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## **DISCLAIMER**

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# Abbreviations

ADB	Asian Development Bank
A6.4M	Article 6.4 mechanism
BMUV	German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
BMWK	German Federal Ministry for Economic Affairs and Climate Action
CB	Capacity building
CBIT	Capacity-building Initiative for Transparency
CDM	Clean Development Mechanism
CER	Certified Emission Reduction
CERSPA	Certified Emission Reductions Sale and Purchase Agreement
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMM-WG	Carbon Market Mechanisms Working Group
COP	Conference of the Parties
DNA	Designated National Authority
EEA	Eastern Africa Alliance on Carbon Markets and Climate Finance
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GS	Gold Standard
ICAT	Initiative for Climate Action Transparency
IGES	Institute for Global Environmental Studies
ITMO	Internationally transferred mitigation outcome
JCM	Joint Crediting Mechanism
JI	Joint Implementation
KP	Kyoto Protocol
LDC	Least Developed Country
MADD	Mitigation action design document
MATS	Mobilizing Article 6 Trading Structure
MRV	Monitoring, reporting and verification
NDC	Nationally Determined Contribution
NDCP	NDC Partnership
NFP	Nairobi Framework Partnership
NSS	National Strategy Studies

Capacity building for Article 6 cooperation

CMM-WG

PCCB	Paris Committee on Capacity-building
PMI	Partnership for Market Implementation
PMR	Partnership for Market Readiness
RCC	Regional Collaboration Centre
SB	Supervisory Body
SIDS	Small Island Developing State
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VCM	Voluntary Carbon Market
WAA	West African Alliance on Carbon Markets and Climate Finance

## 1. Objective and scope of the discussion paper

With the long-awaited adoption of the Article 6 rulebook at the Glasgow Climate Conference (COP26) in November 2021, focus shifts now from the negotiation process to the preparation of public and private stakeholders to engage in international market-based cooperation under Article 6 of the Paris Agreement. It is widely recognised that carbon market actors, in particular in developing countries, require capacity building (CB) to be able to comply with the new principles and requirements for carbon markets and to fully benefit from related opportunities. There are several long-established as well as new initiatives and organisations that are focusing their CB efforts on strengthening the Article 6 readiness of market actors. At the intergovernmental level, the decisions taken in Glasgow mandate the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) to design and implement a CB programme including through its regional collaboration centres (RCCs) to assist Parties, particularly developing country Parties, in participating in the international carbon market. Under Article 6.2 relating to the use of internationally transferred mitigation outcomes (ITMOs), the CB programme should focus on supporting the development of institutional arrangements, including for reporting, ensuring ambition in cooperative approaches and, in the case of least developed countries (LDCs) and small island developing States (SIDS), meeting the participation requirements (UNFCCC 2021a, para. 12). For the international Article 6.4 mechanism (A6.4M), the CB programme shall be designed by the Secretariat in consultation with its Supervisory Body (SB) and focus on establishing the necessary institutional arrangements to implement the requirements and to develop the technical capacity to design and set baselines for application in host Parties (UNFCCC 2021b, para. 14).

In line with the decisions taken in Glasgow, the Institute for Global Environmental Studies (IGES) and the Ministry of the Environment in Japan co-hosted two conferences on Article 6 implementation in February and March 2022, where government representatives discussed the establishment of an institutional and governance framework for CB and identified CB needs based on their experience with Article 6 negotiations, piloting and CB efforts (IGES 2022).

The objective of this paper is to outline lessons learned from CB efforts in the context of the Kyoto Protocol's (KP) market mechanisms, especially the Clean Development Mechanism (CDM), to conceptualise CB and to discuss the challenges and success factors of CB, in particular of CB support provided to developing countries, through North-South, South-South, and peer-to-peer approaches. Based on this discussion, recommendations are derived on how to maximise the effectiveness, scale, and coordination of ongoing CB efforts to achieve Article 6 readiness.

The discussion paper includes insights from speakers and participants present at the workshop on the coordination of Article 6 CB, conducted in the context of the Carbon Market Mechanisms Working Group (CMM-WG) on 21 March 2022.

## 2. Experiences with capacity building for CDM participation

CB support to developing countries has long been part of the UNFCCC processes, and continues under the Paris Agreement as a key means to empower institutions and individuals to mitigate and adapt to climate change. It is widely recognised that, in order to be successful, CB efforts must be country-driven and country-focused. This is a common aim of bilateral and multilateral initiatives within and outside the UNFCCC processes, even if ensuring country buy-in remains a key challenge.

Engaging in international carbon markets to combat climate change requires a wide range of capacities both from governments to regulate and incentivise carbon market activities and from the private sector to engage in such activities. CB for international carbon markets started even before these markets were set up. The pilot phase for “Activities Implemented Jointly”, a road test for international carbon markets without carbon credit generation, essentially was a large CB programme (Michaelowa 2002, Michaelowa et al. 1999). Without this programme, which featured a lot of North-South transfers of resources and knowledge, e.g., between Norway and Costa Rica, or between the US and many developing countries through the US Initiative for Joint Implementation, it would have been extremely difficult to agree on the Kyoto mechanisms in 1997.

The next step in CB for international carbon markets was orchestrated by the Swiss government and the World Bank in 1998 and later joined by Finland, Canada, Germany, Australia, Austria, and Italy. The National Strategy Studies (NSS) programme ran until the end of 2003 and was aimed at both CDM and JI host countries. Eventually, in 16 CDM countries, a team of local consultants in conjunction with an international consultant estimated costs and scope of greenhouse gas abatement options in the country, proposed institutional requirements for CDM project approval, and defined a project pipeline.

The CB framework established under the Marrakech Accords in 2001 marked the official beginning of CB efforts under the UNFCCC. In line with the UNFCCC principles, developed countries will pay for their own CB and also support developing countries in CB. Recognising that capacity gaps vary across countries, the CB framework under the Marrakech Accords was developed to be country-driven and CB was delivered through continuous, progressive, and iterative support measures such as ‘learning by doing’ and building on existing capacities (UNFCCC 2002).

