

Agenda item 3.

Paragraph 10 of the annotated agenda

Host Parties' participation in the PACM

Article 6.4 Supervisory Body – 18th meeting

Bonn, Germany, 6 to 10 October 2025



Procedural background

- SBM 016 and SBM 017 requested the secretariat to continuously update the Article 6.4 manual for host Parties' participation in the mechanism.
- SBM017 also requested the secretariat to prepare an information note proposing options to improve Article 6.4 DNAs' access to, and participation in the PACM.



Purpose

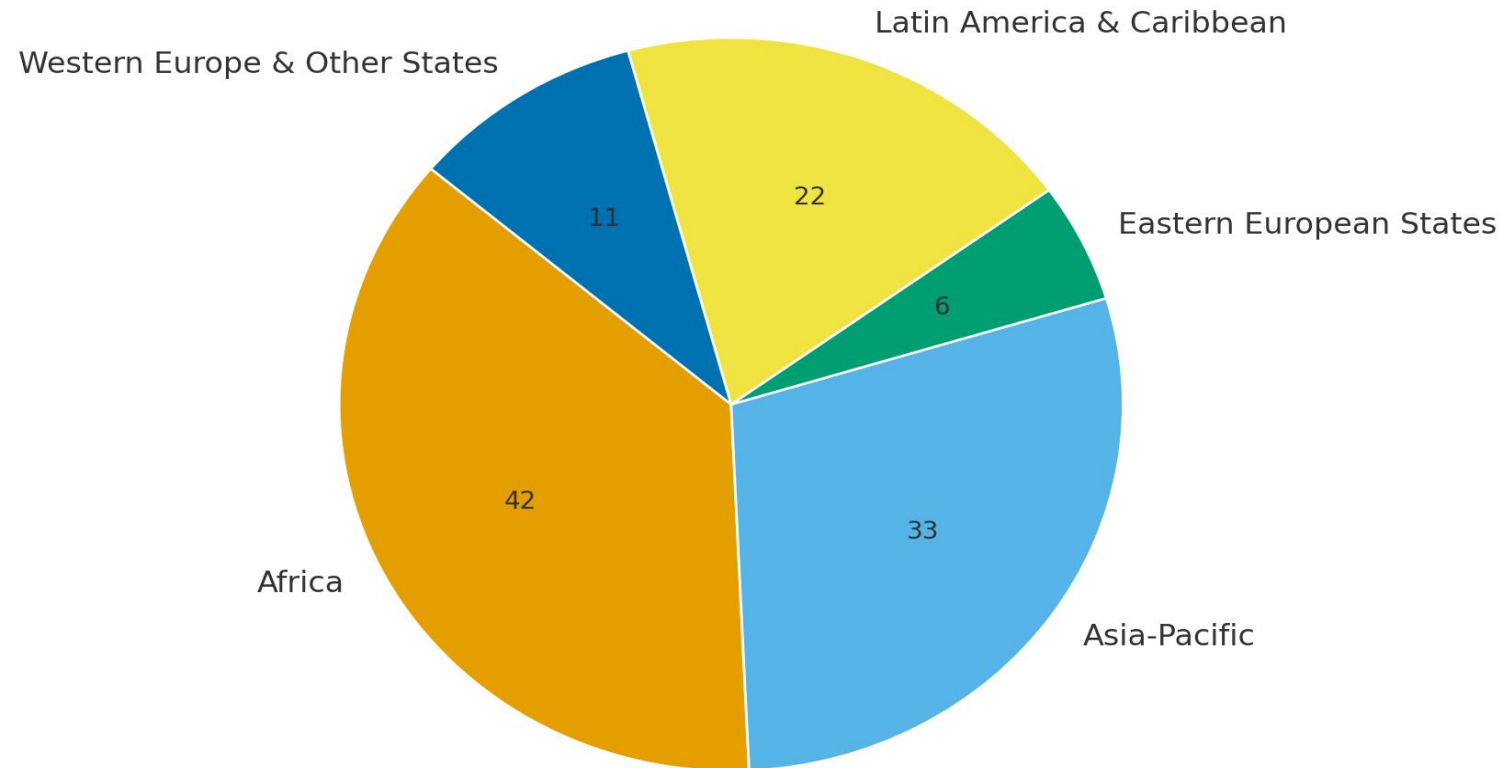
- Provide updates on the Host Parties' engagement in the PACM



