



**Dialogue on Advancing Environmental Sustainability, COP 29 Outcomes, Carbon Markets, Energy Access, and Climate Action in Africa**  
**organized by RCP Africa and Opportunity Issue Based Coalition (OIBC-4) on the margins of**  
**11<sup>th</sup> Session of African Regional Forum on Sustainable Development**  
**6 April 2025, Kampala, Uganda**

The High-Level dialogue on Advancing Environmental Sustainability, COP29 Outcomes, Carbon Markets, Energy Access and Climate Action in Africa was organized by Regional Collaborative Platform (Africa) and Opportunity Issue Based Collaboration (OIBC-4) on 6 April 2025 in Kampala, Uganda. OIBC-4 engaged in a dialogue with UN Resident Coordinators and Regional Directors to explore how innovative environmental solutions can accelerate progress towards achieving the Sustainable Development Goals. The dialogue focused on leveraging these COP 29 outcomes to foster collaborative efforts in environmental sustainability, enhancing climate action, and ensuring that carbon markets are aligned with the continent's aspirations for sustainable development. The dialogue addressed the implications of COP-29 outcomes for African member states, focusing on aligning the commitments made at COP-29 with Africa's priorities. The event aimed to inform a wide range of stakeholders, including representatives of African Member States, UN Regional Directors, UN Resident Coordinators, and African Union Commissioners on emerging issues arising from the three thematic areas including (1) COP 29 Outcomes & African Priorities (2) Operationalizing Article 6 on Carbon Markets in Africa (3) Enhancing Energy Access by leveraging COP 29 and Regional Initiatives:

This report provides a summary of key issues discussed in different sessions recommendations as suggested by the different participants in the dialogue.

### **COP29 Key Outcomes, Implications, and Opportunities for Africa**

This Session provided a comprehensive analysis of the key outcomes of COP29 and their implications for Africa, focusing on critical areas such as climate finance, adaptation, the operationalization of the Loss and Damage Fund, the Just Transition Work Programme, mitigation efforts, carbon market mechanisms under Article 6, agriculture and food security, Nationally Determined Contributions (NDCs), and gender equality.

### **Summary of key issues discussed**

The discussions aimed at examining the decisions of COP29 and on how to internalize them in Africa. The session started with reflections on key COP29 Outcomes by panel discussion on related thematic issues. Reflections suggest that Africa will benefit from some of the key COP29 Outcomes including The New Collective Quantified Goal on Climate Finance (NCQG); Multilateral Development Banks (MDBs) and Private Sector Engagement; Carbon Markets and Article 6; Loss and Damage Fund; Adaptation and Resilience; Mitigation; Just Energy Transition; Thematic Issues from Action Agenda and Implications for Africa; Enhancing Transparency Framework; Just Transition and Social Consideration; and Maximizing Climate Action for Sustainable development.

Key COP29 Outcomes (and associated opportunities for Africa) were further augmented by panel discussions on different thematic issues, involving RCs and other experts as panelists. The discussion acknowledged the various opportunities that Africa may benefit from under the provisions of the COP29 Outcomes. These include benefits from the new multilateral financial pledge window in the range of USD300 billion per annum and from the progress made to operationalize Article 6.4 of the Paris Agreement on carbon trading activities.

Despite the benefits of outcomes that COP29 might bring to Africa across multiple dimensions, the panel discussion brought into light the issues of concern that may work against the full materialization of such benefits and how to address them. Highlighted in this regard are the unfavorable trends and challenges being faced by the global cooperation landscape, because of lack of commitment of some countries and donors from global climate financing frameworks and engagements. Equally important is the limited capacity of African countries to benefit both from the existing global climate financing mechanisms and from the new multilateral pledges and other decisions made under COP29. Implications of such unfavorable global developments and how to address the ensuing challenges were further discussed in depth.