Various multi- and bilateral programmes offered technical assistance to support the capacity to develop and operationalise CDM activities. Often this was linked to specific carbon funds wanting to buy carbon credits from activities benefitting from CB. The largest examples are listed below (finance volumes are taken from Okubo and Michaelowa 2010):

- The **EUR 13 million Carbon Finance Assist** of the World Bank to fund CB in the context of activities under the various World Bank-led carbon funds (World Bank n.d.).
- The **EUR 10 million Capacity Development for the CDM (CD4CDM)** initiative led by the United Nations Environment Programme (UNEP).
- The **EUR 6 million NSS** initiative of multiple countries with the World Bank described above (see Michaelowa 2005 for a detailed description).

- The **EUR 5 million SouthSouthNorth Project** (SSN Toolkit) funded by the Netherlands, intending to help stakeholders to identify, design, and implement projects by themselves.
- The **EUR 4 million Integrated Capacity Strengthening** funded by Japan in South-East Asia.

More recent initiatives include:

- Japanese CB for the **Joint Crediting Mechanism** (JCM), with the most striking example being the far-reaching CB programme of the Indonesian JCM Secretariat (Hindarto 2015).
- **RCC**-led support for standardized baselines (for an example see UNFCCC 2020b).

These initiatives can serve as beacons for bilateral and multilateral institutions aiming to extend financial support to developing countries for meeting Article 6 participation requirements as well as for implementing carbon projects.

In large emerging economies like India and China, CB was very effective, leading to a rapid emergence of an ecosystem of CDM entrepreneurs and consultants (Schneider and Grashof 2006, Zhang 2006). Especially in China, public-private partnerships on the provincial level were crucial for spreading knowledge about the CDM in a highly effective way, as the involved entities directly benefitted from revenues of the projects they had enabled (Schröder 2009). Beyond these fast movers, medium-sized countries like Vietnam received substantial CB but were slower to mobilise their CDM potential (Dang 2006).

In many developing countries, particularly in sub-Saharan Africa, the low capacities for approving CDM projects, as well as the lack of project development expertise and low CDM awareness of financing institutions led to low CDM project implementation rates (Byigero et al. 2010; Arens et al. 2011), despite significant CB activities (Okubo and Michaelowa 2010). The complexity of CDM requirements and procedures – designed to safeguard environmental integrity rather than to facilitate broad access – and the associated transaction costs constituted a barrier to entry to project developers in many developing countries, especially where access to up-front financing was difficult.

To address these challenges, the Nairobi Framework Partnership (NFP) was launched as a flagship outcome of COP12 in Nairobi in 2006. The NFP aimed to support developing countries, particularly countries in sub-Saharan Africa, to encourage their participation in the CDM. It was initially implemented by the United Nations Development Programme (UNDP), UNEP, the World Bank Group, the African Development Bank, and the UNFCCC Secretariat. It focused on providing CB support through inter-agency cooperation and technical assistance (Byigero et al. 2010). The objective of the NFP was to build the capacities of project participants, strengthen national institutions, promote investments, and improve knowledge sharing and donor coordination through its global network of more than 130 national focal points, six RCCs and NFP partners' local offices (Nairobi Framework Partnership 2018). With the adoption of the Paris Agreement, the NFP expanded its objective to support the implementation of nationally determined contributions (NDCs) as well as market-based approaches under the Paris Agreement by creating an enabling environment at the national level using the knowledge and experiences from the CDM (Nairobi Framework Partnership 2018).

Bi- and multilateral CB providers also recognised these challenges and sought to address them. For example, the Swedish Energy Agency and the World Bank's Carbon Finance Assist programme engaged in efforts to facilitate LDCs' access to the CDM through the development and road-testing of programmatic and standardised CDM approaches (Ahonen and Hansen 2015).

### 3. Key lessons from capacity building in the CDM context

In general, key lessons learned from CB efforts in the CDM context include:

Overarching aspects:

- The CDM itself was seen as a huge learning-by-doing CB programme for low-carbon development within developing countries. Spalding-Fecher et al. (2012, p. 5) see this as “one of the most important sustainable development impacts of the CDM [...]. This capacity-building has not only engaged the local private sector in climate change mitigation and increased awareness of mitigation opportunities, but has also laid the foundation for domestic climate change policy, including emissions trading and other programmes, in many major developing countries”.
- A holistic approach to CB that covers the whole CDM process is more effective, particularly through better coordination between initiatives, allowing each to focus on its specific expertise (Okubo and Michaelowa 2010).
- Project-based or integrated CB needs to be combined with more systematic education and training at the senior but also at the mid- and junior-level to ensure sustained capacity (Christensen n.d.; Koakutsu et al. 2012).
- CB is to be provided in a manner that does not support a dependency on CB funds and expertise from abroad (Michaelowa 2005; Schneider and Grashof 2006).

Challenges in CB:

- Donor coordination was often lacking, causing inefficiencies in efforts (Michaelowa 2005). Even in cases where the communication with other donors was well established, effective coordination to maximise synergies and minimise duplication remained challenging (Shimura 2005).
- Donors clustered in countries perceived as attractive while countries seen as unattractive were side-lined. In the former, unhealthy workshop tourism took off with government officials spending their time in workshops to receive lavish daily subsistence allowances (Okubo and Michaelowa 2010).
- Many CB efforts were seen as interest-driven, for example, to identify opportunities to acquire cheap carbon credits. This was particularly the case in the World Bank CB under the NSS Programme where Germany made its financial contributions with the condition that it would retain control over the study content and could decide unilaterally when a report would be fit for publication, as Germany feared that the World Bank would ‘hijack’ the results (Michaelowa 2005).
- In some cases, host countries did not set up appropriately designed institutions despite receiving CB. For example, small countries in a region that did not have the resources

to set up a full-fledged CDM designated national authority (DNA) did not use the opportunity to reduce the national resource need by teaming up in a regional DNA that would have been more appropriate than national DNAs devoid of resources (Michaelowa 2003). This was also due to the emphasis of CB efforts on training and technical assistance in the development of CDM project proposals instead of on promoting the implementation of relevant institutional arrangements (Byigero et al. 2010).

- In many cases of joint work of consultants from developed and developing countries, the former played a major role which limited the degree of CB in developing countries. Michaelowa (2005, p. 311) stresses that the NSS Programme “built the capacity of [developed country] consultants at least as strongly as capacity of host [developing] country consultants”.
- More targeted CB with clear objectives should have been provided (Michaelowa 2005; Shimura 2005). In smaller developing countries, CB efforts should for example have focused CB efforts on priority sectors and the promotion of programmatic approaches (World Bank 2010). The need was identified for CB to not only focus on building human capacities but for example to also improve investors’ perceptions regarding the general investment climate in certain regions in order to overcome the barrier of lacking access to finance (Byigero et al. 2010). The outcome of CB tends to be more linked to the strengths of the consultants providing the CB rather than the needs of those targeted by CB.