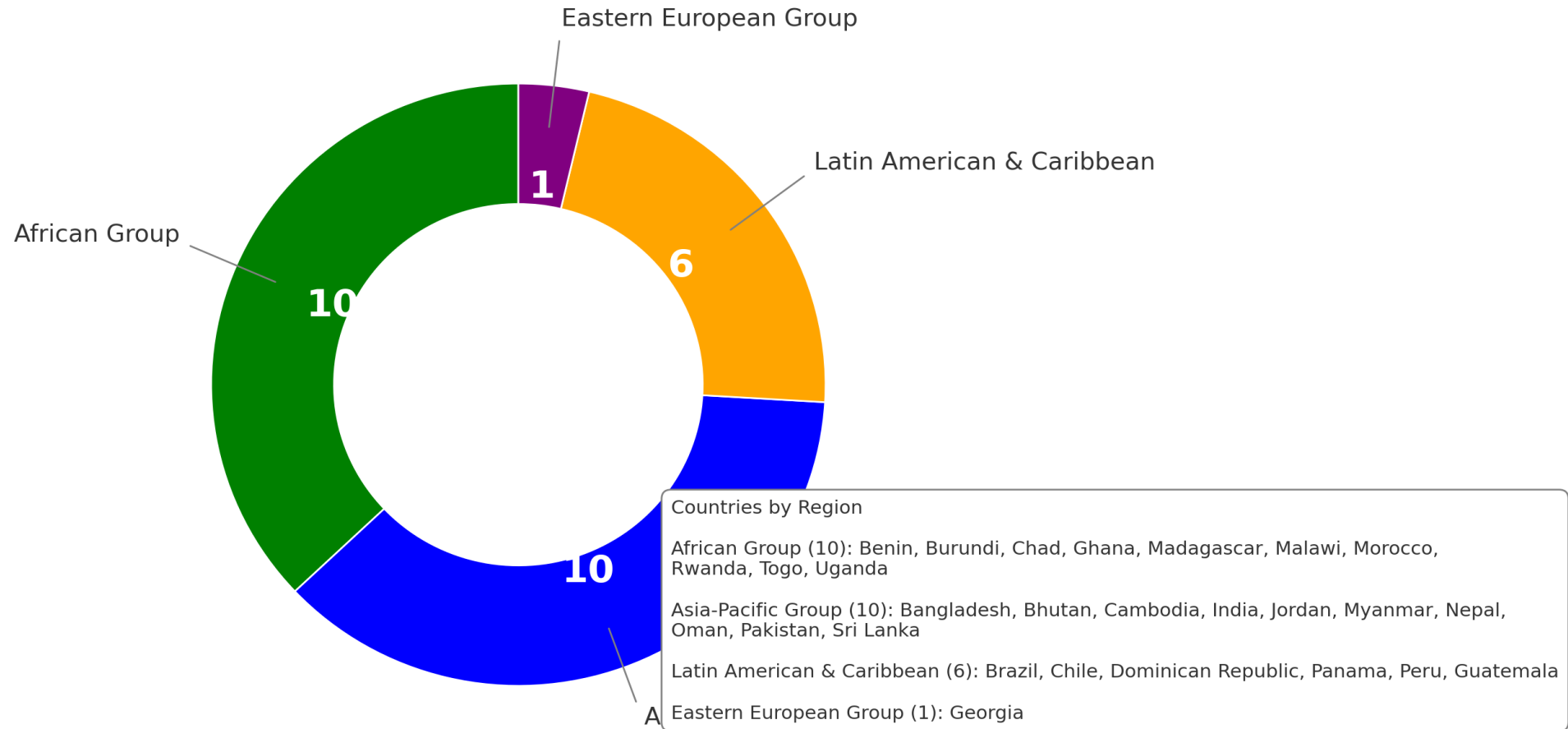
Designation of Article 6.4 DNAs

- 114 Parties have designated their DNAs (08 Oct 2025)

