

Launch of the Report on the Progress of the operationalization of Article 6 in Latin America



United Nations
Framework Convention on
Climate Change



Agenda

Welcome Remarks

Interactive Activity

Keynote Presentation: Concept Paper on the Progress of Operationalization of Article 6 in Latin America

Updates on the Regional Observatory of Carbon Markets for Latin America and the Caribbean (OMC-LAC)

Q&A

Interactive Dialogue: Strengthening Regional Collaboration for Article 6 Implementation

Q&A

Closing Remarks

Reminder:

The webinar has simultaneous translation!



Welcome remarks



Andrea Camponogara,
RCC Global Lead, UN Climate
Change

Welcome remarks

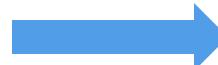


Sebastian Carranza Tovar,
Climate Change Regional
Coordinator, UNEP

Ice-breaker activity

Let's see who joined us today!

Join the mentimeter using
the QR code or the code.



 Mentimeter



Código: 7984 4439





United Nations
Framework Convention on
Climate Change



► Keynote Presentation:
Concept Paper on the
Progress on the
operationalization of Article
6 in Latin America

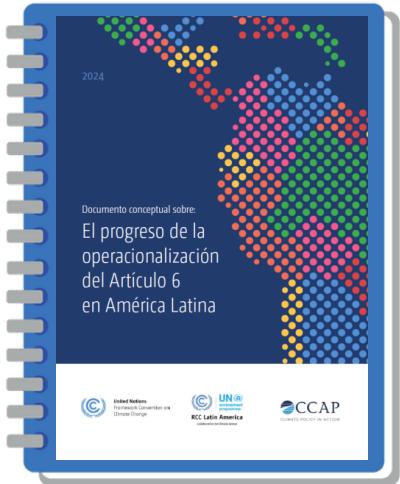


Project description

OBJECTIVE:

Support Latin American countries in achieving their climate objectives by strengthening their technical and institutional capacities required to implement and operationalize the cooperative approaches of Article 6 of the Paris Agreement.

Report



Progress: report on Progress in the Operationalization of Article 6

● Under development

Factsheets



Progress: publication of factsheets for seven of 17 Latin American countries

● Planned

Dashboard



Pending: report and factsheets for the remaining 10 Latin American countries

Why?

12 of 17 countries in Latin America included their NDCs the use Article 6 cooperative approaches to achieve their climate goals.

More than **250** projects in the region are transitioning from the Clean Development Mechanism (CDM) to the PACM of Article 6.4, which positions the region as key in the process.

The Latin American countries have expressed their interest in complying with the Article 6 participation requirements.

There is a need for **specific regional data (in Spanish and English)** that shows the different instruments and modalities countries use to participate in Article 6 mechanisms.

8 of 17 countries of the region have developed or are implementing carbon pricing mechanisms and carbon markets at a national level.

Contents of the report

01. Context

- Status of national carbon pricing and carbon markets policies
- National positions on the implementation of Article 6

02. Domestic integration of Article 6 cooperative approaches

- Institutional arrangements
- Participation requirements
- Cross-cutting aspects
- Infrastructure for registration and monitoring

03. Implementation

- Progress in implementing the cooperative approaches of Article 6.2
- The transition from CDM to Article 6.4 mechanism

04. Support received and needs and priorities

- Primary support received in the region
- Main identified needs and priorities

Status of national carbon pricing policies and carbon markets



National positions on Article 6

12

of 17 countries mention their interest in participating in Article 6 cooperative approaches in their Nationally Determined Contributions (NDCs).

- Argentina and Paraguay reserve their position to participate until negotiations are concluded, while Chile, Colombia, and Peru are moving forward with implementation.
- Brazil and Costa Rica prioritize national efforts to comply with their NDCs, but do not rule out the use of ITMO.
- Panama expresses its interest in the use of the three Article 6 mechanisms.
- Bolivia focuses exclusively on the non-market - based approaches of Article 6.8.

Implementation priorities (countries interviewed)



Ecuador

Development of a national framework and institutional arrangements for authorization.



Guatemala

Development of procedures needed to meet participation requirements



Honduras

Approval of the Forest Carbon Transactions Law that will regulate cooperative approaches for the forestry sector.



Uruguay

Safeguarding the environmental integrity of carbon markets and Article 6 mechanisms.



Panamá *

Elaboration of a roadmap as a baseline for the carbon market strategy



Paraguay

Capacity building to apply methodologies and corresponding adjustments



Perú *

Approval of the National Registry of Mitigation Measures that includes cooperative approaches.

Domestic integration of Article 6 cooperative approaches

Institutional arrangements

Latin American countries are incorporating carbon pricing instruments in various regulatory frameworks, including laws, national policies, strategies, ministerial agreements and decrees.

Climate change framework laws



Specific laws



Other instruments



Planning instruments



Domestic integration of Article 6 cooperative approaches

Fulfillment of participation requirements:

a) To be a party to the Paris Agreement

Completed

b) Have prepared, communicated and maintained a NDC.

Completed

Article 6.2 (cooperative approaches):

*

c) Arrangements to authorize the use of ITMOs

Pending

- The countries interviewed do not have such arrangements in place or are in the process of developing them.

d) Arrangements for tracking ITMOs

Under development

- 11 out of 17 countries have a planned or implemented registry

e) Submit the most recent inventory

Under development

- 13 of the 17 countries have submitted at least one National Inventory Report

f) Indicate how it contributes to compliance with NDC and LT-LEDS.

Pending

- No country has submitted this report, however, two countries are planning to do it soon.

Domestic integration of Article 6 cooperative approaches

Article 6.4 (Paris Agreement Accreditation Mechanism, PACM):

c) Designated National Authority

Under development

- 15 out of 17 countries have designated a national authority for the mechanism

e) Publication of Art 6.4 activities to be considered for approval

Pending

- The countries interviewed still need to publish the activities that are considered to be approved under Article 6.4.

d) Indicate how it contributes to sustainable development.

Pending

- It is in the process of being adopted by the Supervisory Body and will depend on how Article 6 is integrated into the national plans of each country.

