

## Concept Note

### **BICFIT as a catalyzer of investments, including via operationalization of Article 6 and one of the platforms contributing to Baku to Belem Roadmap to 1.3 T**

**20 June 2025 13:00-14:30 hrs. CEST, Bonn**  
**Wien 1/2, Main Building**

(Light refreshments will be served from 14.30 onwards at the Club Lounge)

#### **Background**

1. At COP29 in 2024, the final building blocks for carbon markets under Article 6 of the Paris Agreement were agreed upon under Azerbaijan's presidency. By developing transactions using agreed rules, parties and stakeholders can work together to reduce greenhouse gas emissions by generating high-integrity carbon credits that support global efforts to fight climate change.
2. The Baku Initiative on Climate Finance and Investment for Trade (BICFIT) aims to support global coherence between the UNFCCC, global trade, and development processes, aligning climate finance, investment, and trade with national development strategies strengthening support for countries' Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs), and Long-term Low-Emission Development Strategies (LT-LEDS) while fostering alignment with sustainable development. BICFIT supports the creation of "new exportable green products" in developing countries. The initiative, led by Azerbaijan in its capacity as COP 29 President and co-facilitated by UN Trade and Development (UNCTAD) and the UN Development Program (UNDP), in collaboration with other international organizations and stakeholders, including the Asian Development Bank (ADB).
3. As part of its contribution to the initiative, UNCTAD offers assistance to developing countries in attracting climate-aligned foreign direct investment (FDI) and in promoting knowledge sharing on policies and practices that enhance green industrial development, low-carbon infrastructure, and sustainable trade systems. In addition, it aims to assist countries in developing "green free economic zones" and restoring trust in sustainable finance. UNCTAD also supports developing countries in leveraging green export opportunities to promote low-carbon economic diversification, climate resilience, and improved market access. Over the last decade, it has helped more than 30 countries develop sustainable export value chains. Its work also strengthens the trade-climate policy nexus, supports alignment with national climate plans (including NDCs), and promotes access to clean technologies and innovation through trade.
4. International carbon markets under Article 6 of the Paris Agreement are an integral element of the broader climate policy architecture that enables the international trade of GHG emission reductions for the achievement of national climate targets and can also incentivize the diffusion of low-carbon technologies and solutions through sending a clear price signal. In the context of enabling climate ambition and a pathway towards just transition, [UNDP's High-Integrity Carbon Markets Initiative](#) (HICM) constitutes a tangible example of how carbon markets can generate finance and verifiable results on the ground, placing social and environmental safeguards as guardrails for investments and market access. UNDP's HICMI supports the implementation of NDCs through high-integrity transactions through Article 6.2, Article 6.4 and/or voluntary carbon markets, unlocking ambition and access to carbon finance in partnership with developing country governments and high-potential jurisdictions.
5. BICFIT presents an opportunity to leverage international carbon markets to create clear definitions of "green products" and mobilize climate finance through results-based payments. There is an opportunity to use carbon market mechanisms under Article 6 to green trade and investments by enabling more finance to flow to climate action. Having coherent and harmonized definitions of "green products" that leverage carbon markets can form a key component of the *Baku to Belém Roadmap to 1.3T*, which envisions scaling up

financing to developing countries for climate action from all public and private sources to at least USD 1.3 trillion per year by 2035.

6. In this context, the COP 29 Presidency aims to organize a side event at the meeting of Subsidiary Bodies of the UNFCCC in June in Bonn that aims to share knowledge on how countries can leverage international carbon markets under Article 6 to catalyze green trade and investments, with an objective to help countries improve synergies and efficiency between different economic sectors. The roundtable session will be organized for Article 6 negotiators, climate and carbon policymakers, as well as government, non-government, multinational, and private sector entities.

*The event will include a presentation expounding on how Article 6 of the Paris Agreement and the BICFIT can be instrumental in catalyzing green investment and realizing the targets put forward in the Baku to Belém Roadmap to 1.3 T. The presentation will be followed by a moderated panel and guided roundtable discussions, which will delve into how countries can leverage international carbon markets under Article 6 to catalyze green trade and investment.*

## Draft Session Outline

**90 Minutes**

### Panel Discussion

## Leveraging High-integrity Carbon Markets Under Article 6 to Catalyze Trade and Investments

*This session will explore how the Baku Initiative on Climate Finance and Investment for Trade (BICFIT) and the now operational, Article 6 of the Paris Agreement can be leveraged to catalyze investment and realize the targets put forward in the Baku to Belem Roadmap to 1.3 T.*

Opening Remarks	
10 minutes	<p>Opening Remarks by</p> <ul style="list-style-type: none"> <li>COP 29 Presidency <b>Mr. Yalchin Rafiyev</b>, Lead Negotiator, Deputy Minister of Foreign Affairs</li> <li>COP 30 Presidency <b>Ambassador Liliam Chagas</b>, Lead Negotiator, Director of the Climate Department, Ministry of Foreign Affairs of Brazil</li> </ul>
Scene Setting Presentations	
30 minutes	<ul style="list-style-type: none"> <li><b>Enabling Low-Carbon Investment: Removing Obstacles and Advancing Sustainable Trade- UNCTAD</b> by <b>Dr. Chantal Line Carpentier</b>, Head of Trade, Environment, Climate Change and Sustainable Development, United Nations Conference on Trade and Development (UNCTAD)</li> <li><b>Unlocking investments in low-carbon technologies and solutions using carbon finance through international carbon market mechanism(s) under Article 6 of the Paris Agreement</b> by <b>Mr. Virender K. Duggal</b>, Principal Climate Change Specialist, Asian Development Bank</li> <li><b>How the High Integrity Carbon Markets Initiative supports the implementation of NDCs through high-integrity transactions as part of the</b></li> </ul>

	<p><b>broader ecosystem to unlock ambition, access to carbon finance and just transition by Mr. Nuri Ozbagdatli, Climate Change Specialist for Europe and Central Asia, UNDP</b></p>
<p><b>Panel Discussion:</b></p> <p><b>Leveraging High-integrity Carbon Markets under Article 6 to catalyze Trade and Investments</b></p>	
30 minutes	<p><b>Moderator: Mr. Virender K. Duggal, Principal Climate Change Specialist, ADB</b></p> <p><b>Mr. Thomas Forth</b>, Federal Ministry for Economy and Energy (BMWE), <b>Germany</b> will speak on the measures that developed countries such as Germany can take to integrate carbon finance to promote international trade of low-carbon technologies and solutions.</p> <p><b>Mr. Albert Magalang</b>, Chief Environmental Management Specialist, Climate Change Service, Department of Environment and Natural Resources, <b>Philippines</b> will share his views and examples of real-life challenges that hinder the diffusion of green technologies and products, also providing some insights on how such barriers could be addressed through carbon finance.</p> <p><b>Mr. Elnur Aliyev</b>, Counsellor, the Small and Medium Business Development Agency (KOBİA) of the Republic of <b>Azerbaijan</b>, will speak on the challenges that hinder the diffusion of green technologies especially in the private sector, he will particularly focus on challenges faced by SMEs in their green transition, and present the global initiative to consolidate the international SME ecosystem to support and facilitate the SME net zero process.</p> <p><b>Ms. Maiko UGA</b>, Program Manager for International Carbon Markets, Ministry of the Environment, <b>Japan</b> will share some successful examples and key lessons learned from the successful implementation of the Joint Crediting Mechanism in overcoming barriers affecting deployment and diffusion of low-carbon technologies and solutions.</p>
15 Mins	Questions and Answers
5 mins	Wrap up and Closing Remarks by V.K. Duggal