Addressing CB challenges:

- **Coordinating CB:** Effective and sustainable CB requires coordination within and across countries, ministries and public and private stakeholders. In some countries, this has been achieved by donor roundtables and coordination meetings, for example in Rwanda and Vietnam. The NFP was designed to address the sporadic, ad hoc and un-systematic nature of CB efforts provided by donors. Through improved coordination and consolidation of efforts, a more systematic approach to CB was sought in Africa. However, early efforts under the NFP still showed a lack of coordination with diverging goals and motivations of donors and beneficiaries while the CB activities of some buyer countries and organisations continued outside the NFP, thus contributing to the duplication of efforts and waste of resources (Byigero et al. 2010).
- **Customising CB:** To be effective, CB needs to be customised for the countries and stakeholders in question (World Bank 2010). Japan’s Joint Crediting Mechanism (JCM) – a bilateral alternative to CDM – provides country-focused CB for small groups of host country stakeholders. In larger countries, a dedicated JCM secretariat has been set up that engages in CB for private sector players; the foremost example of this is Indonesia where this approach has led to a large project pipeline (Hindarto 2015).
- **Widening CB, through knowledge-sharing and peer-to-peer learning:** Once a critical number of stakeholders has developed practical expertise, they can share it with their international peers (World Bank 2010). For example, India rapidly developed a set of CDM consultancies and DOEs which undercut developed country consultancies in pricing and played an important role in mobilising CDM projects in hitherto underrepresented regions, like Africa. This led to peer-to-peer learning but also South-South and (two-way) North-South exchanges (World Bank 2010).

- **Sustaining CB:** Ensuring long-term outcomes of CB requires shifting the focus from predominantly short-term actions such as workshops to longer-term CB (Michaelowa 2005; Byigero et al. 2010; Christensen n.d.). Learning-by-doing through actual CDM projects is effectively a form of long-term CB.
- **Localising CB:** Effective and sustainable CB requires developing and retaining capacity in the host countries, to reduce reliance on external, ad hoc expertise. Local think tanks and public-private partnerships can play a key role in training new generations of local carbon pricing experts.

#### 4. Capacity building for Article 6

The effective implementation of the Paris Agreement requires significant further CB in all countries, among both public and private stakeholders. It is important to capitalise on the CB experiences to date. Article 6 CB can draw on the CDM CB experiences, but it also needs to be closely coordinated with and integrated into broader CB for NDC planning, implementation, reporting and accounting.

Early Article 6 readiness initiatives started already prior to the adoption of the Article 6 rule-book, with the aim to develop awareness and capacity on political, institutional and technical requirements for Article 6 cooperation, including by learning-by-doing. These initiatives have, inter alia, promoted research and development, information sharing, stakeholder engagement, setting up carbon market infrastructure, and regulatory processes that enable the implementation of Article 6 pilot activities (Greiner et al. 2020).

At the Glasgow Climate Conference, Parties recognised the capacity challenges of engaging in Article 6 and agreed on substantial CB support under both Article 6.2 and 6.4, especially for developing countries (UNFCCC 2021a, b).

The balance of funds from the CDM Loan Scheme and interest earned by the Trust Fund for the CDM will be allocated to the **'Trust Fund for Supplementary Activities'** for CB to strengthen global climate action (UNFCCC 2021c). The Trust Fund for the CDM is also mandated to transfer a further USD 10 million to the 'Trust Fund for Supplementary Activities' for assisting the Article 6.4 SB in providing Article 6.4-specific CB to developing countries and aiding the transition of CDM activities to the A6.4M (UNFCCC 2021c).

Moreover, various countries announced initiatives on CB, see e.g., COP26 Catalyst (2021). As outlined in chapter 2, CB efforts were often driven and funded by **individual buyer countries** in the Kyoto context. This type of funding will also play an important role in Article 6 operationalisation and implementation.

There are also innovative and private sources of finance that can fund CB initiatives. National institutions can levy a **national fee or tax** on the use of Article 6 infrastructure or on administrative processes such as issuing Article 6 credits. This has been done under the CDM wherein some host countries levied a national tax on the issuance of certified emission reductions (CERs) or letters of approval. The proceeds from the tax or fee can be reinvested in staffing relevant institutions, developing, and disseminating academic training to build local expertise or to fund other CB processes. Private sector interest can also be piqued through **fee-based training courses** that can create a self-funding structure for CB rather than relying solely on international donors.

#### 4.1. Issue areas and climate policy synergies

Article 6 CB can partially build on the same issue areas as CB in the CDM context but also requires capacities for additional issue areas. Issue areas that Article 6 CB should focus on include:

- **Integration of Article 6 into NDC implementation plans, national sustainable development agendas, SDG action plans and long-term strategies:** Carbon market transactions under the Paris Agreement need to be embedded in countries' national mitigation strategies outlined in their NDCs. This is a new issue area as compared to the KP era. CB efforts in this area include supporting the host country in developing a carbon market strategy. This should enable a better understanding of which mitigation outcomes can be authorised for international transfer and which ones not as they are required for reaching the country's domestic target. In order to do this, national actors need to understand mitigation costs as well as non-monetary barriers to implementation of mitigation activities. Moreover, co-benefits of the activities with regard to sustainable development priorities need to be identified. On the basis of this information, government institutions can introduce national conditions for the type of activities that can be promoted by international carbon markets and the share of mitigation outcomes that shall remain in the host country. Such conditions serve as safeguard against overselling mitigation outcomes. Moreover, generating awareness and engagement of different stakeholder groups is crucial for getting a generally accepted NDC and carbon market implementation plan.
- **Integration of Article 6 into the national reporting process for the enhanced transparency framework:** Parties of the Paris Agreement will need to report biennially on their progress towards the domestic NDC target in their biennial transparency report and will also need to submit a national inventory report. For this purpose, Parties should implement an overarching framework for enhanced transparency, including but not limited to monitoring, reporting and verification (MRV) of mitigation outcomes at various levels (national, sectoral, activity level) and tracking progress towards NDC achievement. When participating in Article 6, countries will need to submit additional reports, especially under the Article 6.2 guidance. A new issue area for CB will, therefore, be on how to effectively integrate Article 6 tracking and reporting into the broader tracking and reporting processes. This includes an understanding of the differences between activity level and national level emissions accounting, closing of data gaps, and ensuring appropriate quality assurance and control.
- **National governance of Article 6:** As under the CDM, carbon market transactions under Article 6 will require a governance structure that steers processes (e.g., ITMO authorisation process, accounting processes) and assigns responsibilities that relate to political and strategic decision-making, technical steering and oversight as well as administrative tasks. Setting up a governance structure implies the introduction of institutional arrangements (e.g., a designated national authority; inter-ministerial body, etc.). Building and strengthening national institutional arrangements requires the understanding of formal participation requirements, the identification of relevant national and regional institutions, the establishment of practical procedures for Article 6 governance and enhancement of internal coordination and capacity within host coun-

