HOST PARTY PARTICIPATION REQUIREMENTS FOR ARTICLE 6.4 MECHANISM (Version 02.0)

SECTION 1: GENERAL INFORMATION	
Country:	Republic of Malawi
Institution name:	Environmental Affairs Department (EAD), Ministry of Natural Resources
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SECTION 2: PARTICIPATION RESPONSIBILITIES	
Is your country a Party to the Paris Agreement?	☒ Yes ☐ No
Has your country prepared, communicated, and is it maintaining a Nationally Determined Contribution (NDC) in accordance with Article 4, paragraph 2 of the Paris Agreement?	☒ Yes ☐ No
Has your country designated a Designated National Authority (DNA) for the Article 6.4 mechanism and communicated that designation to the UNFCCC secretariat?	☒ Yes ☐ No

Please describe how your country's participation in the Article 6.4 mechanism contributes to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.

Malawi's participation in the Article 6.4 mechanism is intrinsically linked to its national sustainable development aspirations, primarily guided by the **Malawi 2063** aiming for an inclusively wealthy and self-reliant industrialized upper-middle-income country. Environmental sustainability is one of the seven enablers identified in the Malawi 2063 Vision.

Section 5.1.2 of the **Malawi Carbon Market Framework (CMF)** sets out the eligibility criteria for projects to ensure environmental integrity and their contributions to sustainable development. These include:

- **Environmental integrity:**
  - Lead to no net increase in global emissions.
  - Conservative baselines set below net sinks' BaU scenario.
  - Minimize the risk of non-permanence.
  - No carryover of MOs between the compliance periods.

- **Sustainable development:**
  - **Environmental impact**: only projects that cause no negative environmental impacts (e.g., deforestation, pollution) and comply with national environmental laws are eligible.
  - **Economic viability:** the mitigation activities retain economic feasibility incl. revenues from selling MO, capacity to attract green investment, and contribute to national economic development goals.
  - **Local participation**: the mitigation activities are encouraged to partner, wherever and as frequently as possible, with local companies, partners and/or investors
  - **Social benefits:** applicable projects will improve quality of life for local communities through job creation, poverty reduction, increased energy access, improved health outcomes, food security, and equitable benefit distribution, with strong encouragement for partnerships with local entities.
  - **Technological feasibility:** only projects that demonstrably promote the use of efficient, accessible technologies suited to the local context, and that foster technology transfer and local capacity building, will be considered applicable.
  - **Climate impact and resilience:** projects will directly contribute to greenhouse gas emission reductions or removals and enhance climate resilience.
  - **Scalability and long-term sustainability:** Ensuring activities are replicable and sustainable beyond the crediting period.
  - **Gender equality and human rights**: Promoting equal opportunities and benefits, respecting human rights, and considering vulnerable groups in activity design and implementation, consistent with Paris Agreement preamble principles.

Overall, participation in the Article 6.4 mechanism facilitates access to climate finance and technology transfer, enabling Malawi to pursue a low-carbon, climate-resilient development pathway aligned with its national priorities and the Sustainable Development Goals (SDGs).

According to the Environmental Management Act (2016), all development interventions, including climate and carbon market activities, will undergo an Environmental and Social Impact Assessment designed to limit any potential adverse impacts on communities and ecosystems while supporting low-carbon, climate-resilient development pathways.

Please provide detailed information on the types of activities under Article 6, paragraph 4 (A6.4 activities) that your country would consider approving pursuant to chapter V.C (Approval and Authorization) of the Rules, Modalities and Procedures (RMPs).

Additionally, explain how these activities, and any associated emission reductions or removals, would contribute to the achievement of your country's NDC, if applicable, its long-term low GHG emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement?

Malawi intends to approve A6.4 activities that are aligned with its national development priorities and climate commitments. The specific types of activities Malawi would consider approving are detailed in its Carbon Market Framework.