## **Recommendations**

To make Africa better and benefit from the COP29 Outcomes, the session made the following recommendations:

- **Improve the internal capacity of countries to better access existing climate financing mechanisms**  
The participants emphasized the need for African countries to develop policies, strategies, legislations, and capacities that enable them better access and benefit from the already existing climate financing mechanisms and resources, while looking forward to benefiting from the new pledges blended under the COP29 Outcomes.
- **The need for a more inward-looking approach**  
Pledges for financial resources in the range of about USD300 billion under the Baku COP29 Outcomes was ambitious (It is not clear if Africa can access such pledges, given the challenges facing the globalization landscape), there is a strong need for Africa to take a more Pan-African stance to capitalize on internal capacities and resources to fill gaps, including the capacity to coordinate and attract the private sector for effective engagement.
- **A coordinated negotiation and engagement, preferably under the umbrella of the African Union (AU)**  
Climate related engagements of Africa need to be coordinated preferably under the AU Umbrella, so that the continent's positions and negotiation power become stronger. Apart from enabling the continent to better engage with external partners, such climate action related coordination can help to promote cross-border collaboration, harmonize policies and strategies, and sharing of data.
- **The need for Africa to use its resources**  
Given the “irresponsible” behaviour of major GHG emitters (hence, the lack of convincing arguments to persuade Africa, which is responsible only for the 4% of the global emission, not to exploit its resources), African countries should consider how to use their natural resources for development, including the possibility of exploiting fossil resources. Africa. The

participants were of the view that other developing countries cannot be obliged to carry alone the burden of mitigating the global climate change phenomenon.

- **Create an enabling environment to benefit from emerging carbon markets**  
African governments must work towards making conducive regulatory and legislative environment to allow countries to capitalize on co-benefits generated by developments in relation to carbon emission reduction, popularly construed to mean carbon markets. This will also allow the region to tap on non-traditional revenue sources such as those from the private sector and attracting better prices from the critical minerals and even carbon.
- **Continued support from the UN system**  
A call for the UN system to continue its support to African countries to enhance their internal capacity and improve governance mechanisms to benefit more from COP29 Outcomes.

### **Carbon Markets and Operationalization of Article 6**

This session focused on how African nations can effectively participate in and benefit from carbon markets, both compliance and voluntary, by strengthening policy frameworks, enhancing financial access, promoting public-private partnerships, and ensuring environmental and social integrity.

#### **Summary of key issues discussed:**

This session was moderated by Mathias Naab of UNDP and it focused on the Carbon Markets and Operationalization of Article 6. Panelists included Excellent Hachileka of UNDP and Peruma Aumugam as presenters. Panelists were Ms Catherine Sozi, RC Mozambique, Ms Irene Chekwoti, Senior Climate Change Mitigation Officer, Ministry of Water and environment; Mr. Andrew Ocama Coordinator of the Eastern Africa – Alliance on Carbon Markets and Climate Finance; Gabriele Labbate, Head Climate Mitigation Unit, UNEP.

The presenter provided an overview of the operationalization of Article 6 and mentioned that:

#### **Article 6 of the Paris Agreement**

- Involves international cooperation to reduce greenhouse gas emissions through Carbon Markets.
- Article 6 Allows countries to work together in different ways to meet their climate goals - Nationally Determined Contributions, or NDCs. This cooperation can involve carbon markets, where countries can buy or sell emission reductions, or non-market approaches like climate finance or technology transfer.

#### **Article 6.2 (Cooperative Approaches - Bilateral Trading)**

- This article involves countries trading emissions reductions directly with each other through bi-lateral agreements. One country can reduce emissions and sell those reductions (called Internationally Transferred Mitigation Outcomes – ITMOs) to another.
- Requires transparency and proper accounting to make sure emissions aren't counted twice (this is called avoiding double counting).

#### **Article 6.4 Paris Agreement Crediting Mechanism (PACM)**

- Creates a centralized carbon market run by the United Nations (UNFCCC).

- Countries or companies can invest in emission-reduction projects (like building wind farms or reforestation) in other countries.
- It replaces and improves upon the old Clean Development Mechanism (CDM) from the Kyoto Protocol.
- Linking with NDCs: Mechanism allows countries to use carbon credits to meet NDC targets, while maintaining the environmental integrity of the system. Again, it requires careful accounting and registry.

#### **Article 6.8 (Non-Market Approaches)**

- Not all cooperation involves money or trading credits
- Promotes non-market cooperation, like sharing clean energy technology, offering climate finance, or capacity building
- Focuses on helping developing countries in ways that aren't based on trading emissions.

