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Concept note

Improving Article 6.4 designated national authorities' access to and participation in the Paris Agreement Crediting Mechanism

Version 01.0



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1. Procedural background

1. At its sixteenth meeting, the Supervisory Body of the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism) took note of the information note "Article 6.4 manual for host Parties' participation in the mechanism" (hereinafter referred to as the manual) and requested the secretariat to report to the Supervisory Body at a future meeting on the use of the manual, while continuously updating it considering the feedback provided at the meeting, including, but not limited to:
 - (a) Delineating roles and responsibilities related to authorization in a separate section, including its implications for host Parties' accounting for their nationally determined contributions;
 - (b) Engaging with designated national authorities (DNAs), including through the Article 6.4 DNA Forum and relevant capacity-building activities, in order to receive feedback and enhance the visibility of the rules and regulations of the Article 6.4 mechanism by sharing and utilizing the updated manual;
 - (c) Revising the user-friendly webpage format manual to maintain consistency between the webpage format and the manual.
2. At its seventeenth meeting, the Supervisory Body 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 Paris Agreement Crediting Mechanism (PACM), including through consultation on the manual and experience with regard to reporting on participation requirements, as well as by leveraging peer-to-peer learning and reflecting identified capacity-building needs.
3. At its eighteenth meeting, the Supervisory Body took note of the ongoing work on preparing the information note proposing options to improve Article 6.4 DNAs' access to and participation in the PACM and requested the secretariat to elevate this to a concept note by including considerations on establishing a dedicated procedure on the roles and responsibilities of host Parties.
4. At the same meeting, the Supervisory Body also requested the secretariat to update the manual, in particular with regard to the experience of DNAs in the preparation of reports on participation requirements and in the implementation of approval and authorization requirements.
5. In addition, at its seventh session, the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) requested the Supervisory Body to report back to the CMA, through its annual report, on the work undertaken to improve DNAs' access to and participation in the Article 6.4 mechanism.

2. Purpose

6. The purpose of this concept note is to outline options on improving Article 6.4 DNAs' access to and participation in the PACM, including considerations on establishing a dedicated procedure on the roles and responsibilities of host Parties.

3. Key issues and proposed solutions

7. The concept note comprises two principal components. The first addresses the core question of how Article 6.4 DNAs' access to and participation in the PACM can be improved. The second outlines options for establishing a dedicated procedure on the roles and responsibilities of host Parties under the PACM.

3.1. Proposals for improving DNAs' access to and participation in the PACM

8. DNAs are the backbone of the PACM, as they are entrusted with critical roles and responsibilities across the activity cycle, ranging from pre-registration and registration to the issuance of units. As the PACM evolves, DNAs' roles and responsibilities expand, making their active engagement essential for the PACM's integrity and effectiveness.

9. Given the central roles and responsibilities that DNAs play in the PACM, their active and sustained engagement is essential for the full and effective operation of the Article 6.4 mechanism. This requires acknowledging that DNAs currently differ in their levels of institutional readiness level, legal frameworks, and national capacities. Significant efforts are therefore required to support DNAs in reaching a more comparable level of preparedness and capacity-building, in order to ensure their effective participation in the mechanism.

10. Although there are increasing roles and responsibilities assigned to DNAs under the PACM, various challenges hinder their effective participation in the mechanism. These include, *inter alia*, understanding the newly adopted and often complex rules and regulations adopted by the Supervisory Body, constrained national capacities, and the absence of adequate national legal frameworks for Article 6.4 DNAs to fulfil their required roles and responsibilities. Unless these challenges are systematically identified and addressed, DNAs' effective and meaningful engagement in the PACM will remain hampered.

11. The following sections outline proposed measures to improve DNAs' participation in the PACM. These include:

- (a) Strengthening existing engagement platforms such as the Article 6.4 DNA Forum,
- (b) Improving communication channels,
- (c) Enhancing the visibility of the Article 6.4 webpage,
- (d) Developing tailored capacity-building activities, and
- (e) Updating the manual for host Parties.

