



Draft Concept Note

Africa Multi-Stakeholder Conference on Carbon Markets
24-26 July 2024, AU Headquarters
Addis Ababa, Ethiopia

1- Background and justification

The use of natural resources for economic growth presents opportunities for Africa as the continent strives to green its economy. As a continent most affected by the adverse effects of climate change, it is encouraging to see that there are opportunities in Africa's rich natural capital for sustainable energy by including market value on activities that can reduce Greenhouse Gas (GHG) emissions. The carbon market is increasingly being used not only as a tool for reducing greenhouse gas emissions but also as a tool to mobilize additional finance for this transformation.

In 2015, the global community concluded the Paris Agreement (PA) to combat climate change by limiting global temperature rise to well below 2°C. The Agreement engages all countries through their Nationally Determined Contributions (NDCs) and to achieve their NDCs, some African countries proposed to use the carbon markets as quick measures to capture or significantly reduce the GHG emissions. While the Clean Development Mechanism (CDM) under the Kyoto Protocol raised controversy on its purpose, The Paris Agreement established a new generation of voluntary carbon markets¹ through its article 6 as a transition measure to the CDM. With Article 6 rules yet to be concluded under the climate change negotiations, it is imperative for Africa to actively participate in shaping them so that they reflect regional circumstances and enable the continent to access new schemes of climate finance.

For African countries, trading of carbon credits represents an opportunity for economic development, job creations, access to climate finance and a driver for change that can contribute to the global fight against climate change, the realization of the Aspirations of Agenda 2063, and the sustainable development goals. For example, the Carbon market can be a mechanism to channel new investment into Energy Access and security on the Continent, contribute to infrastructure development and can also help African countries to meet their voluntary greenhouse gas reduction targets.

While Africa witnesses a growing number of carbon market initiatives, studies highlight the critical need for a robust legal and regulatory framework. This is particularly true for voluntary carbon markets, compared to the compliance-based mechanism.

¹ The key objectives for these market mechanisms are to serve as tools to mitigate climate change while promoting sustainable development and raising ambition. Parties to the UNFCCC may choose to implement Cooperative Approaches (Article 6.2), a new multilateral mechanism for mitigation and sustainable development (Article 6.4), which is seen as a successor to the CDM, as well as Non-Market Approaches (Article 6.8).

Furthermore, one cannot talk about the carbon markets without mentioning Nature Based Solutions and their role in carbon credits. Synergies on biodiversity conservation, carbon markets and blue economy are widely recognized and there's a growing interest in incorporating activities that protect and restore ecosystems, which also play a crucial role in carbon sequestration.

Similarly, financing biodiversity restoration and conservation represents a huge opportunity for Africa. This involves rewarding projects that improve land management practices and lead to increased carbon storage and sinks. The merged carbon and biodiversity credits approaches provide opportunities for Africa to access innovative climate finance schemes and allow project development on biodiversity alongside carbon reduction, hence contributing to efforts aimed at tackling the Triple Planetary Crisis of Biodiversity Loss, Climate Change and Pollution.

It is against this background that the Africa Union Commission in collaboration with partners, organize a technical market preparatory meeting in Lusaka, Zambia from 19-21 June 2024 as a lead up to the main Africa Multi-Stakeholder Conference on Carbon Markets, to take place in Addis Ababa, 24-26 July 2024.

2- Objectives

The overall goal of the Conference is to provide a platform for the African continent to deliberate on carbon markets, the approaches and opportunities they present, the threats they pose and possible options the continent can explore, taking into consideration its circumstances.

Specific Objectives

- **Promote knowledge sharing and awareness:** Enhance understanding of carbon markets, their potential benefits and challenges in the African context.
- **Facilitate dialogue and collaboration:** Foster open dialogue and collaboration among diverse stakeholders, including governments, businesses, civil society organizations, local communities, women and youth groups, who are benefiting from existing carbon market projects.
- **Identify opportunities and solutions:** Explore opportunities for developing carbon markets that are tailored to Africa's unique needs and contribute to its sustainable development objectives.
- **Build consensus and recommendations:** Build consensus on key issues and develop practical recommendations for policymakers and market actors to establish effective carbon market mechanisms.