**COP29** solidified the **operationalization of Article 6** of the Paris Agreement.

- Finalized Rulebook for Article 6: COP29 delivered clear guidelines on ITMOs, baseline methodologies, and monitoring systems, providing a solid foundation for operationalization.
- Environmental and Social Integrity: Emphasized Safeguards for ensuring that carbon market activities are environmentally and socially responsible
- Integration of Voluntary Carbon Markets (VCM): Support for voluntary markets, particularly for Africa.

Africa's vast carbon sink potential (forests, land restoration, renewable energy) offers opportunities for carbon credit generation. Africa stands to benefit economically by participating in these cooperative approaches, potentially generating revenues from the sale of carbon credit.

#### **Opportunities:**

- Investments in sustainable development
- Job creation and technology transfer
- Enhanced contributions to achievement of NDCs
- Diversified revenue streams
- Increased financial flows for climate action

#### **Carbon markets implications for Africa**

- Regulatory Gaps: Insufficient regulatory frameworks to oversee carbon market operations,
- Technical Capacity: Limited expertise in developing and implementing carbon market projects especially in areas of carbon market methodologies, monitoring, and reporting,
- Access to Finance: Many African countries struggle with accessing financing for carbon market projects due to a lack of financial infrastructure and in attracting private sector investment,
- Regional coordination: Inadequate regional coordination needed to develop credible carbon crediting mechanisms and robust government oversight.
- Equitable benefit sharing of proceeds: How to ensure equitable benefit-sharing with local communities.

#### **UN AGENCIES SUPPORTING AFRICA ON CARBON MARKETS**

Below is a highlight of the role that some of the agencies are playing in supporting countries across Africa to prepare for and benefit from carbon markets, including Article 6 of the Paris Agreement.

#### **United Nations Development Programme (UNDP)**

- UNDP plays a leading role in supporting countries across Africa to prepare for and benefit from carbon markets, including Article 6 of the Paris Agreement.
- Carbon Data Access Partnership (CaDAP) - Supports governments in accessing and using carbon market data to inform decision-making and planning.
- Support for National Frameworks- Assists countries in designing institutional, legal, and policy frameworks to operationalize carbon markets and Article 6 implementation etc.

#### **United Nations Environment Programme (UNEP)**

- Builds readiness for carbon markets through MRV systems and policy advice.
- Through UNEP DTU Partnership, supports climate market tools and feasibility studies and advocates for integrity and environmental safeguards in offset projects.
- Supports access to finance
- Support for safeguards

#### **Food and Agriculture Organization (FAO)**

- Assists in generating carbon credits through land-use and agriculture (AFOLU).
- Provides MRV support and REDD+ program design

#### **United Nations Economic Commission for Africa (UNECA)**

- Supports regional carbon market development and policy harmonization.
- Provides research and analytics on carbon pricing and economic opportunities

#### **United Nations Framework Convention on Climate Change (UNFCCC)**

- Develop regulatory guidance for Article 6 (including 6.2 and 6.4 mechanisms).
- Provides training tools for transparency, accounting, and reporting.

#### **African Carbon Markets Initiatives (ACMI)**

- Regional Carbon Market Alliances
- African Alliance on Carbon Markets and Climate Finance (AACMCF)
- Focusing knowledge-sharing and regional policy alignment.
- West African and East African Alliances on Carbon Markets

#### **The session also highlighted the following:**

Ms. Chekwoti laid a foundation of the Ugandan approach to carbon markets and explained the role of the act of the Ministry of Water and Environment. She mentioned the crucial role of developing regulations towards the establishment of processes for carbon markets and that at the centre is transparency, integrity and inclusivity leaving no one behind. The speaker indicated the development of guidelines and roadmaps as well as raising awareness, and capacity development are part of the next steps. She also stressed that having a strong legal standing is critical to carbon markets and having a process of learning from those to identify the gaps. She highlighted the need to promote

private-sector engagement and infrastructure development. She also emphasized the need for countries to form regional carbon markets alliances like African Alliance on Carbon Markets and Climate Finance (AACMCF which focuses on knowledge-sharing and regional policy alignment).