Communication of the host country's participation requirements

Pending

- The countries interviewed have not yet communicated their participation requirements.

Domestic integration of Article 6 cooperative approaches

Article 6.8 (Non-market approaches):

The activities of the Article 6.8 work program focus on three areas of interest:

- I. Adaptation, resilience and sustainability
- II. Mitigation measures to address climate change and contribute to sustainable development
- III. Development of clean energy sources

The countries interviewed highlighted that this issue is still under discussion, with some countries showing greater interest in areas such as **adaptation and support for conservation projects, such as the results-based payment national program as a mitigation measure.**

Notify the focal point for Art 6.8

Under development

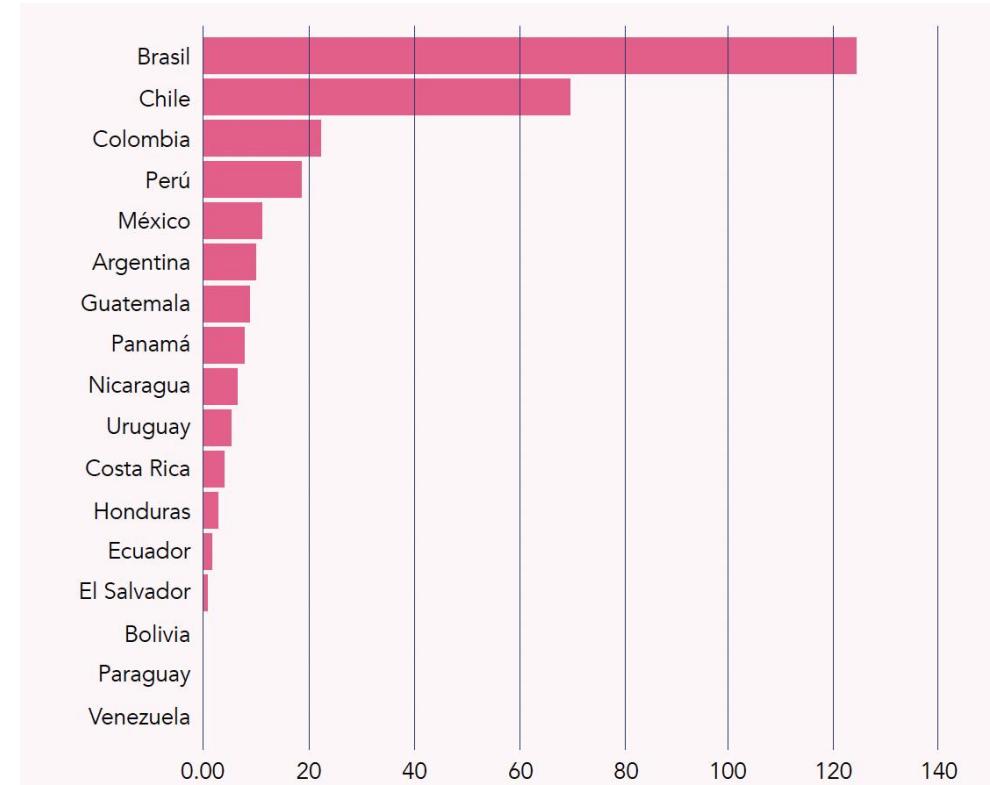
- 13 of 17 countries have notified the focal point for Article 6.8

Process of implementing cooperative approaches

País comprador	Subregión	Año de presentación	Estado de acuerdo
Japón	Centroamérica	Costa Rica	MoU
		México	MoU
	Sudamérica	Chile	MoU
		Costa Rica	MoU
Singapur	Centroamérica	Chile	MoU
		Colombia	MoU
		Perú	MoU
		Paraguay	AB (por firmar)
	Sudamérica	Chile	AB
		Perú	AB
		Uruguay	AB
Emiratos Árabes Unidos	Sudamérica	Paraguay	MoU

Cooperative approaches have taken the form of memoranda of understanding, formal bilateral agreements, and implementation agreements.

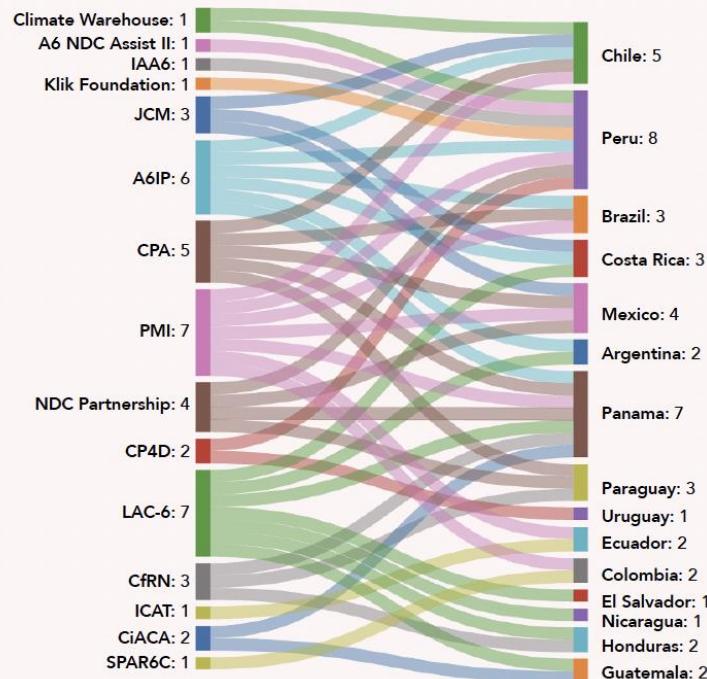
Transition from CDM to Art 6.4 mechanism



- 287 projects have requested the transition to PACM, with Brazil accounting for 43% of the requests in the region.
- The countries seek to establish approval processes before December 31, 2025.

Support received

Graph 2: Distribution of support received in Latin America for the implementation of Article 6 by country.



Source: Article 6 Pipeline, UNEP CCC (Update: 2 Aug 2024), NDC Partnership Project Database, Paris Agreement Article 6 Implementation Partnership (2023) and RCC Latin America.