tries across ministries, sectors, agencies and stakeholders (private sector, NGOs, academia). For the technical steering, capacities need to be built and strengthened for developing national capacity for informed decision-making for Article 6 approvals and authorisations, including for baseline setting and additionality testing, approving crediting period lengths and renewals and developing national positive/negative lists for activities or methodological approaches.

- **Technical infrastructure for Article 6:** To participate in Article 6 cooperation, countries will either need to have their own country registry (under Article 6.2) or access to the international registry (Article 6.2 and 6.4). CB can thus focus on the establishment of a national registry and its required links with the international registry. In addition, providing required data in the right format to the international registry can be a CB need within this focus area.
- **Article 6 activity development:** Business actors need to provide the necessary financial resources and know-how and are the drivers behind the development and deployment of low-carbon technologies; under most circumstances this cannot (and should not) be done by the state. Supporting carbon market actors in developing an Article 6 activity that complies with technical requirements represents another CB focus area. This entails the ability to understand the international and national rulemaking, the ability to develop and apply the appropriate approved baseline and monitoring methodology, the understanding of the documentation that needs to be developed, including contracting for the sale of emissions credits. Particularly relevant is CB for banks and other financial institutions as these are key to mobilising activities and had remained on the side-line under the CDM.
- **Article 6 activity assessment:** Commercial audit entities that are to verify emissions credits generated under Article 6.2 cooperative approaches need to be enabled to do this in a consistent and high-quality manner. In the context of the A6.4M, the availability and capacities of national and regional designated operational entities need to not only be promoted by the Supervisory Body. CB in this field will result in lower transaction costs for regional project developers. Government entities need to be able to understand when Article 6 activities are suffering from problems to intervene in a timely manner.
- **Sustainable development assessment for Article 6:** In the context of the A6.4M, host Parties will need to indicate how their participation in the mechanism contributes to sustainable development. Under an Article 6.2 cooperative approach, Parties will need to report on how it is consistent with the host Party's sustainable development objectives. CB could focus on how sustainable development impacts are assessed and indicative derived. Under the A6.4M, a tool will be developed in this regard, that could also be used in the context of Article 6.2 cooperative approaches.
- **Stakeholder engagement:** An activity needs to undergo a subnational stakeholder consultation in the A6.4M, and should undergo such consultation in well-organised Article 6.2 cooperative approaches. The effective design of such a stakeholder consultation (e.g., the inclusion of 'raise flag' processes) can be supported by CB efforts.

➤ **Cross-cutting CB needs include**

- **Providing sector-specific and technology-specific knowledge:** One focus area of CB can be sector- or technology-specific knowledge as in the activity development process such expertise is required to make for example a decision on the appropriate baseline setting approach.
- **Effective ways of data collection & analysis:** Closely related to the previous area, is the focus area ‘data collection and analysis’. Data will, for example, be required for the baseline setting process (e.g., best available technology approach, benchmarking).

Some of the outlined focus areas of CB efforts entail synergies for climate policy in its broader sense such as good governance, effective stakeholder engagement and good data collection processes.

At the CMM-WG workshop, speakers highlighted that CB is needed by both public and private actors on both the host and buyer side, including for voluntary carbon market (VCM) actors. Most of the speakers emphasised the importance of building and strengthening the national institutions’ capacities including their internal coordination, the national infrastructure and processes for Article 6 cooperation including the authorisation of ITMOs, the application of corresponding adjustments (CAs) and reporting processes as key areas for CB efforts. Another priority area for CB often mentioned by speakers is understanding the rationale and role of Article 6 in raising ambition in the context of NDCs and the long-term goals of the Paris Agreement, including the integration of Article 6 cooperation in broader NDC implementation plans and developing Article 6 strategies for both host and buyer countries. The development of technical expertise for Article 6 design and auditing, national emission trajectories and activity data as well as legal and commercial expertise for Article 6 transactions were raised as further priorities.

## 4.2. Means of CB – from initial awareness to full ability to engage

To efficiently develop capacity that is sustainable over time, CB needs to be tailored to the local needs and context. CB can take many different forms that are appropriate for different issue areas and stages of capacity building. Means of CB may include the following forms, listed in a sequence from a situation where no capacity exists to a situation where specific elements are added to enhance already existing capacity:

- **Initial step – Use of knowledge products for awareness raising:** For effective CB, awareness-raising **workshops** and **knowledge products** on the opportunities and benefits of engaging in carbon market mechanisms in the context of NDC implementation are required for relevant technical staff at the national level to turn interest into political will (COP26 Catalyst 2021). A critical basis are easily accessible **background documents** on Article 6 including overview papers, policy briefs, guidebooks, templates for relevant documentation in the context of the Article 6 process and interactive tools. Standardised and tailored **training courses, theoretical and practical workshops, and guidance** on relevant Article 6 capacity challenges faced by host countries across the globe backed up by technical papers can also prove to be an effective means of delivering institutional and technical CB for local government and private company staff. It is important to efficiently distribute technical expertise that is currently concentrated

in industrialised and emerging economies to developing countries, to reduce implementation costs in the latter. However, it must be ensured that these workshops and trainings are not one-off initiatives but rather long-term assistance which can be guaranteed through **helpdesks** and expert staff located at regional levels in developing countries (COP26 Catalyst 2021). It is important that new formats are supported that mitigate the impacts of the ongoing COVID-19 pandemic. In this context, the creation of synergies, awareness-raising of decision-makers and senior officials, knowledge building and skills development through **toolkits, courses, and virtual training sessions** needs to be considered (OECD 2022). Thereby, toolkits can also start with simple drafts and Excel templates to be developed into sophisticated systems that can be refined over time. As shown by Michaelowa (2005) and Okubo and Michaelowa (2010), such knowledge products are necessary but not sufficient conditions for successful participation in international carbon markets. More steps need to be undertaken.