The following criteria were used to develop the national positive list of eligible activities:

I. Sectors and activities targeted in the NDC conditional targets.
II. Activities that were considered to be of high priority for the country and would bring high impact and benefits to the country in the medium and long term.
III. Activities that will attract carbon finance and provide investor confidence.
IV. Activities that will contribute towards raising a high ambition in mitigation and building adaptation co-benefits.
V. Fall in the category of hard-to-abate within Malawi's national circumstances.
VI. Must contribute to technology development and transfer and capacity building.

Table 4 on Page 43 in the Malawi Carbon Market Framework (*Malawi's eligible NDC sectors and activities for development under Article 6.2 and Article 6.4*) provides a list of eligible sectors for development of activities under Article 6.4.

Energy sector

- **Electricity generation:**
  - Grid-connected hydropower generation
  - Off-grid small-scale solar PV systems and/or Solar Home Systems (SHS)
  - Grid-connected large-scale solar PV
  - Grid-connected wind power
  - Clean Coal technology - High efficiency coal-fired power plant
  - Public lighting utilizing Renewable Energy (RE) and/or energy efficiency
- **Transport:**
  - Electric mobility in public and private fleets and associated infrastructure
  - Hydrogen vehicles and associated infrastructure
  - Modal shift: private to passenger transport
  - Modal shift: road to rail freight
  - Increasing ethanol blending with gasoline
  - Blending biodiesel with diesel as a transportation fuel
- **Community and Households:**
  - Biofuel, biogas, electric and solar cookstoves
  - Efficient air conditioning
  - Improved biomass cookstoves
  - Energy Efficient Solutions
- **Industry and Manufacturing:**
  - Energy Efficiency measures

  - Highly energy efficient systems

Industrial Processes and Product Use (IPPU) Sector

- **Minerals Industry:**
  - Increased use of rice husk ash (RHA) in blended cement
  - Earth stabilized blocks (ESBs) as building materials
  - Alternative low-carbon cement processes

Waste Sector

- **Solid Waste:**
  - Landfill gas (LFG) utilization
  - Waste Reduction Practices
  - Waste to Energy (WtE)
- **Wastewater:**
  - Wastewater treatment and reuse

Agriculture Sector

- **Crop Management:**
  - Conservation agriculture crop residue and rotation
  - Promotion of efficient fertilizer use and manure management
  - Improved rice management practices
- **Livestock:**
  - Improved livestock husbandry
  - Improved farm management (including biogas digesters, manure management)

Forestry and Other Land Use Sector

- **Forestry:**
  - Afforestation and Agroforestry
- **Forestry and other Land Use:**
  - Sustainable landscape and forest management

Water Sector

- **Sanitation:**
  - Water purification (using low-carbon emission practices)

Additional Eligible Technologies

- Green hydrogen
- Geothermal power
- Carbon Capture and Storage (CCS)
- Carbon Capture and Utilization (CCU)

Contribution:

NDC Achievement: the eligible activities will contribute to both mitigation and adaptation and account for the conditional NDC targets (an additional 45% GHG emission reduction below BAU by 2040, equivalent to 15.6 $MtCO_2eq$). The table presented in chapter 9.2 of the NDC 3.0 illustrates the alignment of eligible Article 6.4 activities with NDC goals.

Long – Term Low GHG Emission Development Strategy (LT-LEDS): LT-LEDS is currently under development and expected to be completed and adopted in 2026. Eligible A6.4 activities will be aligned with the long-term vision and decarbonization pathways outlined in the country's LT-LEDS, supporting the transition towards a climate-resilient, low-emission economy by mid-century.

Please provide any additional information that the host Party may deem necessary (optional)[1]:

Baseline approaches and other methodological requirements, including additionality, to be applied for A6.4 activities that it intends to host, in addition and subject to and consistent with the RMPs, under the supervision of the Supervisory Body, and subject to further relevant decisions of the CMA, with an explanation of how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy:

- Malawi will primarily adhere to the methodologies, including baseline setting and additionality determination procedures, developed and approved by the UNFCCC Article 6.4 Supervisory Body, consistent with Decision 3/CMA.3 and subsequent relevant decisions and guidance.