58% of the support is focused on South America and the countries with the greatest support are Peru, Panama and Chile.

Main needs and priorities



Improve institutional, technical, and regulatory capacities for the operationalization of Article 6



Limited institutional capacity and technical staff instability affect carbon market management.



Improve the private sector's understanding of and access to carbon markets is considered a priority.

Example of a country factsheet



Panama: Progress on the operationalization of Article 6
Updated: October 2024.

Context

Documents submitted to the UNFCCC:

NC	LT-LEDS National Strategy for socioeconomic, inclusive, low-emission and climate change-resilient development of Panama to 2050 (Jun 2024)
NDC	REDD+ Strategy Panama's National REDD+ Strategy 2022
BUR	REDD+ Safeguards Update of the Safeguards Information System (SIS) for REDD+ in Panama (2023)
NIR	BTR First Biennial Transparency Report (Jun 2024)
	TNA

NDC Information

Name of Document	Second Nationally Determined Contribution				
Submission Date	13 June 2024	Implementation Period	2022-2050		
Additional References	UNFCCC NDC Registry		IGES NDC Database 7.7		
Description of mitigation					
Type of mitigation	Relative emissions reduction	Type of Coverage	Economy-wide	Base year	BAU
Year of Compliance	2030, 2050	Goals	Energy sector: emissions reduction of 11.5% by 2030 and 24% by 2050		
Sector coverage					
Industrial Processes and Product Use	No	Energy	Yes	Agriculture	Yes
Transportation	Yes	LULUCF	Yes	Waste	No
Gases coverage					
CO ₂	Yes	CH ₄	Yes	N ₂ O	Yes
Intention to participate in the cooperative approaches of Article 6	Yes. It is mentioned that the Article 6 voluntary cooperation mechanisms are seen as fundamental for global climate integrity and essential to accelerating climate action. In addition, Panama emphasizes a commitment to using all three cooperation mechanisms to achieve its climate objectives. It also highlights the San José Principles Alliance led by Costa Rica, which constitutes a key space for discussing innovative and high-ambition solutions for the negotiation of rules and guidelines related to Article 6.				
Plans for NDC 3.0 Submission	An amendment to the recently published NDC 2.0 is planned.				

Panama

LT-LEDS Information

Name	National Strategy for socioeconomic, inclusive, low-emission and climate resilient development of Panama to 2050		
Inclusion of Article 6	No	Submission Date	18 June 2024

Carbon pricing instruments and national perspectives

Carbon pricing instruments

Carbon taxes	No
Emission Trading Systems	No
Crediting Mechanisms	Planned

Description: The National Offsetting System of Panama (SNCP) will meet the demand for GHG emission reduction units from actors participating in national GHG management programs or other international entities. The program will certify and issue GHG reduction units generated by projects.

Reference: Executive Decree 142 of December 9th, 2021.

Other instruments

Reducing Your Footprint Corporate - Carbon program	Yes
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Description: The Reduce Your Footprint Corporate - Carbon program is a national GHG management program at the organizational level to identify, calculate, report and verify the carbon footprint generated within the boundaries of organizations. This program is voluntary and helps the country map the present and future demand of Panama's domestic market.

Reference: Executive Decree 100 of October 20th, 2020.

Domestic integration of carbon markets and cooperative approaches

Institutional Arrangements

Existing institutional arrangements, including regulatory frameworks and designated authorities

Description: In 2020, Executive Decree 100 of October 20th, 2020, was published, stating that the Ministry of Environment will progressively and gradually establish a national carbon market to guide sustainable, inclusive, low-emission and climate-resilient economic recovery. Additionally, it establishes the Registry of Mitigation Actions under the National Climate Transparency Platform that will contain information on emission reductions resulting from mitigation actions implemented under national or international schemes. In 2021, Executive Decree 142 of December 9th, 2021, was published, defining the three components of the domestic carbon market, its definitions, and the roles and responsibilities of the involved actors.

Authorities: The Climate Change Directorate of the Ministry of Environment is responsible for establishing the National Carbon Market of Panama (MNCP).

Reference:

- Executive Decree 100 of October 20th, 2020
- Executive Decree 142 dated December 9th, 2021

National perspectives on market-based instruments and cooperative approaches

Policy Guidelines

Description: Panama places a high priority on operationalizing cooperative approaches. In that sense, it is working on a roadmap that will include gaps and needs for the elaboration of the National Carbon Market Strategy.

Reference: Interview

Specific documents related to the planning, regulation, or institutionalization of Article 6 (Strategies, legal framework, roadmaps, etc.)

Description: None published yet. However, a roadmap is being developed as a basis for the development of the National Carbon Market Strategy.

Reference: Interview

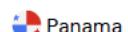
Example of a country factsheet



Article 6 Participation Requirements

Article 6.2	
Requirement: (c) Arrangements to authorize the use of ITMOs	Not available
Designated authority for authorizations	
Not available	
Requirement: (d) Arrangements to track ITMOs	Under development
Interest in using the international or national registry for ITMO transfers	
National and International	
Reference: Interview	
National registry name	
National Registry of Mitigation Actions	
Reference: National Actions' Registry	
Includes Article 6	
No. There is a registry under development, the scope of which is still under discussion. Currently, efforts are being made to mandate the reporting of mitigation actions at the national level, ensuring that all projects that generate ITMOs must go through this registry. Additionally, the registry includes project proposals that could be considered under Article 6.8.	
Reference: Interview	
Requirement: (e) Submit the most recent inventory	Submitted
Presented as an Annex to the Biennial Transparency Report (BTR).	
Reference: National Inventory Document (Jun 2024)	
Requirement: (f) Submit the Initial Report	Not available

Article 6.4	
Requirement: (c) Designated National Authority	Submitted
Ministry of Environment of Panama	
Javier Martinez	
jmartinez@mambiente.gob.p	
Reference: List of Designated National Authority - UNFCCC	
Requirement: (d) Contribution to sustainable development	Not available
Requirement: (e) Publication of A6.4 activities for consideration of approval	Not available
Requirement: Communication of the Host Country's participation requirements	Not available
Article 6.8	
Requirement: Communication of a National Focal Point	Submitted
Ministry of Environment of Panama	
Melani Acosta	
Reference: List of Focal Points of Art. 6.8 - UNFCCC	