Distribution of Countries by Region



27 Countries that have submitted their HPP requirements



Key highlights from the HPPR forms submitted so far (27)

- **SDG contributions:** most countries indicated their participation in the PACM contributions to achievement of their SDGs (almost all SDGs)
- **Sectors and activities:** Renewable Energy, Energy Efficiency, Transport, Sustainable Land Management, waste management, Agroforestry, Agriculture, methane abatement in waste and livestock sectors, Afforestation, restoration and Reforestation, Industry and Production, CCS, emerging technologies (Green Hydrogen, e-fuels...), cooling...
 - Single sectoral focus such as energy and diversified sectors spanning two or more sectors
 - Most countries have identified positive lists of eligible activities
 - Some countries indicated that they would develop both positive and negative lists
 - Positive list under A6.2 Cooperative Approaches may also consider under A6.4
 - Mitigation activities outside the NDC may be considered on a case-by-case basis
- Some countries have indicated they will allow transition of all/some CDM activities to PACM, subject to specific conditions for authorization



Baselines approaches and Crediting period (CP)

- Most countries have not yet communicated their baseline approaches or other methodological requirements, including additionality criteria and crediting periods, to be applied under Article 6.4 activities.
- 4 (Georgia, Jordan, Oman and Chile) countries have indicated their intention to align baselines, additionality approaches, and crediting periods with the guidance provided in the RMPs.
- A party indicated that for Grid-connected renewable power projects transition only if the CDM methodology is replaced by PACM methodology.
- Some countries have required all CDM transition activities to update their GHG emissions baseline to align with the latest NDC mitigation targets, prepare a SD Report, and undergo a country-level examination and assessment prior to the consideration of an authorization request.



Definition of first Transfer

- Only 7 Parties have communicated their definition of first transfer
- Of which 5 define first transfer as authorization, while 2 as Issuance



Challenges

- Challenges in assessing eligible sectors and activities that DNAs would approve under Article 6.4, including uncertainty over which transitioning CDM activities the country would authorize.
- DNAs are not clear about the provisions for applying methodologies to transition activities.
- DNAs highlighted that the absence of national Article 6 strategies or frameworks hindered the submission of the form and approval of CDM activities' transition to the mechanism.
- Lack of clarity on rules adopted by the SBM, including confusion over timelines, deadlines, and the distinction between approval and authorization.
- Difficulty in understanding and navigating through the linkages between Article 6.2 and Article 6.4
- Limited resources, protracted inter-ministerial consultations, and insufficient engagement with key sectoral ministries.



What has been done so far?

- Dissemination of the A6.4 manual for host Parties' participation in the PACM
- Capacity building for A6.4 DNAs, including through RCCs
- HPPR explainer for DNAs
- Inaugural of the Article 6.4 DNA Forum
- Capacity building on the sidelines of Climate Weeks in Panama and Addis Ababa
- SB62 capacity building activities



Components of the Information note (WIP)

- SBM017 requested the secretariat, in consultation with the Article 6.4 DNA Forum co-chairs, to prepare an information note proposing options to improve Article 6.4 DNAs' access to and participation in the PACM.

Guiding components for the Information Note:

- In consultation with the Global DNA Forum Co-Chair, **update the manual** by garnering additional feedback from the DNAs. New elements such as methodological requirements will be added to the updated manual
- Conduct continuous **capacity building** activities that will primarily target DNAs, including through the Global DNA Forum
- Organize a regular **debriefing session** for all DNAs on the outcomes of SBM discussions.
- Improve already established **channel of communications** for DNAs and create new, as deemed appropriate
- Improve the **readability of the Article 6.4 DNAs webpage**, by creating a dedicated platform, preparing videos, explainers, FAQs, chatbot...etc
- Regional calibration workshops to enhance national capacities and provide a platform to share their national experiences and encourage peer-to-peer learning
- Continuous engagement of RCCs Article 6 experts to support DNAs at the national level.



The secretariat recommends that the Body takes note of the information contained in this presentation.



Subsequent work and timelines

- Information note on proposing options to improve Article 6.4 DNAs' access to, and participation in the PACM
- Update of the manual