3- Expected outcome

The overall outcome of the conference is policy recommendations in a form of “An African Aspiration and Action Plan on Carbon Markets (AAAPCM)”

- Increased awareness and understanding of carbon markets and their potential to Africa.
- Understanding of Perspectives of sellers, buyers and investors in carbon markets.
- Key opportunities, challenges, and areas for research and action related to carbon markets in Africa highlighted.
- Practical recommendations and principles that will guide the continent in its engagement in the carbon landscape.
- Capacity gaps on carbon market approaches identified.

4- Targeted audience

The conference will bring together: (i) Government representatives from AU Member States (Experts from ministries responsible for Biodiversity, Climate Change, Energy and Finance) (ii) Representatives of Regional Economic Communities (RECs) (iii) Private sector entities, including businesses and financial institutions (iv) Civil society organizations (CSOs) (v) Representatives from Indigenous Peoples and Local Communities (IPLCs) organizations (v) Academia and research institutions (vii) Women and youth groups and (viii) partners.

5- Format of the forum

The three-day conference will include three main sessions.

SESSION 1

Plenary 1:

Official Opening
Setting the Scene

SESSION 2

Parallel Sessions:

Break-out Group 1: Climate Change
Break-out Group 2: Biodiversity

SESSION 3

Plenary 2:

Report back from Group 1
Report back from Group 2
Presentation of Key Recommendations
Adoption of Conference Report and Recommendations
Official Closing of the Conference

6- Date and venue

The Africa Multi-Stakeholder Conference on Carbon Markets is scheduled from **24 to 26 July 2024** at the AU Headquarters in Addis Ababa, Ethiopia.



Africa Multi-stakeholder Conference on Carbon Markets

24-26 July 2024, AU Headquarters, Addis Ababa, Ethiopia

Draft Agenda

Wednesday 24 July 2024

Time	Agenda Items	Responsible	Moderators
08:30-09:00	Registration	Feben, SEBE-AUC	
SESSION ONE: OPENING AND KEYNOTE ADDRESSES			
09:00-09:05	Welcome Remarks	Harsen Nyambe, Director SEBE (AUC)	Harsen Nyambe, Director SEBE (AUC)
09:05-09:20	Statement by a Representative of Partners	World Bank, Afrexim Bank, EU, UNDP	
09:20-09:25	Statement by a Representative of Civil Society	PACJA	
09:25-09:35	Official opening	H.E. Amb Josefa Sacko, AU Commissioner, ARBE	
09:35-10:30	Keynote Address: Unlocking Africa's Green Potential: The Role of Carbon Markets	UNECA, AUDA-NEPAD	
10:30-11:00	Group Photo and Tea Break	AUC	AUC
SESSION TWO: UNDERSTANDING CLIMATE FINANCE AND CARBON MARKETS			
11:00-11:15	What is Climate Finance and how is Africa positioned to access climate finance	TBC	UNDP
11:15-11:30	Understanding Article 6 of the Paris Agreement on carbon market and implications for Africa (compliance Carbon Market)	TBC	
11:30-11:45	Understanding non-compliance or voluntary carbon market and its implication for Africa	TBC	
11:45-12:00	Questions for clarification		
12:00-13:00	<u>Panel discussion:</u> The Global Carbon Market Landscape: Opportunities and Challenges for Africa <i>(Featuring diverse perspectives from AU MS, RECs, Private Sector, CSOs, Indigenous people organizations and Partners)</i>	AUC RECs representative TBC TBC TBC EU	
13:00-14:00	Lunch Break	AUC	AUC
SESSION TWO: UNDERSTANDING CLIMATE FINANCE AND CARBON MARKETS (continued)			
14:00-14:10	Information and guidance to parallel sessions	AUC	UNEP
14:10-15:45	<u>Parallel Sessions</u> Parallel Session 1: Voluntary Carbon Markets: Explore the opportunities and functionalities of voluntary carbon markets, including the role of biodiversity credits and their impact on local communities and emission reductions	Kenya/Senegal (TBC)	
			UNEP