- Methodologies applied must ensure environmental integrity and be compatible with Malawi's NDC 3.0 (forthcoming in 2026) and its LT-LEDS (forthcoming in 2026), contributing demonstrably to the conditional mitigation targets and long-term decarbonization pathway. Malawi reserves the right, consistent with Article 6.4 rules, to provide specific national considerations or requirements if deemed necessary to ensure alignment with national circumstances and strategies, subject to Supervisory Body oversight.

Crediting periods to be applied for A6.4 activities that it intends to host, including whether the crediting periods may be renewed, subject to the RMPs and under the supervision of the Supervisory Body, and in accordance with further relevant decisions of the CMA, with an explanation of how those crediting periods are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy:

Malawi will apply crediting periods for A6.4 activities in accordance with the options set out in Decision 3/CMA.3, Annex, paragraph 31(f): a maximum of 5 years, renewable up to twice; or a maximum fixed period of 10 years without renewal. For activities involving removals, a maximum of 15 years, renewable up to twice, will apply.

Crediting periods shall not start before 1 January 2021. Malawi, as the host Party, may specify shorter crediting periods or approve renewals, subject to an assessment of compatibility with its NDC and LT-LEDS dynamics and ambition cycle, and in line with the rules and guidance established by the Supervisory Body and relevant CMA decisions.

Malawi may consider renewal of crediting periods depending on the assessment of the performance of the mitigation activity and its impacts on the ground as well as how it has contributed to raising ambition towards achieving sustainable development goals and Malawi 2063. Non-performing mitigation activities may not be supported for renewal in line with the Malawi Carbon Market Framework.

<table>
<tr><td colspan="2">Definition of first transfer pursuant to decision 2/CMA.3, annex, paragraph 2(b)[2] as:
☐ The authorization
☒ The issuance
☐ The use or cancellation of the A6.4ERs</td></tr>
<tr><td rowspan="2">Exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS[3]</td><td>Is the host Party an LDC or SIDS:
☒ Yes ☐ No</td></tr>
<tr><td>☐ The host Party chooses not to exempt all projects or PoAs and CPs from the share of proceeds for adaptation[4]</td></tr>
<tr><td colspan="2">Any additional information:
Malawi has established clear institutional arrangements for Article 6 participation, outlined in its Carbon Market Framework (July 2025). The Ministry of Natural Resources and Climate Change (MNRCC) serves as the Authorizing Entity, and the Environmental Affairs Department (EAD) within MNRCC acts as the Designated National Authority (DNA) and the focal point for the Article 6.4 mechanism. Policy oversight is provided by the National Steering Committee on Climate Change (NSCCC), with technical advice from the Mitigation Expert Working Group (MEWG). These structures ensure coordinated and transparent engagement in the mechanism.</td></tr>
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[1] The host Party may optionally provide additional information on: i) Baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities as per decision 3/CMA.3, annex, paragraph 27; ii). Crediting periods to be applied for Article 6.4 activities that it intends to host, including whether the crediting periods may be renewed as per decision 3/CMA.3, annex 3, paragraph 27(b); iii) First transfer in case it intends to authorize A6.4ERs for other international mitigation purposes as per decision 2/CMA.3, annex, paragraph 2(b); iv) statement on exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS of all projects or PoAs and CPs.

[2] Decision 2/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf .

[3] This provision is only applicable to LDCs and SIDS and is to be checked if the LDC/SIDS hosting the projects or PoAs and CPs therein, chooses not to exempt all project activities or PoAs and CPs from the share of proceeds for adaptation or may be indicated for each project or PoA and CPs at the time of approval of the project or PoA.

[4] Please see footnote 3.

Document information

Version	*Date*	*Description*
02.0	20 March 2025	Revision to clarify which are the optional elements for the section "additional information that the host Party may deem necessary".
01.0	25 March 2024	Published with revised symbol number (previously A6.4-FORM-AC-001).

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