Implementation

Signed cooperative approaches	
Buyer Country	Not available
Agreement Status	Not available
Pilot Projects	Not available
Reference	Not available
Origin and implementation of the cooperative approach	
Dialogues have been held with several countries interested in establishing a bilateral agreement, but no agreement has been reached at this time.	
Reference: Interview	
CDM Transition to PACM	
# of CDM activities requesting transition	6
Total amount of annual mitigation outcomes (ktCO ₂ eq)	790
Current status of the transition authorization process	
Not defined. It will be developed once the country determines how it will use the Article 6.4 mechanism.	
Reference:	
- Interview	
- UNEP CCC Article 6 Pipeline	

Needs and received support

Received Support

Organization

- CiACA Project- UNFCCC RCC Latin America: Development of the roadmap as a basis for the development of the National Carbon Market Strategy.
- GCF Readiness LAC-6, UNEP: Member country of the GCF Readiness Project on Article 6 and Carbon Markets for Latin America.
- Partnership for Market Implementation (PMI), World Bank: Strengthening knowledge for decision-makers in piloting carbon pricing instruments and other mitigation instruments.
 - Establishment of institutional arrangements for the implementation of Panama's National Carbon Market.
 - Development of the legal and technical bases for the operation of mitigation instruments in the energy sector (national program of EE certificates and national registry of vehicle emissions).
- Carbon Pricing in the Americas (CPA): Knowledge sharing at national and subnational levels for the adoption of carbon pricing instruments.
- NDC Partnership, UNEP: Creation of a team of trained personnel in carbon markets, specifically for the development of Panama's National Offsetting System.

Reference

General Information:

- UNEP CCC Article 6 Pipeline
- A6IP Article 6 Capacity Building Activity Database
- CPA Website
- Interview

Additional Information:

Project Information Document - Panama PMI

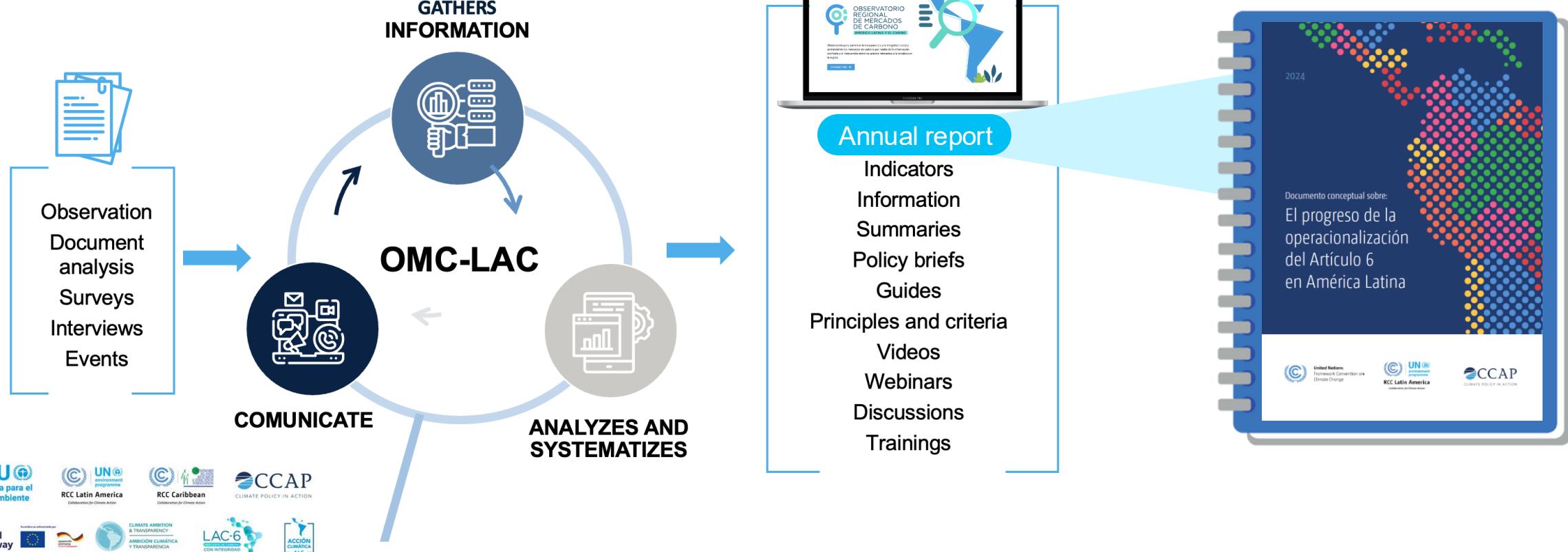
Needs

The roadmap currently under development will provide a detailed overview of the needs. As a first priority, financial resources and technical capacity are required. The team responsible for managing carbon markets is too small and simultaneously handling multiple topics, limiting its ability to effectively oversee all related aspects. In addition, the country highlighted its need to raise awareness about carbon markets and their implications among public and private stakeholders.