- **Subsequent step – ‘Learning by knowing’ through knowledge sharing:** Drawing from the experiences under the KP era and ongoing initiatives, providing a platform for **knowledge sharing**, such as **hubs and forums**, where relevant stakeholders involved in international carbon markets are sharing their knowledge and best practices that can inform countries embarking on their journey in engaging in Article 6 cooperative approaches is essential. The Carbon Expo and Carbon Market Insights provided such opportunities from the mid-2000s onwards. Here, healthy competition should be encouraged to prevent monopolisation. The current approach of a global conference in form of the Innovate 4 Climate complemented by Regional Climate Weeks is a useful starting ground for Article 6-related CB, complemented by side events at the COPs. The sharing of a country’s experiences in selecting and benefiting from participating in a particular market mechanism is not only informative but also encouraging for peers (COP26 Catalyst 2021). However, also these hubs do not reach those most in need of CB given that being aware of them requires a certain degree of information and attending them is costly. To overcome this challenge, another way of CB is required which will be described in the next section.
- **Final step – ‘Learning by doing’:** Experiences with the Kyoto mechanisms showed that “lighthouse activities” were crucial in mobilising CDM and JI activities. If actors had been able to pull off an initial activity, replication would follow in many circumstances. The development of concrete **Article 6 (pilot) activities** is an effective approach to building the capacities of participants in a space with ever-evolving rules of carbon market engagement. Implementing real-world Article 6 (pilot) activities can be beneficial in two ways: a) it fosters a greater understanding of the associated benefits of engaging in carbon markets mechanisms, and b) it helps identify capacity gaps that can be addressed through targeted CB approaches (Greiner et al. 2020). Another dimension “of learning by doing” is the co-creation of rules through for example taking part in international negotiations or official deliberation processes such as the two conferences hosted by the Ministry of the Environment in Japan but also expert rounds following international meetings. By engaging with the opinions and positions of other delegation members and identifying compromises, the capacities of officials are built.

All dimensions that build on the learning from others can make use of a different **across-actor type of learning**. This includes for example the peer-to-peer learning format, early movers learning or regional learning if the exchange is geographically targeted. Peer-to-peer learning

implies for example that both providers and recipients learn through a practical approach to act according to their needs when participating in carbon markets, ensuring a holistic approach that leaves no one behind (COP26 Catalyst 2021). Establishing **working teams** within a national institution is another effective way to share experiences and build capacities.

With regards to the most appropriate means, many speakers at the CMM-WG workshop on 21 March 2022 noted that long-term programmes and dedicated support are more effective and sustainable than ad hoc CB such as one-off workshops. Besides, emphasis should be put on bringing together the right people, meaning that **tailored training courses and workshops** need to involve the relevant stakeholders. A tendency to prefer tailored over standardised training courses was noted among speakers. Besides, specific **university programmes** to educate new generations of local professionals should be developed. In this manner, a local team of experts can be developed and institutionalised. **Knowledge products** such as courses, guidebooks, and workshops are useful but also come with limitations as they **would need to be reinforced and complemented with peer-to-peer engagement and 'learning by doing'**. Regarding **'learning by knowing'** and **knowledge sharing**, the importance of regional initiatives such as the Eastern Africa Alliance on Carbon Markets and Climate Finance (EEA) as well as the West African Alliance on Carbon Markets and Climate Finance (WAA) or the RCCs was highlighted. In general, peer-to-peer learning, knowledge sharing, including through communities of practice, as well as piloting ('learning by doing') were referred to as the most effective means of CB by speakers.

### 4.3. Actors: Providers, recipients and peers

Generally, the main providers of Article 6 CB can be staff of multilateral organisations and (multilateral) banks, staff of governments with significant experience in carbon market cooperation, expert, and research institutions and consultancies. Recipients of Article 6 international CB support are governments with lower levels of experience in international carbon markets and restricted resources, private and public activity developers, consultants and financial institutions, auditors, institutions responsible for data collection, research institutions and civil society. Creating a thriving and robust international carbon market requires that CB is not only provided to government actors but targets the broader ecosystem of carbon market actors. Countries that want to benefit from Article 6 cooperation nationally must not only build the necessary institutions but also broad networks with the private sector and civil society. CB recipients must request such broad support from capacity building providers, and these must adjust the formats in which they deliver support accordingly. Given persistent criticism of CB programmes being not aligned with national interest and not sustainable in the long run, an important aspect of CB is capacity building for providers to ensure their support is effective.

This said, all participants in Article 6 cooperation will be building their capacities as they engage in cooperation, and can benefit from CB through learning-by-doing and peer-to-peer learning processes. For example, engaging in Article 6 piloting and readiness activities in developing countries provides CB opportunities for participants from both the host and buyer countries.

#### 4.4. Overview of Article 6 CB efforts

Table 1 summarises the ongoing Article 6 capacity-building efforts regarding the issue areas addressed, the means utilized as well as providers of CB, recipients, funders and funding volumes as far as known.

