

## Supporting Preparedness for Article 6 Cooperation (SPAR6C)

Implemented by:



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Federal Ministry  
for Economic Affairs  
and Climate Action



## ZAMBIA'S EFFORTS IN IMPLEMENTING ARTICLE 6 OF THE PARIS AGREEMENT

Sharing lessons learned on A6 Implementation, 19<sup>th</sup> March 2024

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# Location of Zambia



# Overview of efforts to implement Article 6



- Zambia's nationally determined contribution (NDC) consists of both mitigation and adaptation components based on the country's national circumstances.
- Zambia's nationally determined contribution (NDC) consists of both mitigation and adaptation components based on the country's national circumstances.
- The NDC has a conditional pledge of reducing Greenhouse Gas (GHG) emissions by 25% (20,000 Gg CO<sub>2</sub> eq.) by 2030 against a base year of 2010 under the Business As Usual (BAU) scenario with limited international support or by 47% (38,000 Gg CO<sub>2</sub> eq.) with substantial international support. Article 6 of the Paris Agreement can help Zambia to implement its NDC
- Article 6 identified to contribute towards meeting the conditional pledge of the country's NDC.

# Steps to be followed for Participating in Article 6



Put legal regulations in place



Develop national Article 6 strategy



Establish institutional processes



Communicate processes to developers



Test processes through pilot activities



# Progress in Article 6 implementation



## Step 1



Put legal  
regulations in  
place

1. Readiness and Needs Assessment: Completed 2022
2. Policy & Regulations:
  - i. A Climate Change Bill is in draft and pending submission to Parliament in Q1 2024. The Bill will govern Carbon Stock Management & Markets.
  - ii. Forestry Act and SI 66 (Forest Carbon Stock Management) are in place to support Carbon Stock management and regulation of REDD+ and other Voluntary Carbon Market activities in the Forestry sector.

Note: there is a need to align the Forest Act (SI 66) & the Climate Bill to facilitate operationalization of Carbon Markets under Article 6 for all sectors.

# A6 Carbon Market Operationalization Progress



## Step 2



Develop national Article 6 strategy

1. As part of the national A6 strategy the government has identified and submitted a robust NDC and LT-LED to the UNFCCC
2. MGEE is also in the process of preparing an updated NDC including an enhanced sectoral analysis with marginal abatement cost. Medium to Long Term Emission Planning is also underway - Sector Studies are underway in 5 sectors; Forestry, Livestock, Waste, Cement and Power. Results and reporting to be concluded by Q2 - Q3 2024.
3. The Ministry is also in the process of finalizing the Carbon Market Framework:
  - a. Part I - Guidelines for the Submission and Evaluation of A6 Mitigation Activities completed and published in October 2023.
  - b. Part II - Fees & Share of Proceeds; Part III - Guidelines for the Transition of CDM and VCM projects to Article 6 and Part IV - National Registry are expected to be complete and incorporated into the CMF by the end of Quarter 1 2024.
  - c. The Zambia Carbon Market framework will be linked and backed by the Climate Change Bill/Act.

# Fees, Share or Proceeds & Benefit Sharing



- Host countries can determine the “levies” for project development as part of their Carbon Market Framework and decide how the respective funds are used. The Zambia Carbon Market Framework will elaborate and set requirements for project developers with regards the application of Fees, Share of Proceeds (SOP) and Benefit Sharing Mechanism (BSM) guidelines. Where;
  - Fees are costs applicable to projects and are meant to cover the administrative processing and evaluation of submissions
  - SOP is a share of emission reduction certificates that can be purposed to cover iMRV operation costs and support a National Climate Fund
  - BSM is the distribution of benefits, both direct and indirect, of project activities, including project funding, between different participants and stakeholders.
- SOP may be collected by the host country on projects developed under Article 6.2 and on projects carried out for the Voluntary Carbon Market that ask for a Corresponding Adjustment (not for Art. 6.4 transactions! ).
- Whereas SOP may be applicable to all carbon projects requesting corresponding adjustment, the BSM is and will still be applicable to community conservation and community forest initiatives such as REDD+ Programs.

# A6 Carbon Market Operationalization Progress



## Step 3



Establish institutional processes

1. The Climate Bill in its' draft form has established institutional processes for the coordination of carbon market activities.