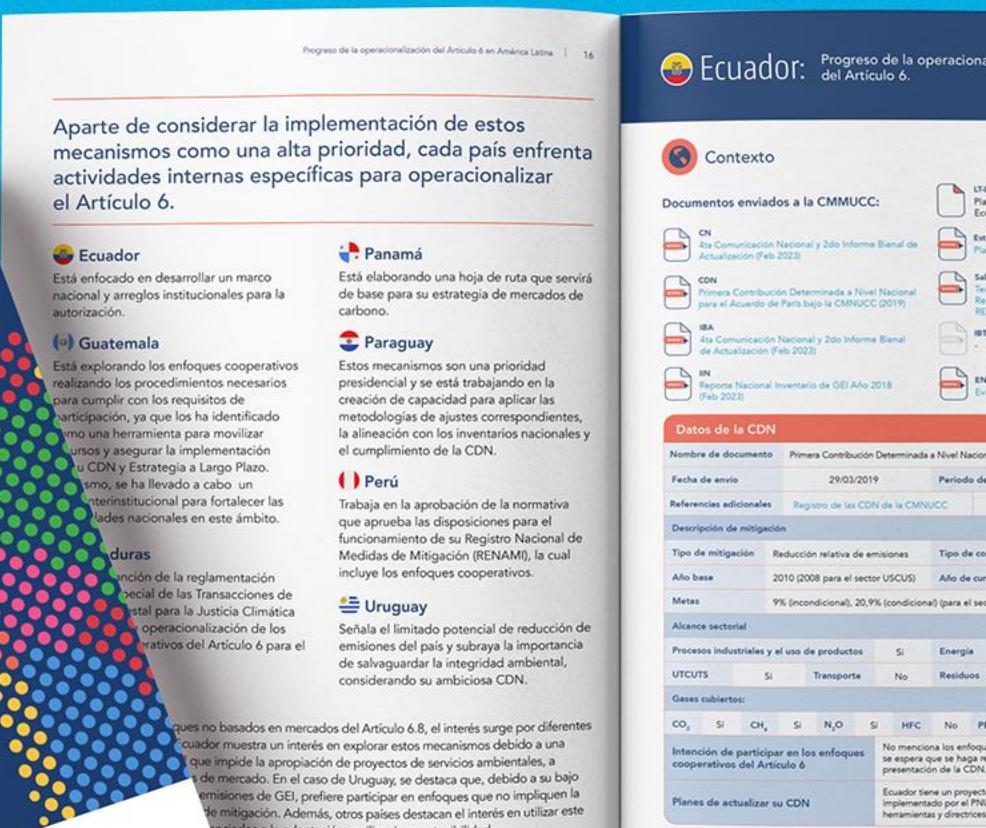
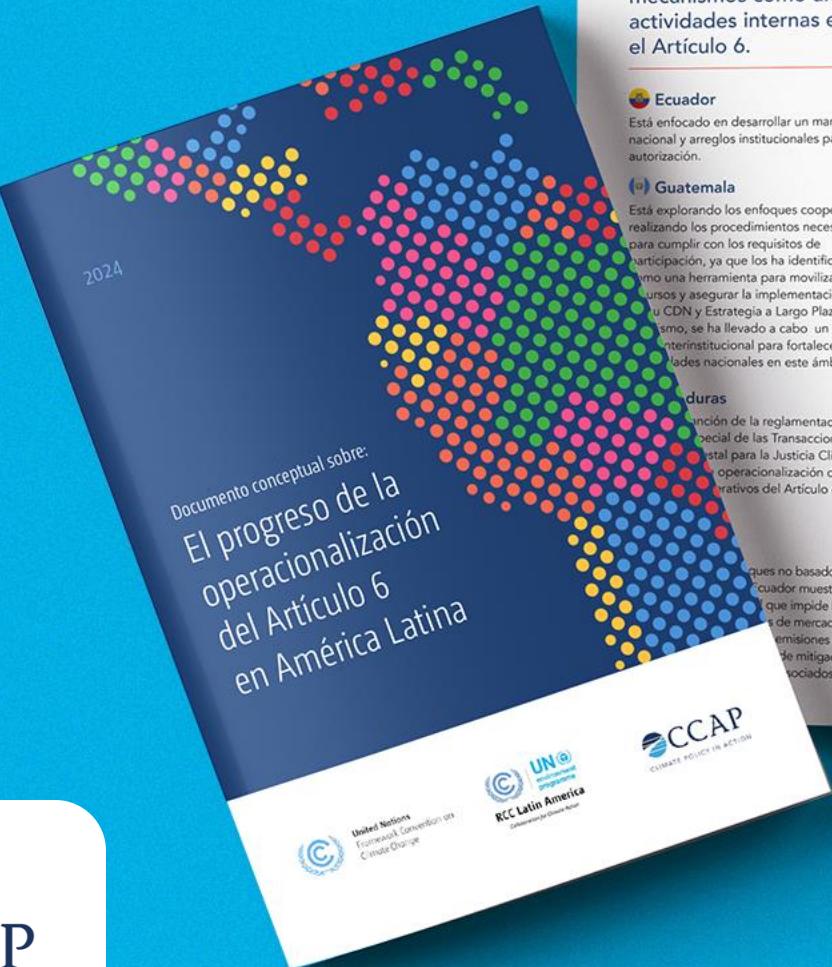
Next steps

Regional Carbon Markets Observatory

for Latin America and the Caribbean



Download here the "Concept Paper on: Progress on the Operationalization of Article 6 in Latin America":



United Nations
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Climate Change





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Framework Convention on
Climate Change



► Updates on:
The Regional Observatory of
Carbon Markets for LAC
(OMC-LAC)



Regional Carbon Markets Observatory for Latin America and the Caribbean



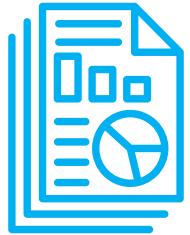


Why? The **added value** of a *Regional Observatory* for Carbon Markets

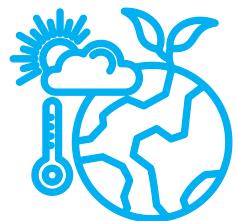
 Dominican Republic

Why?

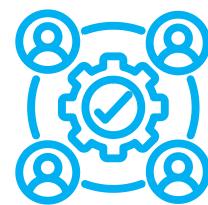
The added value of a Regional Observatory for Carbon Markets



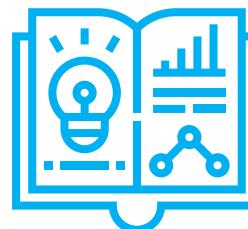
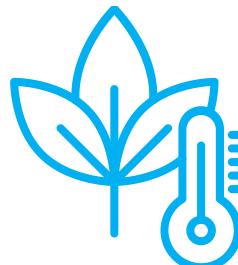
Facilitate **access to reliable and neutral information** and **strengthen capacities** for **informed decision-making** on carbon mechanisms.