**Table 1: Overview of ongoing Article 6 CB efforts**

CB initiatives	Issue area(s)	Means	Recipient(s)	Funding sources	Volume (million USD)
Klik Foundation for Climate Protection and Carbon Offset (Greiner et al. 2020)	Article 6 activity development	Learning by knowing Learning by doing	Ghana, Dominica, Malawi, Morocco, Peru, Senegal	Switzerland, Swiss private sector	Potentially 550-1100 (over 10 years)
Joint Crediting Mechanism (Greiner et al. 2020; World Bank 2021d)	Article 6 activity development	Learning by knowing Learning by doing	Mongolia, Bangladesh, Ethiopia, Kenya, Maldives, Vietnam, Laos, Indonesia, Costa Rica, Palau, Cambodia, Mexico, Saudi Arabia, Chile, Myanmar, Thailand and Philippines	Japan	6300
World Bank's PMI (previously PMR) (World Bank 2021c)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy  National governance of Article 6	Awareness-raising Learning by knowing Learning by doing	Emerging economies and developing countries	Australia, Canada, EU, Finland, Germany, Japan, Norway, Spain, Sweden, Switzerland, UK	250 (for 10 years)
World Bank's Carbon Asset Facility (Greiner et al. 2020)	Article 6 activity development	Learning by knowing Learning by doing	Six host countries	Canada, Germany, Norway, Sweden, Switzerland, UK	212
World Bank's Carbon Partnership Facility (Greiner et al. 2020; World Bank 2021d)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy  National governance of Article 6	Awareness-raising Learning by knowing Learning by doing	Country governments, private investors, project developers	Carbon Asset Development Fund, EU, Italy, Norway, Spain, Sweden	151

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CB initiatives	Issue area(s)	Means	Recipient(s)	Funding sources	Volume (million USD)
Capacity-building Initiative for Transparency (CBIT) (GEF 2021; UNFCCC 2021e)	Integration of Art6 in national transparency framework Technical infrastructure for Art6	Awareness-raising Learning by knowing	Developing countries	Annex II countries	56 (2018-2022)
ICAT (ICAT 2020; ICAT 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy Integration of Art6 in the national transparency framework	Awareness-raising Learning by knowing Learning by doing	40 developing countries	Children's Investment Fund Foundation, climateworks Foundation, Germany, Italy	35 (2021-2026)
NDC Partnership (NDCP 2021; NDCP 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy	Learning by knowing	Developing countries	Belgium, Denmark, European Bank for Reconstruction and Development, Germany, IRENA, Netherlands, Norway, Sweden, UNDP, US	33
Climate Cent Foundation (Greiner et al. 2020)	Article 6 activity development	Learning by knowing Learning by doing	Mexico, Peru, Thailand	Switzerland, Swiss private sector	20
SPAR6C Programme (BMUV 2021; UNFCCC 2021d)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy Article 6 activity development	Learning by knowing Learning by doing	Colombia, Pakistan, Thailand, Zambia	Germany	20 (2022-2027)
Programme for reducing technical losses in the power grid ('TD-Losses')	Article 6 activity development	Learning by knowing Learning by doing	Mozambique, Uganda, Zambia, Zimbabwe	Germany	5.9
Chile-Canada Agreement on Environment Cooperation (Greiner et al. 2020)	Article 6 activity development	Learning by knowing Learning by doing	Chile	Canada	5.3

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CB initiatives	Issue area(s)	Means	Recipient(s)	Funding sources	Volume (million USD)
Asian Development Bank's (ADB) Article 6 Support Facility (ADB 2018)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy	Awareness-raising Learning by knowing Learning by doing	Developing member countries of ADB (Asia)	ADB, Germany Sweden	5
West African Alliance on Carbon Markets and Climate Finance (WAA) (Greiner et al. 2020; WAA 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy National governance of Article 6	Learning by knowing	16 West African countries	Germany	2.8 (2020-2024)
Designing Policy Approaches under Article 6 of the Paris Agreement (GGGI 2021)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy National governance of Article 6 Article 6 activity development	Awareness-raising Learning by knowing	Host countries: Indonesia, Senegal, Morocco, Vietnam	Norwegian Ministry of Climate and Environment (NMCE)	0.6 (2019-2021)
Article 6 Early-Mover Programme (GS 2022a)	Article 6 activity development Stakeholder engagement	Awareness-raising Learning by knowing	Project developers, government officials or other stakeholders	GS funds	N/A
Collaborative Instruments for Ambitious Climate Action (CiACA) Initiative (UNFCCC 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy	Awareness-raising	ASEAN, Dominican Republic, East Africa, Ghana, Jamaica, Paksitan, Panama, Senegal	Annex II countries	N/A
Eastern Africa Alliance on Carbon Markets and Climate Finance (EEA) (EEA 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy National governance of Article 6	Learning by knowing	7 East African member countries	GIZ Global Carbon Market Project (Germany)	N/A
Mobilizing Article 6 Trading Structure (GGGI 2019)	National governance of Article 6 Article 6 activity development	Learning by knowing Learning by doing	Host countries	Swedish Energy Agency	N/A

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CB initiatives	Issue area(s)	Means	Recipient(s)	Funding sources	Volume (million USD)
Nordic Environment Finance Corporation (NEFCO) activities	Article 6 activity development	Learning by knowing Learning by doing	Peru	Finland, Norway, Sweden, NEFCO	N/A
Sustainable Development Initiative (GS 2022b)	Sustainable development	Awareness-raising Learning by knowing	Project developers, government officials or other stakeholders	Finland, Germany, Norway and Sweden	N/A
Swedish Energy Agency (SEA) activities (Greiner et al. 2020)	Article 6 activity development	Learning by knowing Learning by doing	Chile	Sweden	N/A
UNDP's NDC Support Programme (UNDP 2022)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy	Learning by knowing	Developing countries	aecid, EU, Germany, Italy, Sida, Sweden, UNEP's core donors	N/A
World Bank's Climate Market Club (World Bank 2022)	National governance of Article 6	Learning by knowing	Annex I and Non-Annex I countries	Netherlands, Spain, Sweden, Switzerland	N/A
World Bank's Mitigation Action Assessment Protocol (MAAP) International Transfer Readiness (World Bank 2020)	National governance of Article 6	Awareness-raising	All countries	Netherlands, Spain, Sweden, Switzerland	N/A
World Bank's Standardized Crediting Framework (Greiner et al. 2020)	Integration of Art 6 into NDC implementation, SD agenda and long-term strategy  National governance of Article 6	Learning by knowing Learning by doing	Burkina Faso, Ethiopia, Kenya, Lao PDR, Madagascar, Mali, Uganda, Senegal, Rwanda	Donors of the Carbon Initiative for Development (Ci-Dev)	N/A

## 5. Challenges and success factors of Article 6 capacity-building efforts

Key challenges and success factors of Article 6 CB efforts are summarised below, based on the insights from relevant literature, and discussions at the international conference on CB in March 2022 co-hosted by the Ministry of Japan as well as at the CMM-WG workshop on 21 March 2022.