MGEE Department for Green Economy & Climate Change	MGEE is responsible for overseeing the regulation of carbon markets and bilateral engagements with prospective Article 6.2 Acquiring Parties.
Technical Climate Change Committee for Mitigation	Serve as the technical working group for operationalizing of Article 6, and is the authority for assessing, approving, or rejecting A6 opportunities/activities
Zambia Environmental Management Agency	Fulfils technical requirements under the UNFCCC and the Paris Agreement including the MRV and accounting, GHG inventory, registry operations, reporting and corresponding adjustments
Secretariat	Secretariat functions provided by the Ministry of Green Economy and Environment (MGEE), Department for Green Economy & Climate Change

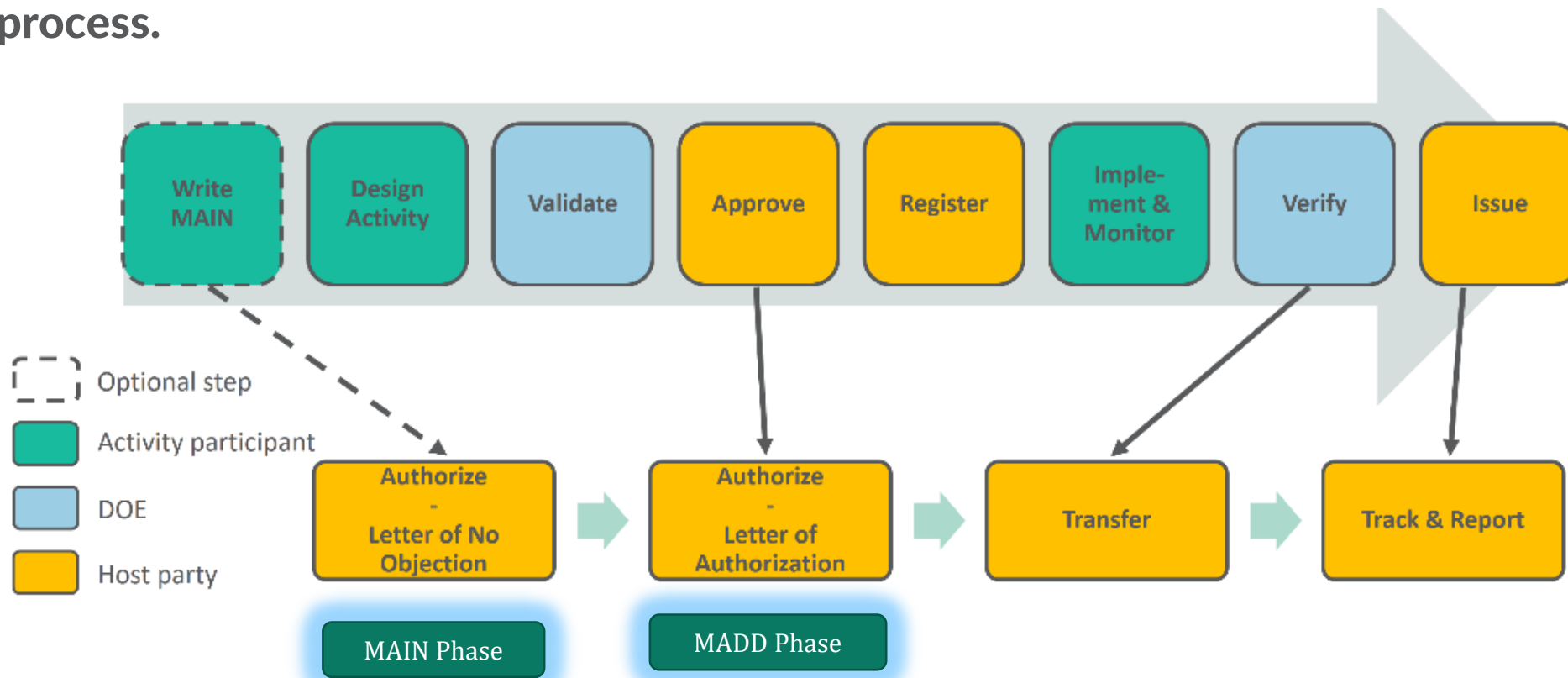
2. The Carbon Market Framework, will also establish the processes and procedures for the operationalization of Carbon Markets under Article 6.
3. Integrated Measurement, Reporting & Verification System: the establishment of a National Carbon Registry that will be integrated with the national Measurement, Reporting & Verification System (iMRV) is in process