Support informed decisions that **accelerate climate action** in the region.



Enhance transparency in market mechanisms while ensuring **environmental and social integrity**.



Identify connections between market mechanisms, NDCs, adaptation, and sustainable development.

Foster **regional collaboration** across countries and sectors.

Showcase LAC's climate action to attract resources and global support.

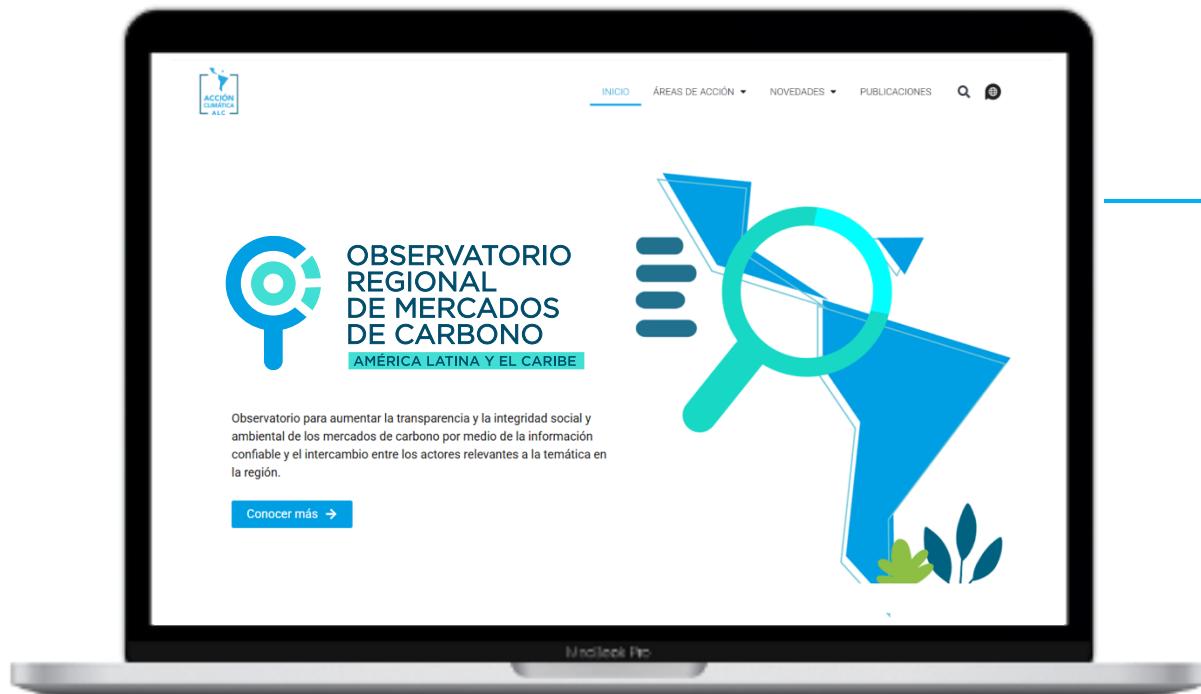


How? *Carbon Markets Observatory: A Hub for Research, Analysis, and Insights*

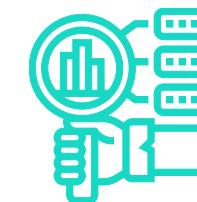
How?

Carbon Markets Observatory: A Hub for Research, Analysis, and Insights

The Carbon Markets Observatory is a center where information on carbon markets is collected, researched, analyzed, and systematized.



Generation of transparent and neutral information for decision making.



Monitoring the implementation and development of Article 6 in the region.



Training and development of learning tools.



Exchange and dialogue with key multisectoral actors in the region.