12. Collectively, these measures aim to ensure equitable participation of all DNAs and support the robust implementation of the PACM.

3.1.1. Strengthening the Article 6.4 DNA Forum

13. The "Procedure for direct communication with stakeholders" provides a comprehensive set of avenues for DNAs to engage with the Supervisory Body. As key actors in the implementation of the mechanism, DNAs are encouraged to make full use of the existing platforms established by the Supervisory Body.

14. These include the Article 6.4 DNA Forum (hereinafter referred to as the Forum), interaction with the SBM through co-chairs of the Forum, opportunities to intervene as registered observers during Supervisory Body meetings, the submission of written inputs in response to calls for public comments, and direct communication through other channels defined in the PACM procedure such as submission of letters.
15. Improving DNAs' access to and participation in the mechanism requires enhanced awareness of existing engagement channels already available to them. Ensuring that DNAs receive timely and consistent information on these channels will strengthen their ability to contribute effectively to the PACM's processes. Apart from this, using these channels effectively will contribute directly to the improvement of DNAs' access to and participation in the mechanism.
16. The Article 6.4 DNA Forum is a key entry point for strengthening DNAs' effective participation in the PACM. It provides an institutionalized platform for dialogue among host Parties, enabling DNAs to exchange experiences, identify shared challenges and opportunities, and articulate common perspectives. Through its co-chairs, the Forum can convey consolidated inputs to the Supervisory Body, enhancing DNAs' visibility and influence in PACM governance and operations.
17. The Article 6.4 DNA Forum, under the guidance of its co-chairs, can further serve as a practical vehicle for fostering the sustained and active engagement of DNAs. The Forum's regular global meetings, webinars, and other targeted formats can be used to promote peer-to-peer learning (including through exchanges with front-runner DNAs) and provide timely updates on the Supervisory Body's deliberations and decisions of relevance to DNAs. The Forum could also offer a relevant and cost-effective venue for delivering continuous, DNA-focused capacity-building activities aligned with the evolving rules and regulations of the PACM.
18. The effective utilization of the Article 6.4 DNA Forum for these purposes will require close collaboration with its co-chairs to develop a well-curated and inclusive workplan. Such a workplan should be designed in consultation with Forum co-chairs and tailored to support national-level implementation of the PACM, taking into account the specific needs, capacities and institutional contexts of different regional groupings and countries.

3.1.2. Improving DNAs' communication and engagement channels

19. Beyond existing platforms, improving communication channels and establishing additional avenues for DNA engagement can further strengthen DNAs' active engagement in the PACM. These could include regional DNA calibration workshops and/or teleconferences with a view to keep DNAs abreast of the outcomes and potential implications of relevant policy and technical deliberations.
20. Additionally, supplementary communication and dialogue mechanisms could also be introduced to support active participation, which could potentially include periodic DNA newsletters, explainer videos, and DNA fire chats. These tools would facilitate information-sharing on various cross-cutting issues pertaining to PACM implementation and help ensure that DNAs remain well informed of decisions affecting their roles and responsibilities under the PACM. It will also serve as a centralized knowledge repository, ensuring sustained access to institutional information in the event of changes in the DNAs of participating countries, thereby safeguarding continuity and effectiveness.
21. The establishment of these additional platforms would serve a dual purpose. First, they would provide DNAs with accessible channels to voice implementation-related challenges

and secondly, enable them to better understand the overall architecture of the PACM. In doing so, the platforms could strengthen interactions among DNAs, fostering transparency, cooperation and mutual understanding.

22. As part of this endeavour, including new provisions in the “Procedure: Direct communication with stakeholders” to provide DNAs with regular, dedicated advance information on meetings of the Supervisory Body and its expert panels, including key issues for deliberations and forthcoming opportunities for their engagements, would help strengthen their participation in the PACM. Such advance communication would enable DNAs to prepare effectively and engage more substantively in relevant processes.

