation in international carbon markets under Article 6 of the Paris Agreement, particularly the Paris Agreement Crediting Mechanism (PACM). By establishing robust domestic pricing and compliance frameworks, countries can create the institutional and data foundations necessary for the authorization, transfer, and acquisition of internationally transferred mitigation outcomes (ITMOs). CPIs, when linked to Article 6 mechanisms, can attract private investment, support the development of bankable mitigation pipelines, and facilitate international cooperation on emissions reductions. Participants noted that early movers in this space are increasingly viewing ITMO transactions as a means to co-finance domestic mitigation actions, rather than as a substitute for domestic effort.

5. Integrating Carbon Pricing into NDC 3.0

Embedding carbon pricing within NDC 3.0 was identified as a critical priority. Participants discussed the need for countries to move beyond qualitative references to CPIs and instead explicitly integrate them into NDC targets, policies, and measures. This includes developing transparent methodologies for translating allowance caps, price floors, or tax rates into quantified GHG reduction estimates. Doing so can enhance the credibility of NDCs, improve tracking of progress, and strengthen alignment between climate targets and macroeconomic planning. The discussions also emphasized the potential for voluntary carbon market linkages to accelerate early-stage project development, particularly in sectors where compliance obligations may take time to mature.

6. Regional Experiences with Carbon Pricing Implementation

Regional experiences provided concrete illustrations of how CPIs are being designed and operationalized across different national contexts. Case studies highlighted the operational carbon tax in Albania, the emissions trading systems in Kazakhstan and Montenegro, and installation-level measurement, reporting, and verification (MRV) systems in Türkiye and Ukraine. These examples demonstrated a diversity of approaches, reflecting varying levels of economic development, institutional capacity, and political priorities. At the same time, they highlighted the need for dedicated institutions to manage revenues and ensure compliance.

7. Lessons from the European Union Emissions Trading System

The European Union (EU) perspective on CPIs was presented through a stocktaking of carbon pricing developments in Central Asia, Central Europe, and the South Caucasus, with a particular focus on the EU Emissions Trading System (EU ETS). The EU experience was cited as evidence of the long-term effectiveness of CPIs, with emissions from installations covered under the EU ETS having declined by approximately 48 percent compared to 2005 levels. In addition to its mitigation impact, the EU ETS has generated over EUR 200 billion in revenues, which have been reinvested in clean energy, innovation, and social measures. This demonstrated track record reinforced the message that well-designed CPIs can deliver both environmental integrity and economic benefits at scale.

8. Carbon Pricing and Implications of the EU Carbon Border Adjustment Mechanism

Discussions also addressed the implications of the EU Carbon Border Adjustment Mechanism (CBAM) for the region. CPIs were increasingly being considered across Western Balkan and Eastern European countries, as a means of complying with CBAM requirements and maintaining trade competitiveness. Several Central Asian countries, including Kazakhstan and Uzbekistan, were highlighted as having significant exposure to CBAM due to their trade relationships with the EU. Carbon pricing was therefore framed not only as a climate policy instrument but also as a strategic response to evolving international trade rules.

9. Capacity Constraints and Implementation Challenges

Despite the growing interest in CPIs, regional assessments presented by UNDP indicated that carbon pricing is not yet a widespread practice across the region. Many countries have greater familiarity with voluntary carbon markets than with compliance-based mechanisms. Capacity constraints were identified as a major barrier, particularly within government institutions, where limited staffing, technical expertise, and financial resources hinder policy design and implementation. While

awareness among business communities was assessed as moderate, incentives for green investment remain weak, compounded by budgetary constraints and limited access to finance.

10. Priority Areas for Technical Support and Capacity Building

In response to these challenges, several priority areas for support were identified, including skills and knowledge development, pilot implementation of CPIs, support for bankable decarbonization projects, facilitation of policy development, and the establishment of Article 6 finance mechanisms. Participants also emphasized the need for practical implementation guidance, particularly in relation to CBAM response measures, MRV systems, and registry infrastructure. These needs underscored the importance of sustained capacity-building and technical assistance tailored to national circumstances.