programa para el
medio ambiente



UNDP
programme
Collaboration for Climate Action



RCC Caribbean
Collaboration for Climate Action



CLIMATE POLICY IN ACTION



Global
Gateway



Unión Europea
European Union



CLIMATE AMBITION
& TRANSPARENCY
AMBICIÓN CLIMÁTICA
Y TRANSPARENCIA

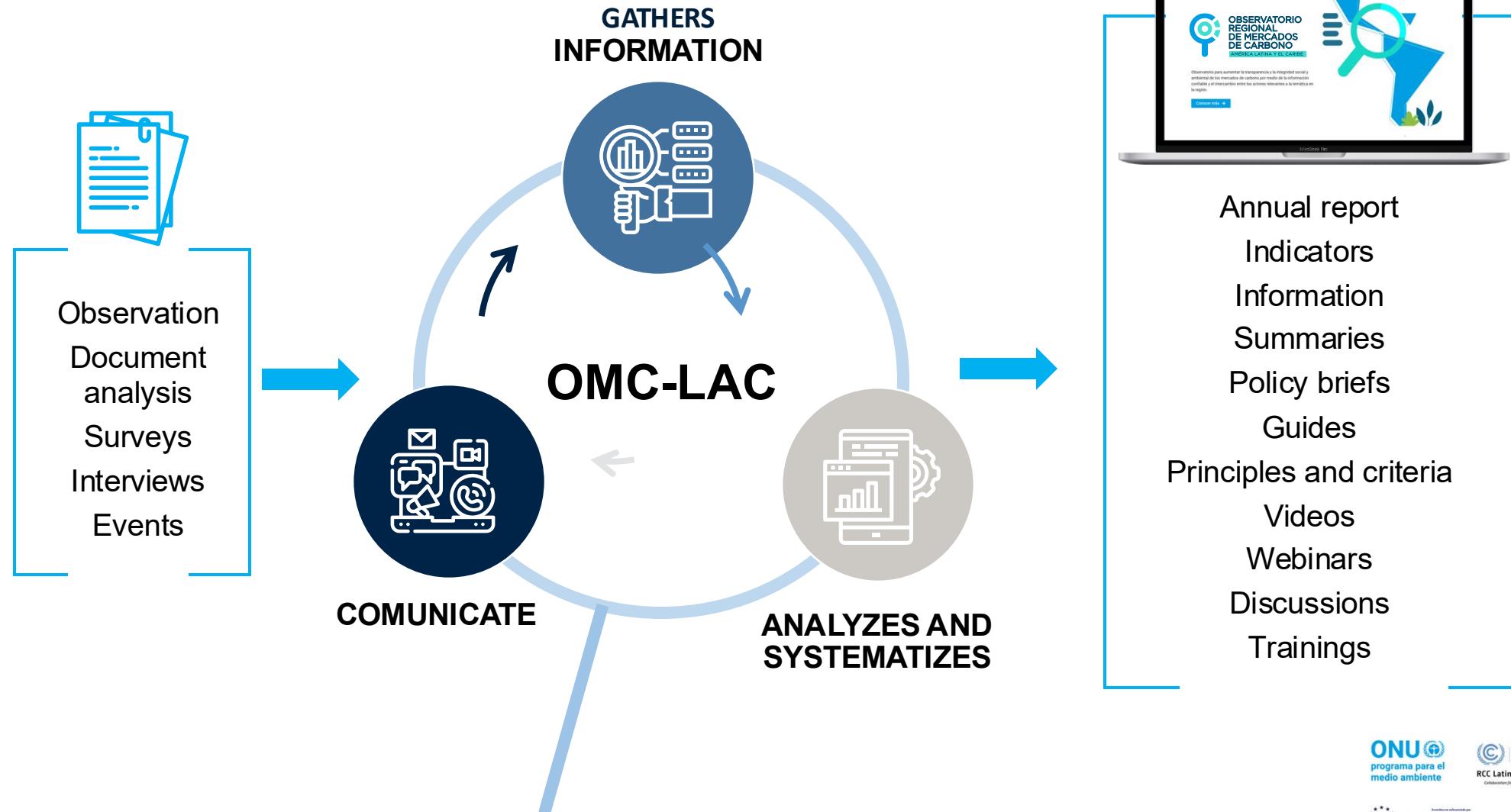


LAC-6
CON INTEGRIDAD



How?

Carbon Markets Observatory: A Hub for Research, Analysis, and Insights



Who?

*For Policymakers, Experts,
and Stakeholders in Carbon
Markets.*



United Nations
Climate Change



COP
Baku
Azerbaijan

 Baku, Azerbaijan

Who?

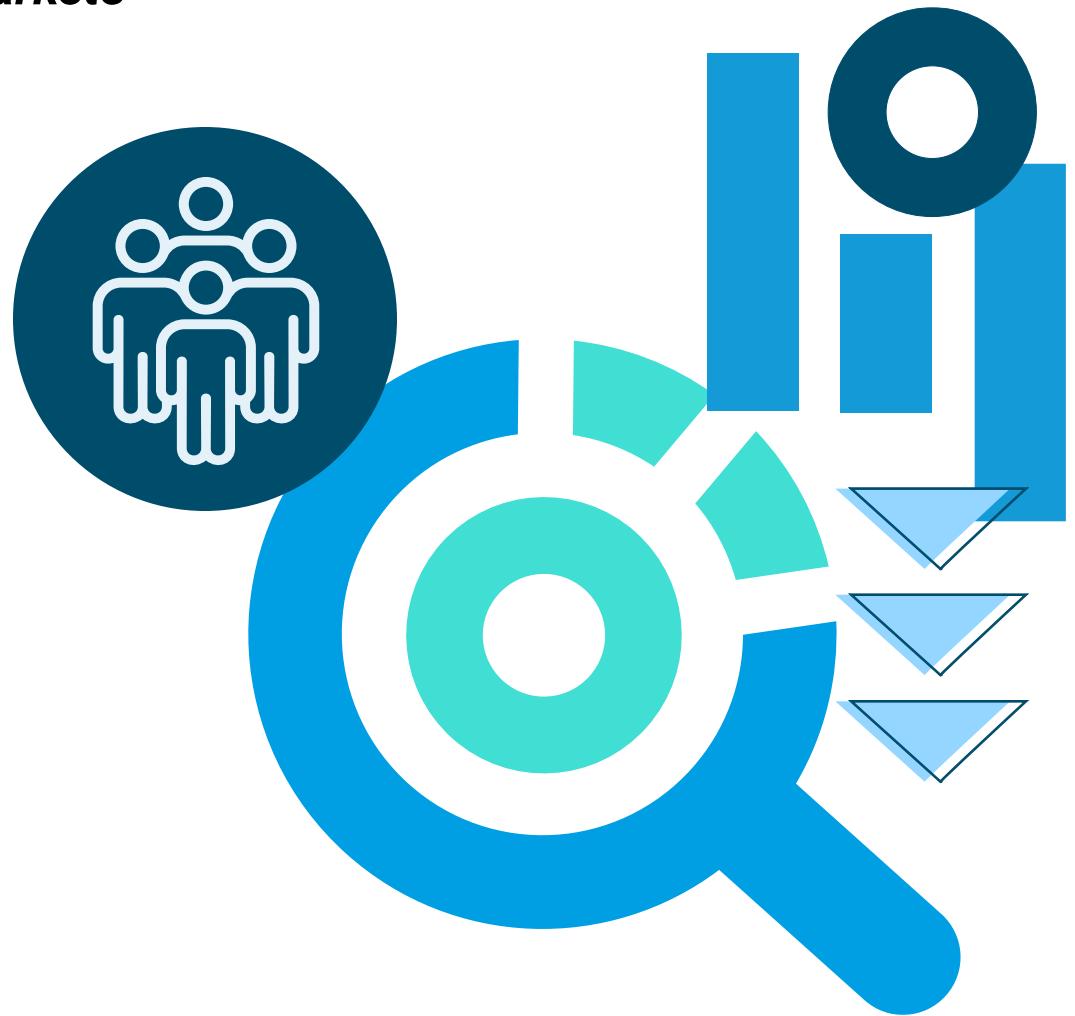
For Policymakers, Experts, and Stakeholders in Carbon Markets

Target Audience

Ministries on Environment through
the Forum of Ministers of
Environment of Latin America and
the Caribbean

Multi-stakeholder Engagement

Governments, Private Sector,
Academia, Observers
Support - Multilaterals





Which? *Key Activities of the Carbon Market Observatory.*

Which?