3.1.3. Redesigning the Article 6.4 DNA webpage

23. Improving the Article 6.4 DNA webpage could significantly enhance DNAs' access to relevant information related to PACM implementation. This would require improvements to both the design and content of the webpages relevant to DNAs, with a view to ensuring that information is comprehensive, up-to-date and easy to navigate. Dedicated content for DNAs could include explainer videos, frequently asked questions, interactive tools such as chatbots, and other practical resources tailored to DNAs' needs. The visibility and user-friendliness of the webpage could also be improved.

3.1.4. Designing tailored capacity-building activities for Article 6.4 DNAs

24. Another area focuses on designing tailored capacity-building activities for Article 6.4 DNAs, as strengthening the technical capacities of DNAs is essential to improving their effective participation in the mechanism. Tailored capacity-building activities should address varying levels of readiness among DNAs, engaging not only Article 6.4 DNAs but also broader stakeholders involved in the PACM implementation at the national level, including technical experts and policy decision-makers in various line ministries and regional institutions. By equipping DNAs with practical knowledge, institutional guidance and technical expertise, DNAs will be better positioned to navigate the complexities of the PACM and fulfil their roles and responsibilities efficiently.
25. Regional capacity-building activities should complement these efforts through hands-on training, simulation exercises on host Party approvals and authorization, tracking and reporting, and the development of knowledge products, including online learning modules, explainer videos, webinars, and technical dialogues. Article 6 experts embedded in the Regional Collaboration Centres continue to play a critical role in designing and rolling out these activities, leveraging their regional knowledge to ensure interventions are context-specific and targeted to national and regional needs. Such combined efforts are expected to strengthen DNAs' technical and institutional capacities, enhance their readiness and ability to fulfil PACM roles and responsibilities, and ensure active, equitable and sustainable participation in the mechanism.
26. To ensure the relevance and effectiveness of capacity-building efforts, the secretariat would undertake a comprehensive needs assessment survey in close collaboration with the co-chairs of the Article 6.4 DNA Forum. This will help to identify additional priority areas for support and inform the design of tailored interventions. In addition, a peer-to-peer learning strategy could enhance DNAs' active engagement in PACM implementation. The peer-to-peer learning approach would facilitate knowledge-sharing between countries that are more advanced in PACM implementation and those at earlier stages, fostering collaboration, shared learning, and equitable engagement.

3.1.5. Regular update of the Article 6.4 manual

27. The manual should be updated regularly to ensure that DNAs fully understand the roles and responsibilities associated with their participation in the mechanism. As it stands, the manual requires regular updates on various aspects of host Parties' roles and responsibilities, such as methodological requirements.
28. The update should also factor in views of stakeholders, particularly of the prime users of the manual (i.e. DNAs), the latest decisions emanating from the CMA, and new rules and regulations adopted by the Supervisory Body.
29. In consultation with the co-chairs of the Article 6.4 DNA Forum, the secretariat will lead the process of garnering stakeholders' views on improving the accessibility, readability and user-friendliness of the manual and incorporating any changes required.