Ms Soza stated that Mozambique had a lot of climate change issues including flooding, droughts, and cyclones, she highlighted how the government of Mozambique had approached the UN regarding the developed the White paper which was supposed to be completed after the elections of 2024. She also indicated the assistance that she received from OIBC4 on the reviewing of the Carbon Markets DECREE. The DECREE was going to be promulgated by the government, and it went through various stakeholder engagements. She mentioned that the topic of carbon markets is very evolving and that it is always agreed at the Conference of Parties Meetings and hence the need to inform the Resident Coordinators who are in the countries. The RCO of Mozambique convened the civil societies who are the voices of the local communities highlighting the land issues. She informed the dialogue that in preparation of Carbon Markets DECREE, she had ensured that the minister of Finance and Environment were involved in the whole process and stated that the UNCT in Mozambique is working on different areas of carbon markets. The need to bring in the private sector was underscored to ensure that benefits sharing, and equity are achieved. She reckoned that UN could play a key role in promoting transparency and inclusivity through a coordinated approach.

Mr. Ocamo defined Carbon markets as a framework to value mitigation impact. It provides a source of finance to reduce costs. He stated that green bonds can be used as a financing facility based on carbon credit. He mentioned that international instruments for sustainable development had fallen short and that even though tree planting can yield carbon credits it can also be used as debt for nature swaps. He emphasized the need to make carbon credits simpler and mentioned that the East African Carbon Markets Alliance had worked since 2019 to build readiness to ensure that member states understand article 6. The need to develop operational systems with government oversight structures was underscored. This should include the regional carbon markets registry to harmonize standards and make things simpler especially for transboundary project while developing structures and involving government for oversight.

### Key takeaways

1. **Strengthen Legal and Regulatory Frameworks for Carbon Markets:** It is essential to support African countries in developing robust legal and regulatory frameworks that provide clarity, transparency, and accountability for the effective implementation of carbon markets. This includes aligning national legislation with international standards under Article 6 of the Paris Agreement, while safeguarding environmental integrity and ensuring social inclusion.
2. **Enhance Technical Assistance for the Operationalization of Carbon Markets:** The UN system should work closely with African governments to provide targeted technical assistance for the design and operationalization of carbon markets. This support should focus on building institutional capacity, developing market infrastructure, and facilitating access to international carbon finance mechanisms.
3. **Prioritize Capacity Development and Knowledge Transfer:** The UN should leverage its convening power and expertise to strengthen capacity development efforts at regional, national, and local levels. This includes training government officials, private sector actors, and local communities on carbon market mechanisms, monitoring, reporting, verification (MRV) systems, and equitable benefit-sharing approaches.

4. **Contextualize and Communicate the Benefits of Carbon Markets:** It is critical to ensure that carbon market initiatives are grounded in Africa's development realities. The UN should support countries to clearly articulate and communicate the socio-economic co-benefits of carbon markets — including job creation, technology transfer, rural development, and environmental sustainability — to build public trust and local ownership.
5. **The need to use AU Carbon Markets framework:** The session recommended that countries be encouraged to use the AU Carbon Markets framework as they develop their own framework.
6. **Offer tax incentives:** The need for governments to offer tax incentives and moving to equal benefits sharing.
7. **Ownership and leadership:** The need for ownership and leadership from the governments on the development of carbon markets frameworks.
8. **Establishment of Regional Carbon Markets Registry:** The need to establish Regional Carbon Markets Registry to harmonise standards and make things simpler especially for transboundary project

#### **Recommendations:**

**Key Steps for Africa to be ready on Carbon Markets after COP29 include the following:**

##### **Step 1: Strengthening Legislative and Regulatory Frameworks to safeguard the communities**

- Developing comprehensive national carbon market frameworks and regulations aligned with the finalized Article 6 rulebook
- Regulatory Institutions: Build specialized agencies for carbon market oversight, verification, and approval of carbon credits

##### **Step 2: Building Robust Institutional arrangements by**

- Putting in place institutional frameworks to govern and ensure transparency and accountability in carbon market operations
- Carbon Credit Issuance Authority: Establishing and designating competent authorities to oversee carbon market activities and ensure compliance with international standards.
- Defining roles and responsibilities of different government agencies to streamline the process for project approval, verification, and issuance of carbon credits
- Setting up national carbon market registries to track carbon credits and transactions
- Ensuring coordination and collaboration among stakeholders