Key Activities of the Carbon Market Observatory.



TRANSVERSAL ACTIVITIES

- Help desk
- FAQ Section on website
- Library and video library
- Blog
- Newsletter
- Matchmaking: countries with other countries and countries with entities that provide support.
- Participation in regional and global events about carbon markets.

The background image is an aerial photograph of a river flowing through a lush, green, tropical landscape. The river is a dark blue-grey color and curves through the center of the frame. The surrounding land is covered in dense vegetation, with various shades of green and some yellowish-brown areas. The sky above is filled with white and grey clouds. Overlaid on this image is the main title text.

Where are we today?

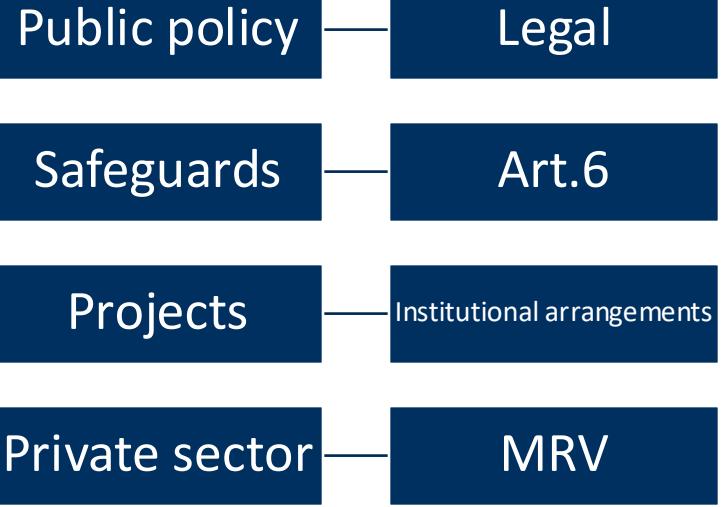
Progress and next steps

Where are we today? Progress and next steps

4 Organizations



30 Experts

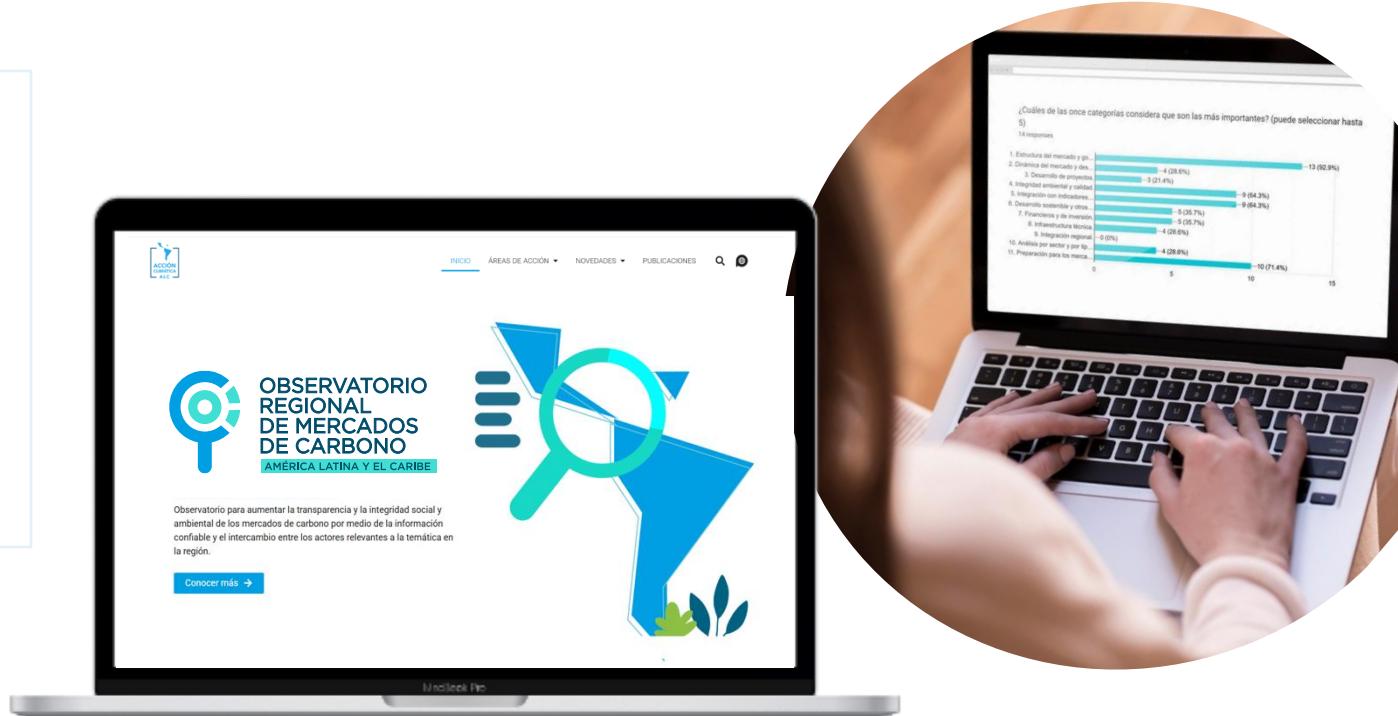


Developments

Library

Help Desk

Series of short videos



Thank you!

<https://accionclimatica-alc.org/omc/>

unep-lac-observatorio@un.org





United Nations
Framework Convention on
Climate Change



► Interactive Dialogue

Strengthening Regional Collaboration for Article 6 Implementation



Interactive Dialogue

Strengthening Regional Collaboration for Article 6 Implementation

Regional country speakers:



María Alejandra
Salguero, Guatemala



Dorsa Sabet-Rasekh,
Panama



Víctor González,
Paraguay



Key partners:



Kentaro Takahashi,
Japan



Cristian Grisales, CAF

Moderator: Ana Domínguez, RCC UN
Climate Change

Closing remarks



Allison Bender-Corbett
Executive Director, CCAP

Feedback survey and Regional Observatory pre-registration

Scan the QR code or follow
the link in the chat

