



CDM projects are supported through Carbon Neutrality initiatives in Latin America Region



(Panama City, Panama – 10 March 2020) - The RCC Panama in collaboration with the Ministry of Environment of Panama ([MiAMBIENTE](#)) the National Cleaner Production Center Panama ([CNPML](#)), the Development Bank of Latin America (CAF) and with the support from the Ministry of Environment and Energy Costa Rica ([MINAE](#)) and the Colombian Association of Carbon Market Actors ([ASOCARBONO](#)) organized the informative CDM dialogue “**Status of the carbon market in the Latin-American region**” with the objective to discuss the actions that others countries are implementing to incentivize carbon neutrality with an emphasis on Clean Development Mechanism (CDM), in addition to learn about the status of CDM projects in Panama, latest decisions adopted by the CDM Executive Board and expectations from COP26.

Currently some countries in Latin America are taking actions to incentivize carbon neutrality to achieve their objectives established in their Nationally Determined Contributions (NDCs), this includes the implementation of carbon footprint platforms as well as carbon pricing instruments such as carbon tax and emissions trading systems.

Specifically, Costa Rica, Chile, Peru, and Mexico have national carbon footprint platforms to promote and recognize the efforts of public and private organizations towards carbon neutrality, contributing to the national GHG emission reduction target. Carbon neutrality also results in reducing costs, improving organizational reputation; increasing competitiveness and sustainability. These platforms are compatible with the UN Climate Neutral Now platform ([CNN](#)) where Clean Development Mechanism ([CDM](#)) projects offer the opportunity, through Certified Emission Reductions (CERs) of their registered projects, to achieve carbon neutrality and international recognition.

The RCC Panama currently supports the Republic of Panama in the development of the "National Registry Standard for Emissions and Mitigation Actions" under the Collaborative Instruments for Ambitious Climate Action ([CIACA](#)) initiative, which will be a fundamental part of the National Carbon footprint platform in Panama to be launched in 2020. At the same time, RCC Panama supports the [Climate Neutral Now](#) initiative, CDM Climate Finance ([NBF](#) project), provides technical assistance to [CDM projects](#) and supports the development of emission factors through the [Standardized Baselines](#), which result in an integral support towards the carbon neutrality.

Some of the conclusions of the dialogue includes:

1. Globally, there is an increasing participation of the financial sector in carbon markets in different sectors such as aviation, energy, energy efficiency, transport, industry, waste management, agriculture, forestry, etc.
2. MiAMBIENTE is designing the launch of a green bond system with low interest rates. This green bond will be launched by the national government with the government's own projects. Comment: in the study and design stage, you must foresee the mitigation and adaptation criteria for all public contracts.
3. Costa Rica's fiscal incentive for public tenders has allowed the promotion of private companies and increase climate ambitious national policies.
4. Guided by RCC Panama, Ministries of Environment should collaborate with the private sector to generate demand for CDM emissions reductions through carbon neutrality initiatives and provide technical assistance to access funds / loans so that these projects are maintained and can continue their verifications and renewals of the credit period, these projects could contribute to meet with national mitigation targets.
5. The region, particularly Chile, Peru, Ecuador and Costa Rica are joining efforts to harmonize the existing carbon neutrality platforms that promote emissions reduction. The aforementioned countries are formalizing an alliance between Huellas Chile and Climate Neutral Now.
6. The National entities such as "CNPML Panama" will continue to support the private sector in calculating the carbon footprint and will promote compensation to achieve carbon neutrality.
7. ASCARBONO concluded that the actions that MIAMBIENTE is currently carrying out are similar to those that were carried out in Colombia a few years ago, it reminds us that it takes time to implement a carbon tax, national emissions registry and define an emissions system, which is why it invites to continue with the efforts.
8. MiAMBIENTE will continue working on the revision of its NDC, the implementation of the National GHG Emissions Inventory System, the Standard for the national GHG and mitigation action registry, in addition to the launch of the registry platform and the national transparency platform, update the current Climate Change Law and the National Climate Change Policy to 2050 (PNCC2050), etc.