

## Carbon Pricing in Africa: Opportunities for action at the sub-national level

*Proposal for a Webinar  
October 27, 2020  
03:00 to 05:00 pm (GMT+1)*

The implementation of African NDCs would require about \$4 trillion for mitigation and an additional \$488 billion for adaptation by 2030. The achievement of this objective of mobilizing climate finance can only be achieved through the use of innovative mechanisms and instruments, in particular those provided under the international cooperation approaches of the Paris agreement, in connection with the development of the carbon market in Africa.

The establishment of a carbon market, which has become an important new source of financing for carbon mitigation projects and programs, is indeed an effective lever for accelerating the reduction of GHG emissions as well as the establishment of a transparency framework linked to the MRV system that supports it.

In this perspective, the adoption of a structuring and inclusive approach has proven its effectiveness in developed countries and is beginning to inspire developing countries and LDCs, especially given the enormous potential that African countries have in terms of emission reductions that can be put on sale in the framework of the international carbon market. This potential is estimated at 1.5 Gt CO<sub>2</sub> by 2030, which could generate an additional income of \$29 billion that could potentially be reinvested to increase the ambition and accelerate the implementation of CDNs.

Among the success factors for establishing the robustness of such a market is the ability to prepare and involve all stakeholders from the outset of the initiative, in particular local authorities. Which account for more than 60% of GHG emissions, businesses and representatives of civil society. These success factors are fully compatible with the nature of the Paris agreement's decentralized, bottom-up governance framework.

While the Market Readiness Partnership (MRP) initiative launched in 2011 by the World Bank marked a turning point in preparing countries to have a strategy to implement the carbon price, this preparation has mainly focused on actors at the central level. This explains why, to date, the participation of local authorities and urban mitigation projects in the global carbon market remains extremely limited. The under-representation of city carbon projects may be linked both to the difficulties of implementing urban mitigation projects and to the difficulties of cities to access the carbon market.

As of April 2019, 46 national and 28 sub-national jurisdictions are putting a price on carbon. In Africa, 30 sub-Saharan African countries refer to the use of carbon pricing or carbon markets in their National Defined Contributions (NDCs) to the Paris agreement.

By 2025, there will be 100 African cities with more than one million inhabitants, which clearly positions local governments at the heart of the carbon market strategy in Africa and calls for the need to put in place a multi-level governance framework to create an enabling environment for local climate action.

Important initiatives have been launched to promote this bottom-up dynamic which aims at ensuring better integration between the national and local levels and creating an enabling environment for the implementation of the Paris agreement.

At the African level, the Convention of Mayors in Sub-Saharan Africa (CoM SSA) initiative supports sub-Saharan cities in their fight against climate change and in their efforts to ensure access to clean energy. It is a bottom-up and voluntary initiative that calls on cities to set and achieve ambitious and realistic energy and climate targets.

The event aims to contextualize carbon pricing and its objectives in relation to sub-national actors in Africa. It focuses on locally appropriate carbon pricing instruments and how to address some of the challenges of carbon pricing.

This event will allow speakers to share their experiences, challenges and best practices in involving the sub-national level in the carbon market. The following questions could frame the discussions:

- **How can African cities contribute to ensure a successful transition from the Clean Development Mechanism (under the Kyoto Protocol) to Article 6 of the Paris Agreement with a view to achieving national commitments?**
- **What, in your opinion, are the most effective ways to involve sub-national authorities in the strategy of implementing a national and regional framework on the carbon market and consequently structure the operational framework of cities and territories in the carbon market?**
- **How can sub-national authorities be helped to integrate carbon market instruments into their development policy and budget plans, and to find funding?**