11. Overall Reflections

Overall, the workshop underscored the central role of carbon pricing instruments, including their linkage with Article 6 mechanisms, in advancing NDC implementation in line with the objectives of the Paris Agreement. The discussions highlighted both the opportunities and challenges associated with these instruments, emphasizing the importance of policy coherence, institutional readiness, and capacity development. By combining regional experiences with global perspectives, the sessions provided participants with a clearer understanding of how CPIs and Article 6 can be strategically deployed to accelerate emissions reductions, mobilize climate finance, and support sustainable development pathways.

E. Regional specific opportunities and barriers

Across the region, there is growing recognition that CPIs represent a critical policy tool for mobilizing climate finance, driving cost-effective emissions reductions, and strengthening the credibility and implementability of NDC targets. Countries increasingly view carbon pricing not only as a mitigation mechanism, but also as a strategic instrument for aligning climate objectives with fiscal policy, industrial transformation, and evolving international trade dynamics, including compliance with the EU CBAM. This emerging policy convergence creates an important opportunity to embed carbon pricing more explicitly within national climate strategies and forthcoming NDC 3.0 submissions.

Country experiences across the region reflect differing levels of maturity in carbon pricing design and implementation. Albania's operational carbon tax provides a concrete institutional anchor for climate action, supported by a designated ministry with clear climate responsibility. This institutional clarity has enabled Albania to begin integrating carbon pricing revenues into broader decarbonization and environmental objectives. Kazakhstan's long-standing ETS demonstrates early regional leadership in compliance-based carbon markets, with revenues increasingly being channelled through national funds such as Zhasyl Damu to support low-carbon investments. Montenegro's ETS similarly illustrates how pricing levels and revenue recycling can be tailored to national circumstances, while Türkiye and Ukraine's installation-level MRV systems represent essential foundational building blocks for future carbon pricing expansion, even where price signals remain limited or implicit.

Several countries identify high-emitting and energy-intensive sectors as natural entry points for strengthening carbon pricing frameworks. Industrial production, power generation, and extractive industries are frequently cited as priority sectors where carbon pricing can accelerate technology upgrading, energy efficiency, and fuel switching while maintaining alignment with national development priorities. In this context, carbon pricing is increasingly viewed as a forward-looking instrument to facilitate access to international finance and markets, including potential future linkages with Article 6 mechanisms, rather than as a stand-alone fiscal measure.

Despite this momentum, countries across the region face a set of common structural and capacity-related barriers that constrain the effective operationalization of CPIs. Institutional frameworks remain underdeveloped in several contexts, with fragmented mandates across ministries, limited legal clarity on the scope and objectives of carbon pricing, and insufficient integration with broader climate and economic planning processes. In many cases, carbon pricing is not yet fully embedded within NDC implementation frameworks, resulting in weak linkages between pricing levels, emissions trajectories, and quantified mitigation outcomes.

Technical capacity gaps present a significant challenge. The design and operation of effective CPIs require robust MRV systems, emissions inventories at the installation level, transparent data

management, and clear methodologies for translating price signals or caps into emissions reductions. While countries such as Türkiye and Ukraine have made progress on MRV systems, others continue to face constraints related to data availability, consistency, and institutional ownership. Limited national expertise in carbon market design and administration further exacerbates these challenges, with several countries emphasizing the need to build a stable cadre of trained experts within government institutions.

Resource constraints also play a critical role in shaping carbon pricing readiness. In countries such as Turkmenistan and Türkiye, limited domestic funding and competing development priorities necessitate continued reliance on multilateral and bilateral support for policy development, capacity building, and pilot implementation. Albania and Kyrgyzstan highlighted the additional challenge of ensuring early policy coherence across ministries responsible for energy, industry, finance, and environment, noting that fragmented approaches risk undermining the effectiveness and credibility of carbon pricing frameworks.

At the regional level, coordination and peer learning offer significant potential to address these shared challenges. Countries face similar design questions related to sectoral coverage, price levels, revenue use, social safeguards, and interactions with international markets. Shared sectoral priorities, particularly renewable energy deployment, energy efficiency, industrial decarbonization, and land-based mitigation, provide a strong basis for regional knowledge exchange and harmonized approaches to carbon pricing design. Peer learning can also support convergence on practical implementation elements, including MRV system development, compliance enforcement mechanisms, and transparent revenue recycling frameworks.