##### **Step 3: Building Technical Capacity**

- Providing Policy Development: Support in drafting and implementing national carbon market policies.
- Technical Support: Train government officials, private sector actors and local communities in carbon market mechanisms, methodologies, ITMOs, baseline setting, and monitoring and reporting.
- Development of expertise in carbon market methodologies, project development, and robust Monitoring, Reporting and Verification (MRV) systems
- Raising awareness among stakeholders about the opportunities and requirements of Article 6 and other international markets,

- Institutional Strengthening: Build the capacity of national institutions to oversee carbon market activities,
- Facilitating technology transfer.

**Financial Literacy:** Enhance understanding of how to attract investment and secure financing for carbon credit projects.

#### **Step 4: Financial Access and Investment**

- Attracting Investment: African nations need to create investment-friendly policies and landscapes to attract private sector participation in carbon markets.
- Create an enabling environment to attract domestic and international investment for carbon credit generation projects, with a focus on long-term sustainability,
- Develop innovative financing mechanisms - green bonds, carbon funds etc.

#### **Step 5: Promoting Environmental and Social Integrity**

- Implement robust environmental and social safeguards for carbon market projects
- Establish mechanisms for stakeholder participation and grievance redress
- Monitor and evaluate the environmental and social impacts of carbon market activities

#### **Step 6: Promote Public-Private Partnerships (PPPs)**

- Foster collaboration between governments, private sector, civil society and communities to ensure inclusive market participation.
- Develop clear guidelines for PPPs in carbon market projects including shared risks and responsibilities equitably,
- Leverage private sector expertise and innovation

#### **Step 7: Monitoring, Reporting, and Verification (MRV)**

- Establish robust MRV systems to track emission reductions and removals
- Use standardized methodologies and guidelines  
Ensure validation and independent verification of carbon credits

#### **Enhancing Energy Access by leveraging COP 29 and Regional Initiatives**

This session discussed the key outcomes of COP29 and the Africa Energy Summit, focusing on energy-related decisions, their implications for Africa, and how African countries can leverage these outcomes to enhance energy access, promote renewable energy, and ensure a just transition to clean energy solutions.

#### **Summary of key issues discussed Background**

Global access to electricity has risen to 91% as of 2024. Yet, 685 million people—83% of them in Africa—remain without access. While renewable energy usage is increasing globally, Africa's energy transition and access progress is slow due to structural barriers, underinvestment, and fragmented markets. With AfCFTA and regional cooperation mechanisms emerging, strategic interventions are needed to close the energy access gap and catalyze climate-resilient development.

#### **Key Issues from Discussions:**



1. **Slow Electrification in Africa**
  - Africa must connect 90–100 million people annually to keep pace.
  - Rural electrification lags due to high costs and limited funding.
2. **Underfunded Energy Investments**
  - Africa receives less than 3% of global energy investments.
  - Private sector participation remains low due to regulatory and financial risks.
3. **Policy and Market Constraints**
  - Fragmented electricity markets and weak tariff structures undermine efficiency.
  - Lack of coordination across national and regional levels hampers progress.
4. **Climate Action & Energy Nexus**
  - Africa needs over \$3 trillion by 2030 to meet NDCs and climate goals.
  - Clean energy investment is key to low-carbon development pathways.
5. **Geopolitical Challenges**
  - Geopolitical tensions continue to hamper progress in the region.
  - There is a need to develop effective trade policies, address geopolitical influences, and ensure a just and inclusive transition.
6. **Strategic Importance of Critical Minerals**
  - Africa is endowed with a rich diversity of critical minerals such as lithium, cobalt, platinum, uranium, and manganese, spread across various countries. This necessitates regional collaboration to unlock the potential of these resources, enhance intra-Africa trade, and attract sustainable investments.
  - The objective is to develop unified critical mineral markets and regional value chains through harmonized trade policies, investment regulations, and infrastructure development, ensuring that African countries collectively benefit from the growing global demand for these minerals while driving economic growth, industrialization, a just energy transition, and job creation within the continent.
7. **Financing the Energy Transition:**
  - **Economic Impact of Disruptions:** Disruptions in supply chains and trade barriers could significantly affect Africa's GDP and energy sector, with potential economic losses reaching up to \$10 billion. Public resources are becoming increasingly scarce, with 20 African countries spending 10% of their government revenue on debt servicing.
  - **Investment Challenges:** In a volatile and unstable global environment, attracting private investment to Africa remains challenging, as investors tend to favor safer, lower-risk regions. However, this crisis also presents an opportunity for critical policy reforms in the energy sector, including cost-reflective tariffs and reducing fossil fuel subsidies, that can help create a more attractive investment environment.
  - **Emerging Platforms and Partnerships:** Initiatives like the Nairobi Declaration, Africa50, and other new partnerships have put a strong focus on increasing investment in Africa's energy access, creating a significant opportunity for progress.
  - **Regional Integration and Risk Mitigation:** Increased regional integration, such as the West African power pool, could result in up to \$40 billion in capital cost savings, making regional projects more attractive to investors. Additionally, risk-sharing mechanisms, credit guarantees, and off-grid solutions can help mitigate financial risks.
  - **Leveraging Domestic Resources:** Africa's own resources, such as pension funds and sovereign wealth funds, remain largely untapped for energy transition projects. Systematic approaches like the Integrated National Financing Framework (INFF) could help align development financing more effectively to support these transitions.