### Challenges identified to date

Despite the efforts of CB initiatives and frameworks, there are persisting challenges faced by CB efforts, including:

- **Differences in technical capacities and CB needs across countries and actors:** Ongoing Article 6 CB efforts have revealed that countries participating in regional learning often show different levels of readiness and CB needs, also depending on their previous experience in carbon markets (Duggal 2022; Fall Sarr 2022). Dedicated efforts are needed to ensure equity in access to customised CB and avoid concentration of support in a few countries as witnessed under the Kyoto mechanisms as well as regions within countries that have good “preconditions” for CB.
- **Lack of coordination between initiatives and organisations that deliver Article 6 CB:** In the CDM context, a lack of coordination between donors was identified as a key challenge (Okubo and Michaelowa 2010). Actors providing Article 6 CB should take serious action to ensure effective coordination of CB efforts – also with actors outside the traditional donor space. Coordination across piloting activities is important when moving from awareness-raising to concerted and effective implementation. A common repository of overview papers, policy briefs, guidebooks, templates for relevant documentation in the context of the Article 6 process and interactive tools should be established and managed by a key actor like the UN-FCCC Secretariat, the current Article 6 library of the European Roundtable on Climate Change and Sustainable Transition could be the starting point. Tools and knowledge products developed in one piloting context could thus also serve as a basis to build upon in other piloting activities. Therefore, knowledge-sharing on the ‘learning-by-doing’ can exploit synergies and well-coordinated and consolidated efforts can contribute to efficiency. Regular roundtables for carbon market actors or specifically for actors involved in piloting exercises can strengthen the coordination between CB efforts.
- **CB gap between sellers and buyers:** The public and private sellers and buyers often have uneven and differing capacities and resources. Bridging capacity gaps between sellers and buyers can promote fair cooperation. Technical assistance and CB can become an integral part of bilateral cooperation but should be done through neutral third-party facilitators. The Certified Emission Reductions Sale and

Purchase Agreement (CERSPA) initiative, where lawyers from think tanks developed an unbiased template for an emissions credit sales contract, is an excellent precedent (Streck 2007).

- **Lack of efficient stakeholder engagement mechanisms:** Stakeholder engagement is a vital part of assessing capacity gaps and needs in a country. According to the Paris Committee on Capacity-building (PCCB) synthesis report 2021, countries find that effective stakeholder participation through multi-stakeholder dialogues and partnerships is key to NDC implementation, and coordination of stakeholder participation and engagement is required (UNFCCC 2021f).
- **Poor institutional coordination:** Institutional capacities to coordinate across ministries and sectors at every level of disaggregation is severely lacking in most countries. This results in incoherent climate action from countries and stagnates the progress of achieving national climate and the SDGs (UNFCCC 2021f). CB can increase the visibility of the international carbon market issue for high-level actors who can overcome inter-ministerial conflicts and fatigue.
- **Insufficient involvement of the private sector:** Private sector can play a crucial role in providing financial support for project implementation and mobilising support for research and development for innovative approaches. Therefore, efforts are required to build capacities of the private sector at the same pace as the public sector in the context of Article 6 and NDC implementation (UNFCCC 2021f). Furthermore, strengthening the relationship between the private sector and governmental institutions is crucial in this context.
- **Lack of policy development support:** Developing countries continue to lack a sound regulatory framework and infrastructures to integrate national, subnational, and local climate and sustainable development goals into policies. Lack of coordination between political and legal departments prevents developing countries from applying a holistic approach to climate action (UNFCCC 2021f). As stressed by a WS speaker, the elaboration of a legal framework and related policies need to go hand in hand.
- **Lack of sustainability of the capacity:** The fact that the capacity is developed in the government does not ensure that it stays in the country and that it has continuity over time. This is particularly pertinent if the carbon market is “hot”, i.e., private sector actors siphon capacity away from governments. Efforts to institutionalise capacity into organisations, for example through manuals and training the trainers, can reduce dependency on individual staff members. The small size of teams working on Article 6 issues in governments clearly contributes to this challenge.
- **Lack of political awareness:** Three speakers pointed out that decision-makers are often not aware of the opportunities and benefits of engaging in carbon markets. Pilots and demonstration activities can increase political interest and ultimately

the political will. Furthermore, technical experts need to gain the skills to communicate the benefits to decision-makers. **Lack of understanding:** The lack of understanding of the role of Article 6 is also a challenge at the corporate level. As speakers raised, users often lack a general understanding of the VCM, the role of markets to serve this purpose of ambition raising, and what it stands for in the future. This also regards civil society, which must be made aware that Article 6 is not a question of evading responsibilities and commitments.

- **Poor tailoring in the CB process:** Within the CB process, there is a need for more tailored efforts to be provided to the respective target group. Often there are significant imbalances in the understanding of Article 6 or training is attended by participants for whom it is not appropriate. It would be desirable if the target group's level of understanding is taken into account to proceed more effectively. Furthermore, a greater focus should be placed on domestic knowledge and skills of research institutions.
- **Lack of robust modelling capacities:** To better understand the role of Article 6 in a country's climate neutrality pathway, robust modelling capacities are required a speaker noted. Thereby, it would be important to combine the modelling efforts for NDC pathways in the context of the NDCP for example with Article 6-specific ones.

#### Identified success factors of CB activities to date:

- **Systematic assessment and publication of capacity gaps and initial needs as a basis for tailoring effective CB efforts, e.g.**
  - The **World Bank's Mitigation Action Assessment Protocol – international market readiness (MAAP-ITR)** can be a useful and efficient tool for preliminary decision making (Hughes 2022). The limitations of its attempt to quantitatively value different types of readiness factors and weighting them must be properly taken into account.
- **Piloting as an effective means for 'learning by doing'**
  - **Piloting for institutional CB – Bilateral Agreements or Memorandums of Understanding (MoUs):** Early efforts by Switzerland in establishing bilateral agreements with countries like Ghana, Peru and Senegal have paved the way for other countries to engage in Article 6.2 cooperative approaches. The steps taken and milestones achieved by engaging countries in formalising the legal text of bilateral agreements, developing the mitigation action idea note (MAIN) and mitigation action design document (MADD), and establishing financial frameworks can serve as guiding light for other countries that have shown their interest in participating in Article 6.2 cooperative approaches (UNDP 2020). For

example, Ghana has developed a full set of institutional approaches for Article 6 and related documents which can serve as blueprint for other countries.