Regional platforms, including RCC-led initiatives and UNFCCC technical support, can play a pivotal role in facilitating this collaboration. By fostering structured dialogue, disseminating best practices, and supporting hands-on technical assistance, these platforms can help countries move from conceptual interest in carbon pricing to concrete, operational systems. Over time, strengthened regional cooperation can also lay the groundwork for future interoperability between national carbon pricing systems and international mechanisms, ensuring that carbon pricing contributes not only to domestic mitigation but also to broader climate finance mobilization and market integration.

In sum, while carbon pricing implementation across the region remains uneven, the underlying policy rationale is increasingly well understood. Addressing institutional, technical, and resource constraints through coordinated regional support and sustained capacity building will be essential to unlocking the full potential of carbon pricing as a central pillar of NDC implementation and long-term decarbonization strategies.

F. Feedback and reflections

The evaluation of the regional workshop reflected strong participant engagement, constructive insights, and a shared recognition of the event's relevance to both national and regional climate priorities. A post-event survey consisting of 11 questions was administered to all attendees, focusing on key aspects such as the overall organization, the quality and relevance of presentations, the clarity of facilitation, and the perceived contribution of the workshop to enhancing national readiness for implementing CPIs and Article 6 of the Paris Agreement. A total of 12 participants completed the survey. The responses indicated a high level of satisfaction with the workshop's technical content, structure, and overall delivery, underscoring its effectiveness in advancing understanding and capacity within the region.

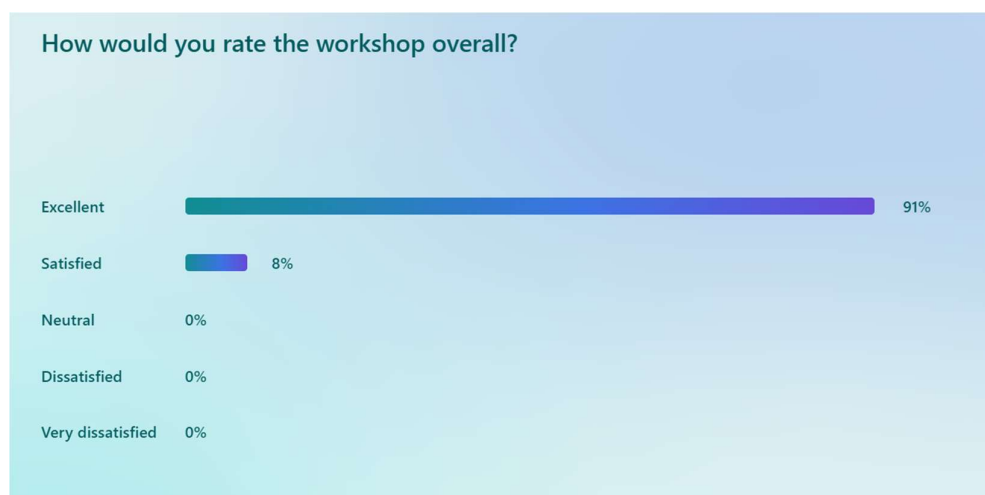
Overall Organization and Logistics

Workshop participants were asked about their level of satisfaction with the knowledge gained from the training, including the role of CPIs in the context of national climate goals.

Eight of the 12 participants responded that they were satisfied or highly satisfied with the knowledge on carbon pricing instruments and three participants expressed neutrality.

Ten of the 12 survey respondents responded that the training was highly relevant to their work responsibilities, which indicates that the workshop had participation from the most relevant stakeholders.

The final survey question was regarding the overall assessment of the workshop. Responses indicate that all participants were satisfied with the workshop delivery with a 91% majority (11 of the 12 participants) expressing highest level of satisfaction.



G. Conclusion and Key takeaways

The workshop discussions that while countries are advancing CPIs at different stages of maturity, there is a strong convergence in both policy intent and implementation challenges. Across the region, carbon pricing is increasingly recognized as a central climate policy tool capable of delivering cost-effective emissions reductions, generating fiscal space for low-carbon investments, and strengthening the credibility of NDC implementation. However, translating this recognition into operational systems remains contingent on early institutional clarity, coherent legal frameworks, and sustained capacity development.