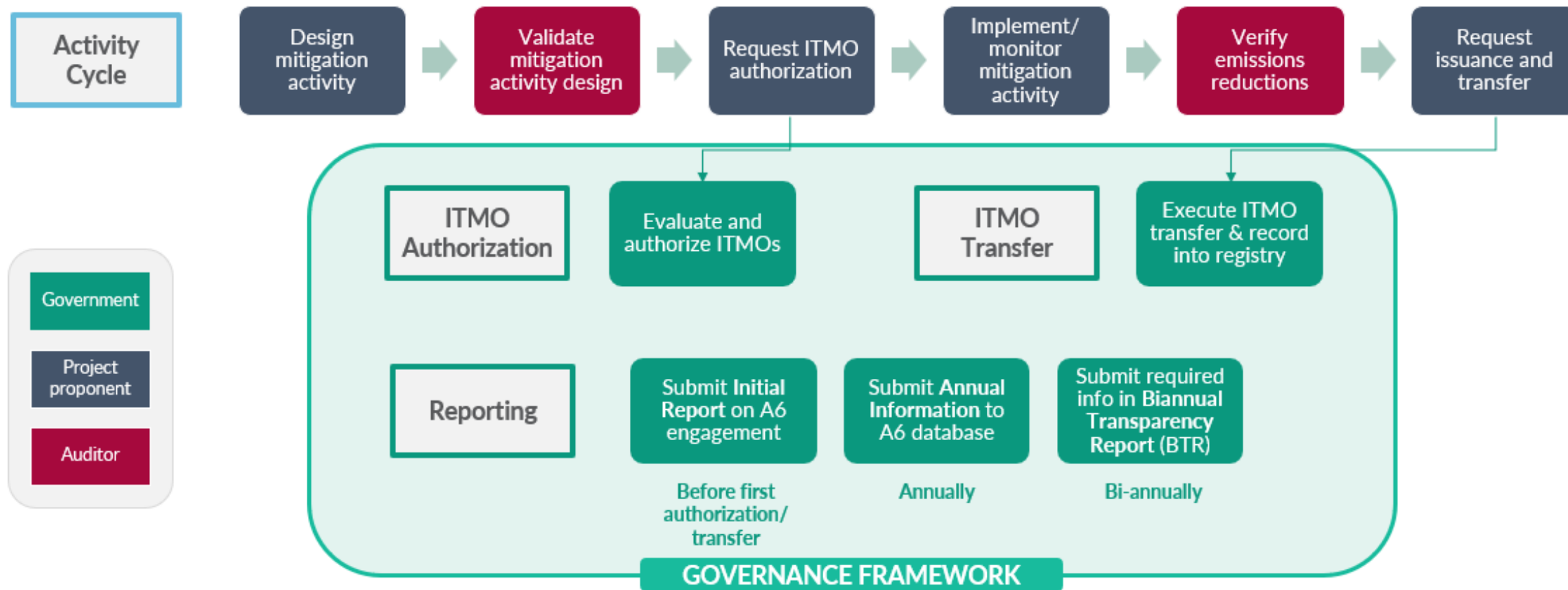
# A6 Mitigation Activity Approval Process

- Zambia's A6 approval process a two-phased assessment and authorization process.





# The Article 6 activity cycle requires government action at multiple stages



# A6 Carbon Market Operationalization Progress



## Step 4



Communicate  
processes to  
developers

1. The Ministry has and will continue to engage and build capacity for both government and private sector stakeholders in institution of guidelines and the operationalisation of Article 6.
2. Article 6 and VCM capacity building has been conducted and is underway for both Government & Private sector. Financial Sector Capacity Building is also planned for 2024 to enable the financial sector to access blended finance opportunities and support increased investment in mitigation activity development.

## Step 5



Test processes  
through pilot  
activities

1. Development of A6 Opportunities: A total of 27 projects were submitted as potential A6 pilots and 3 projects have subsequently been selected as pilot activities for project development including financing approaches and implementation. The 3 projects are;
  - i. Kafue Sugar; 40MW Renewable Energy Project
  - ii. Art. 6-based national Clean Cookstove Program
  - iii. Green Tourism Project

# A6 Carbon Market Operationalization Progress



**Bilateral framework agreement** –  
outlining purpose,  
general rules

## Bi-lateral Framework Agreements:

The launch of the Guidelines for Submission & Evaluation of Mitigation Activities has created a positive perception of Zambia's readiness to participate in A6 amongst international buyer countries. The following countries have, to date, shown interest to engage in a cooperative approaches with Zambia;

- Sweden;
- Switzerland;
- Germany (German companies);
- Singapore.



# THANK YOU