- **Piloting for concrete activity development:** The three rounds of MAIN submissions organized by KliK have enabled private activity developers to understand the challenges to develop Article 6 documentation, particularly regarding assessment of mitigation and design of upscaled activities. The MADDs supported by KliK are probably the most refined Article 6 documents available to date. Private interest was driven by the concrete willingness of KliK to contract ITMOs from early Article 6 activities. The SEA is now also supporting the development of MADDs.
- **Cross-country roll-out of initiatives, e.g.**
  - The **NSS and JCM that engaged in strong cross-country exchanges and learning** are excellent examples of CB initiatives that led to rapid diffusion of knowledge. Likewise, the Global Carbon Market project of the German GIZ has been able to translate lessons between key countries, all of which are now involved in Article 6 piloting.
- **Peer-to-peer learning:** Peer-to-peer exchanges and learning have been identified as effective CB formats (World Bank 2021b; Duggal 2022). In the PMR context, peer-to-peer exchanges have resulted in effective informal relationships, thus producing good insights and support from international experts (World Bank 2021b). Such exchanges can result in the duplication of tools. Peer-to-peer learning should thereby build on lessons made in 'learning by doing' exercises. Knowledge products reflecting on these lessons (see GGGI 2021) can help to spread them beyond the peer-to-peer exchange. Regional initiatives such as the EEA and WAA are fostering regional networks for peer-to-peer support.
- **Development of streamlined tools for activity development:** Under the CDM, the streamlining of baseline and monitoring methodologies reduced barriers of entry, especially for small-scale actors and actors with low capacity and resources (COP26 Catalyst 2021). This lesson should be taken up in the Article 6 context. The newly established International Initiative for development of Article 6 Methodology Tools (II-AMT) will take this into account when developing specific Article 6 methodology tools (Perspectives Climate Research 2022).
- **Local trainers:** Another key aspect for sustaining CB is training teams of experts and training local trainers, to avoid the common challenge of the organisation's dependency on the capacity of a single trained individual. For example, the Global Green Growth Institute (GGGI) provides in-country CB by experts embedded in government institutions on an ongoing basis to host country government officials to facilitate access to carbon finance.

➤ **Regional approaches and strategic partner networks**

- **Regional Collaboration Centres:** Since 2015, the RCCs' scope of work has been broadened to support countries' NDC implementation in the areas of mitigation, adaptation, means of implementation, transparency, and cross-cutting matters (UNFCCC 2020a; Radschinski 2022). Regarding CB for Article 6 implementation, RCCs can come in on promoting an Article 6.4 marketplace during Regional Climate Weeks, organising regional Article 6 dialogue, addressing the linkages between Article 6 and national carbon pricing instruments, and supporting the application of Article 6.4 requirements and reporting requirements under both Articles (Radschinski 2022). Factors that have contributed to the success of the centres' work are their strong regional networks with different stakeholders (e.g., NGOs, financial institutions, government, corporations, etc.) and their flexible scope and structure which enables the rapid development of new workstreams (Radschinski 2022). Another success factor is that RCCs also help other initiatives in delivering CB, thus acting as a catalysator of CB and contributing to the maximisation of benefits.
- **Regional Climate Weeks:** The organisation of Regional Climate Weeks is an important ongoing initiative, pioneered by the NFP, that has helped countries expand their strategic networks to exchange knowledge and best practices on carbon market activities and NDC implementation (Nairobi Framework Partnership 2018). A key success factor of the Regional Climate Weeks is the effective mobilisation of non-governmental stakeholders.
- **Regional alliances:** Regional Alliances such as the WAA and the EEA have arisen out of the need for fostering participation in carbon market mechanisms and increasing access to results-based finance in the regions through peer-to-peer learning and support from technical expertise based on regional and national circumstances. A key success factor of the regional alliances is that these build on strong networks between member country representatives, technical partners, and development organisations.

## 6. Recommendations

Based on the discussion at the CMM-WG workshop and preceding analysis in this paper, recommendations are derived on how to maximise effectiveness, scale and coordination of ongoing CB efforts to achieve Article 6 readiness.

- Sustainable CB needs to be country-driven, anchored with national stakeholders, and relevant to international partners. In order to sustain CB efforts, more emphasis needs to be put on anchoring CB with host country knowledge development institutions and think tanks to ensure that new generations of local professionals are educated. The generation of a broad and deep "epistemic community" of Article 6 stakeholders is the best approach to achieve sustainable CB.

- Instead of standardised CB efforts, CB should be tailored to the specific needs of the target groups, including in-depth technical courses for technical experts on specific issues. When tailoring a training or workshop, the audience should be carefully selected.
- Regarding the means of CB, the appropriate sequence should be applied – starting with knowledge products and training/courses should be reinforced, followed by peer-to-peer engagement and ‘learning by doing’. Especially piloting of concrete Article 6 activities has resulted in rapid generation of valuable capacities.
- In contrast to CB for the Kyoto mechanisms, CB for Article 6 will need to focus more on enhancing the understanding of host country government actors on the role Article 6 can play in NDC implementation and ambition raising, including the understanding of mitigation costs and barriers.
- CB for Article 6 should encourage ambitious and innovative approaches that operationalise Article 6 rules in a stringent manner.

Regarding the coordination between CB initiatives, emphasis should be put on the following aspects:

- Encouraging the host country to engage on regular coordination of CB initiatives.
- Introducing a repository at an early stage that comprises all Article 6 knowledge products including reports, guidance, tools, and templates from different initiatives to ensure that carbon market actors are aware of the individual products. This implies that relevant knowledge products are made available to the entire “epistemic community”.
- Strengthening national coordination within the government and with the private sector by seeking clarity on the role of Article 6 in the context of NDCs and long-term strategies, and on national Article 6 priorities and needs for support.
- Strengthening regional coordination and the role of regional initiatives such as the regional alliances in Africa and the RCCs to promote knowledge sharing and information dissemination among public and private stakeholders.
- Promoting a mix of both formal events and platforms (e.g., NFP, Regional Climate Weeks, I4C, COPs) and informal networks and personal relationships to enhance the coordination and knowledge sharing across CB efforts.
- Bringing together carbon market actors and specifically piloting actors on a more regular basis to share information on best practices and successes but also on encountered challenges and failures.

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