- **Regional power pool example:** The South Africa Power pool was provided as a progressive regional example with expected connectivity to the East Africa Power pool in the future. The South Africa Power Pool serves as a model for regional energy integration, improving energy security, efficiency, and facilitating cleaner energy transition across the sub-region.
- **Global Momentum for Africa's Energy Transition:** Initiatives like Mission 300 and the Energy Compacts Summit are instrumental in mobilizing investments and forging global partnerships to support Africa's energy transition. For Africa, this means greater finance for renewable energy projects, enhanced energy access for underserved communities, and stronger international collaboration to build resilient, sustainable energy infrastructure. These platforms signal growing global commitment to Africa's energy future and help align resources with national and regional priorities.

## **Recommendations:**

- 1. Scale Investments and Decentralized Electrification**
  - Enable cross-border integration to create larger, more attractive markets for investment
  - Facilitate collaboration among regional stakeholders to advance Africa's climate action and energy transition.
  - Align national strategies with regional and global energy transition goals.
  - Prioritize solar mini-grids and standalone systems in rural areas.
  - Establish results-based financing to lower entry barriers for private developers.
- 2. Mobilize Climate and Private Finance**
  - Create blended finance platforms with public-private co-investment.
  - Expand access to carbon markets under Article 6 to finance energy projects.
- 3. Accelerate Regulatory and Market Reforms**
  - Implement cost-reflective but socially inclusive tariffs.
  - Enable transparent procurement frameworks for IPPs and PPPs.
- 4. Enhance Regional Energy Integration**
  - Invest in cross-border transmission infrastructure.
  - Harmonize regulations under RECs and AfCFTA energy protocols.
- 5. Target Energy for Productive Use**
  - Link electrification to agriculture, SMEs, and health services.
  - Support local energy value chains to boost job creation and resilience.
  - Support the just energy transition in the region.
- 6. Implementation Pathways**
  - Establish national energy investment taskforces to align SDG7 with NDCs.
  - Develop regional energy corridors under AfCFTA and AU Agenda 2063 (including enhancing the regional power pools).
  - Enhance the UN system and development partner support for policy reform and capacity building including developing National Renewable Energy plans.

## **Key takeaways**

Universal energy access in Africa is achievable with urgent, coordinated actions. By scaling up investments, enabling markets, and harnessing Africa's renewable potential, the continent can drive inclusive growth and climate action. ARFSD-11 emphasizes the need to turn commitments into capital and connections, ensuring pathways are locally defined and led by African voices. While the financing crisis poses challenges to meet Africa's SDG 7 targets, it also presents opportunities for

policy reforms, regional collaboration, and innovative financing models. The UN national and regional actors can play a pivotal role in leveraging both public and private resources to address these challenges.

## **Conclusion**

The Resident Coordinators requested to be equipped with knowledge and tools to advise governments on these emerging issues. They thanked the Conveners for the meeting and recommended that there be stronger linkages with African Union to advance agenda 2030 and 2062 at country level.