A consistent takeaway from country exchanges was the critical importance of institutional anchoring for carbon pricing. Countries emphasized the need for a designated entity or a clearly mandated coordination mechanism to bridge the climate, finance, energy, and industrial policy domains. While different institutional models are emerging across the region, most countries acknowledged that current arrangements remain partial or transitional. Limited staffing, insufficient technical specialization, and competing policy mandates continue to constrain effective implementation. Participants widely agreed that without dedicated institutional ownership and predictable resourcing, carbon pricing risks remaining a policy aspiration rather than a functioning instrument.

Legal and regulatory readiness emerged as another foundational pillar for successful carbon pricing. Countries highlighted gaps in enabling legislation, uncertainty around scope and sectoral coverage, and limited integration of carbon pricing into national climate strategies and fiscal frameworks. Several participants noted that carbon pricing is often treated as a standalone policy rather than as part of a broader decarbonization package. The workshop reinforced that CPIs must be embedded within NDC pathways, with clear methodologies for translating price signals or caps into emissions reduction outcomes. This integration is essential not only for environmental integrity, but also for building political and public confidence in carbon pricing as a fair and effective tool.

Technical capacity constraints particularly related to MRV systems, emissions data management, and compliance monitoring were consistently cited as binding challenges. While countries such as Türkiye and Ukraine have advanced installation-level MRV systems, others remain in earlier stages of development. Participants stressed that robust MRV is not merely a technical requirement, but the backbone of credible carbon pricing systems. Without reliable data, transparent reporting, and enforceable compliance mechanisms, carbon pricing cannot deliver meaningful mitigation or attract private sector engagement. Strengthening MRV capacity therefore remains a priority area for targeted technical assistance and peer learning.

The role of fiscal design and revenue use was also a central theme. Countries recognized that carbon pricing can generate significant public revenues, but only if accompanied by transparent and well-

communicated revenue recycling strategies. Participants shared experiences where revenues are being earmarked for decarbonization funds, green investment programs, or social protection measures to support a just transition. The workshop underscored that public acceptance of carbon pricing is closely linked to how revenues are used and communicated. Clear linkages between carbon pricing revenues, climate action, and socio-economic co-benefits were identified as essential for long-term political sustainability.

While carbon pricing was the primary focus of the discussions, participants also reflected on its interaction with international carbon markets under Article 6 of the Paris Agreement, including the Article 6.4 mechanism (PACM). Countries emphasized that Article 6 should be approached as a complement to, rather than a substitute for, robust domestic mitigation policies. Well-designed carbon pricing systems can create the data infrastructure, institutional discipline, and policy coherence needed to engage credibly with Article 6 mechanisms.

A key strategic lesson emerging from the workshop was the need for countries to define their objectives for carbon pricing and market engagement before seeking external investment. Participants emphasized that clarity on priority sectors, alignment with NDC targets, and consistency with national development strategies are prerequisites for effective private sector participation. Early and structured dialogue with domestic industry and financial institutions was identified as critical for building technical understanding, managing transition risks, and ensuring that carbon pricing supports competitiveness rather than undermines it.

Overall, the workshop demonstrated strong interest and growing readiness across the region to advance carbon pricing as a core climate policy instrument. While challenges remain, there is clear momentum toward strengthening institutional frameworks, enhancing technical capacity, and integrating carbon pricing more fully into national climate strategies. Continued peer learning, targeted capacity building, and sustained regional cooperation, supported by the UNFCCC Secretariat and its RCC AP will be essential to help countries move from readiness assessments to operational systems. Participants concluded that credible, transparent, and well-integrated carbon pricing instruments will play a decisive role in achieving NDC targets, supporting economic transformation, and positioning countries to engage effectively in evolving international carbon markets under the Paris Agreement.