Time	Agenda Items	Responsible	Moderators
	<p>Parallel Session 2: Compliance Carbon Market: Discuss the potential and challenges for compliance markets in Africa and their likely impact on emissions reduction goals and other benefits</p>	Ghana/Zambia (TBC)	
15:45-16:00	Tea Break	AUC	AUC
16:00- 17:00	Plenary discussions	Parallel session leads	AUC
17:00	Wrap up and closing Day One		AUC

Thursday 25 July 2024

Time	Agenda Items	Responsible	Moderators
09:00-09:30	Recap of day 1	AUC	
SESSION THREE: LEARNING FROM GOOD PRACTICES AND CASES FROM AFRICA			
09:30-09:45	Introduction to parallel sessions including quick overview of initiatives in Africa	Muwhati	
09:45-11:30	<p><u>Parallel Sessions:</u> Lessons from Africa</p> <p>Parallel Session 1: Lessons from carbon market projects in African Countries.</p> <p>Parallel Session 2: Lessons on establishing regulatory and institutional frameworks</p>	Countries to present cases. Eg Ghana, Kenya, Rwanda, Egypt, South Africa, Rep of Congo Local Communities/Indigenous people	PACJA
10:30-11:00	Tea Break	AUC	AUC
11:30- 13:00	Plenary discussions	Parallel session leads	
13:00-14:00	Lunch Break	AUC	AUC
SESSION FOUR: CAPACITY DEVELOPMENT, INSTITUTIONAL AND REGULATORY FRAMEWORKS			
14:00-14:10	Information and guidance to thematic break-out sessions with focus on recommendations on strategic guidance for Africa	TBC	
14:10-15:45	<p><u>Thematic break-out groups:</u></p> <ul style="list-style-type: none"> • Africa's Carbon market opportunities and financing strategies: Focuses on identifying potential projects such as energy (renewable, energy efficiency), forestry (afforestation/reforestation), and waste management, blue economy. Also, discuss the financing strategy for the different types of projects. • Co-benefits of Carbon projects in Africa: Focuses on mechanisms to integrate co-benefits such as environmental, social, economic, cultural and livelihood issues for the communities and countries • Institutional and Regulatory Frameworks: Addresses policy/regulatory frameworks needed to effectively participate in carbon markets, including infrastructure development, and stakeholder collaboration strategies. • Africa's Capacity for Carbon Market: Define what capacity is required; review Africa's capacity and develop a strategy for developing the capacity that is required including framing a common carbon market readiness process and its roll-out 	TBC TBC TBC TBC	TBC
15:45-16:00	Tea Break	AUC	AUC
16:00- 17:00	Plenary discussions	Parallel session leads	TBC
17:00	Wrap up and closing Day Two		TBC

Friday 26 July 2024

Time	Agenda Items	Responsible	Moderators
09:00-09:30	Recap of day 2	AUC	
SESSION FOUR: CAPACITY DEVELOPMENT, INSTITUTIONAL AND REGULATORY FRAMEWORKS (continued)			
09:30-11:00	Thematic break-out groups (continuation): 1. <i>Africa's Carbon market opportunities and financing strategies</i> 2. <i>Co-benefits of Carbon projects in Africa</i> 3. <i>Institutional and Regulatory Frameworks</i> 4. <i>Africa's Capacity for Carbon Market</i>	TBC TBC	TBC
10:30-11:00	Tea Break	AUC	AUC
11:00- 13:00	Plenary discussions	Parallel session leads	TBC
13:00-14:00	Lunch Break	AUC	AUC
14:00-15:30	Compilation of the recommendations (tea break for participants)	Drafting team	Harsen Nyambe, Director SEBE
15:30-16:30	Presentation of the conference recommendations for consideration and adoption	Rapporteur/AUC	
16:30-17:30	Closing session - Statement by Partners and CSOs - Statement by H.E Amb Josefa Sacko, AU Commissioner for ARBE		