3.2. Considerations on the establishment of a procedure dedicated to the roles and responsibilities of host Parties

30. This section examines establishing a dedicated procedure focused on the roles and responsibilities of host Parties.
31. As outlined in the "Decision and documentation framework" adopted by the Supervisory Body, procedures contain a mandatory series of actions that must be undertaken to demonstrate, in a uniform and consistent way, that the Supervisory Body, the secretariat, activity participants, designated operational entities/applicant entities, and DNAs comply with the rules, modalities and procedures for the Article 6.4 mechanism and the standards issued by the Supervisory Body.
32. The roles and responsibilities of host Parties and other participating Parties in the PACM have been included in various regulatory documents adopted by the Supervisory Body. These provisions span the full activity cycle and the operational processes of the Supervisory Body.
33. These roles and responsibilities are scattered across various procedures adopted by the Supervisory Body, including, among other things: the "Article 6.4 activity cycle procedure for projects"; the "Article 6.4 activity cycle procedure for programmes of activities"; the "Procedure: Development, revision, clarification and modification of methodologies and methodological tools"; the "Procedure: Transition of CDM activities to the Article 6.4 mechanism"; the "Procedure: Article 6.4 mechanism registry"; and the "Procedure: Appeal and grievance processes under the Article 6.4 mechanism".
34. The question of whether to establish a dedicated procedure on the roles and responsibilities of host Parties therefore requires a close examination of existing provisions as well as an assessment of the advantages and disadvantages of both consolidating existing instruments and creating a new stand-alone procedure.
35. While establishing a stand-alone procedure may offer significant added value, particularly from the perspective of host Parties and other participating Parties, its feasibility warrants careful consideration from multiple vantage points.
36. A dedicated procedure could consolidate the roles and responsibilities of host Parties into a single, clear and authoritative regulatory instrument, rather than dispersing them across multiple procedures. This could enhance predictability, transparency and confidence among host Parties and other participating Parties. However, as many of these roles and

responsibilities are already addressed in existing procedures, establishing a separate procedure could risk duplication and redundancy.

37. The “Decision and documentation framework” emphasizes that when considering issuing a new document or revising an existing document, the Supervisory Body should prioritize the consolidation, streamlining and consistency of all its documentation. Provided that host Party roles and responsibilities are already addressed across existing rules and regulations and further compiled in the manual, introducing a dedicated procedure alongside existing procedures and the manual could therefore increase the risk of duplication and misalignment with existing regulatory instruments.
38. Unless the Supervisory Body intends to introduce new expectations or requirements for host Parties, establishing a dedicated procedure may be perceived as repackaging existing roles and responsibilities, raising more questions about its regulatory necessity. This consideration is particularly pertinent in light of the existence of the manual prepared by the secretariat.
39. In conclusion, the preliminary analysis undertaken by the secretariat highlights that having a stand-alone procedure on the roles and responsibilities of host Parties is not necessary.

4. Impacts

40. This concept note proposes several suggestions to enhance DNAs' access to and participation in the PACM. Implementing these suggestions will not only ensure improved DNA engagement but also contribute to the mechanism's overarching goal of maintaining the highest standards of integrity.

5. Subsequent work and timelines

41. The secretariat will implement specific proposals detailed in the concept note, subject to the approvals by the Supervisory Body and availability of resources.

6. Budget and costs

42. Some of the proposed activities aimed at enhancing DNA engagement may necessitate additional resources. Indicative resources required to implement this proposal is presented in the table below:

Table. Potential resource implications for the proposed engagements

Outputs	Activities	Units	Person-month	non-staff costs (USD)
Strengthened Article 6.4 DNA Forum	Global DNA forum	Event (1)	2	300,000 (partially covered by RAP)
	Regional DNA forum	Events (2)		
	Peer-to-peer sessions with front-runner DNAs-virtual	Virtual (4)		
	DNA calibration workshops	Events (2)		

Outputs	Activities	Units	Person-month	non-staff costs (USD)
Improved communication and engagement channels	Teleconferences	Virtual (4)	2	
	DNA newsletters	Bi-monthly		
	DNA fire chats	Bi-monthly		
Redesigned DNA webpage	Website improvement	Package	2	25,000
	Content development (FAQ, Videos, chatbot..etc)	Package		
Tailored Capacity building	Tailored regional capacity building	Events (3)	2	RAP
	Needs assessment survey	Report (1)		
	Technical dialogues (virtual)	Events (2)		
	Simulation packages	Package		
	Online modules	Courses (2)		
Regularly update the Article 6.4 manual	Update the manual		NA	RAP

7. Recommendations to the Supervisory Body

43. The secretariat recommends that the Supervisory Body consider the proposals outlined in this concept note and provide further guidance on their implementation, considering budgetary implications for the RAP.

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