H. Agenda

Regional Dialogue on Carbon Pricing (REDiCAP)	
INTRODUCTION	
09:00 – 09:30	<p>Opening Ceremony <i>Moderated by Nuri Ozbagdatli, UNDP</i> Welcome Remarks</p> <ul style="list-style-type: none"> • Representative from COP29 Presidency • Mr. Muhittin Aslan, Article 6 Coordinator, Government of Türkiye • Vitalie Vremis, OiC of UNDP Istanbul Regional Hub • Fatima-Zahra Taibi, Team Lead for Regulations Development, UNFCCC • Security briefing
09:30 – 09:40	Group Picture
SESSION 1	
09:40 – 10:30	<p>Taking stock of the Carbon Pricing in Central Asia, Eastern Europe and the South Caucasus: Main Instruments and Trends <i>Moderated by Umamaheswaran Krishnan, UNFCCC</i></p> <p><i>Presenters</i> Mr. Yevgen Groza – UNDP Mr. Renato Roldao - European Commission, DG Climate Action</p> <p><i>Format: Presentations and discussion</i> The session provided a macro-level overview of the state of carbon pricing globally, with a focused coverage of the main carbon pricing trends and instruments deployed by the countries in the region.</p>
10:30 – 11:00	Break
SESSION 2	
11:00 – 12:45	<p>Aligning Carbon pricing with Nationally Determined Contributions (NDCs) <i>Speaker: Participating representatives of up to 4 countries</i></p> <p><i>Format: Panel Discussion moderated by Victor Escolana, UNDP</i> This session explored how well-designed carbon pricing policies can enhance climate ambition under the Paris Agreement, particularly in the context of Nationally Determined Contributions (NDCs 3.0) in 2025. Session examined and presented country experiences from four countries in the region who have instituted carbon pricing policies in support of their NDCs. The presentations focused on aligning these policies with the NDCs, national circumstances and sustainable development priorities, while also</p>

	<p>featuring insights on leveraging carbon markets for mitigation actions and investment acceleration.</p> <p><i>Countries: Ukraine, Kazakhstan, Moldova and Türkiye</i></p>
12:45 – 14:00	Lunch
SESSION 3	
14:00 – 15:15	<p>Harnessing Voluntary Carbon Markets for NDC Implementation GIZ, IETA and Partners. <i>Moderated by Ayami Kabaya, UNFCCC</i></p> <p>Presentation about the VCMs potential for NDC implementation from GIZ, IETA, and other partners. This session also included details about the GIZ Project Support for Global Carbon Markets, followed by a discussion with the participants.</p>
15:15 – 16:00	<p>Cooperative Mechanisms under Article 6 <i>Presented by Ayami Kabaya, UNFCCC</i></p> <p><i>Format: Presentation followed by a discussion</i></p> <p>This session delivered a presentation by the UNFCCC providing an introductory overview of Article 6, covering market and non-market mechanisms (Articles 6.2, 6.4, and 6.8) and next steps in the implementation of Article 6.</p> <p>This session aimed to develop a broader understanding of Article 6, with detailed discussions on the mechanisms to follow over the course of the workshop.</p>
16:00 – 16:15	Break
16:15 – 16:45	<p>Article 6 outcomes from Baku and the road ahead <i>Moderated by Ayami Kabaya, UNFCCC</i></p> <p><i>Format: Townhall discussion led by UNFCCC and Supervisor Body of the Article 6.4 Mechanism (SBM) Members from the region</i></p> <p>The session featured a presentation by the UNFCCC to synthesize the implications of the Baku decisions, particularly the operationalization of the PACM, an overview of the opportunities it presents for the region, and the roles of different stakeholders. The rest of the session was open for questions and comments from the participants.</p>
16:45 – 17:00	Wrap up of workshop

I. Participants

Country	Organization
Albania	Directorate for Climate Change, Ministry of Tourism and Environment
North Macedonia	Ministry of Environment and Physical Planning of North Macedonia
Bosnia and Herzegovina	Ministry of Environment
Tajikistan	Agency for Hydrometeorology of the Committee for Environmental Protection
Georgia	Ministry of Environmental Protection and Agriculture of Georgia
Türkiye	Directorate of Climate
Kazakhstan	Ministry of Ecology and Natural Resources of the Republic of Kazakhstan
Turkmenistan	UNDP Turkmenistan
Kosovo	UNDP Kosovo
Ukraine	Reform Support Team at the Ministry of Environmental Protection and Natural Resources of Ukraine
Kyrgyzstan	Ministry of Natural Resources, Ecology and Technical Supervision of the Kyrgyz Republic
Kyrgyzstan	Climate Finance Center
Kyrgyzstan	UNDP Expert on Trade and NDC
Serbia	UNDP Serbia
Türkiye	Directorate of Climate

Note: If multiple participants were from the same organization, the organization name appears repeatedly in the list.

J. Photos

