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## PACM Implementation Dialogue: From Readiness to Action, Unlocking Carbon Finance and NDC Implementation through Article 6.4

IETA Asia Climate Summit 2026 | 7<sup>th</sup> July 2026

### Concept Note

#### 1. Background

The Article 6.4 of the Paris Agreement, also referred to as the Paris Agreement Crediting Mechanism (PACM), centralized mechanism established under the Paris agreement to support the cost-effective implementation of Nationally Determined Contributions (NDCs) and for voluntary action to facilitate finance to host countries through international cooperation. By enabling the generation of Article 6.4 ERs and international transfer mitigation outcomes (ITMOs), the mechanism can help mobilize climate finance, stimulate private sector investment, and facilitate emissions reductions aligned with national climate priorities.

PACM, creates a global framework for mobilizing carbon finance and private sector investment in support of NDC implementation. By enabling the issuance of Article 6.4 Emission Reductions (A6.4ERs) and Mitigation Contribution Units (MCUs), PACM offers multiple pathways for governments and businesses to finance mitigation activities while contributing to national climate goals.

The PACM is underpinned by robust rules and safeguards to ensure environmental integrity, including requirements on additionality, conservative baselines, avoidance of double counting through corresponding adjustments, and the delivery of an overall mitigation in global emissions (OMGE). In addition, PACM ensures that activities contribute to national sustainable development objectives and respect social and environmental safeguards.

Through these features, it provides a structured pathway for countries, particularly developing countries, to leverage carbon markets in support of NDC implementation while fostering ambition, transparency, and long-term investment in climate action.

#### 2. Scope, Format and Target Participants

Within the broader theme of IETA Asia Climate Summit 2026, this concept note proposes a dedicated, curated track focused on Article 6.4 of the Paris Agreement. The track contributes to the conference by focusing on how the global architecture of the PACM can unlock high-integrity carbon finance for private sector engagement and effective NDC implementation. The track builds on recent implementation-oriented dialogues and emphasizes the global value proposition of PACM, its relevance for host countries and private actors.

##### Participants

The track will convene representatives from the private sector, financial institutions, civil society, and technical experts and government representatives, to strengthen capacity for Article 6.4 readiness and broader carbon market engagement. The session will be interactive to enable practical understanding of the PACM, alignment with domestic policies, and identification of project and investment opportunities.

##### Representatives from Private Sector

- Private sector entities with potential mitigation portfolios (energy, waste, transport, buildings, industry, agriculture)
- Banks and financial institutions engaged in climate and green finance
- Carbon market players (aggregators, traders, developers, exchanges/platforms)
- CDM project proponents and project developers, including those exploring transition pathways



- Technical consultants, verifiers, and investment facilitators supporting carbon project development
- Industry chambers and business associations

### **Representatives from Civil Society and Academia**

- Environmental NGOs and community-based organizations engaged in climate action and just transition
- Academic and research institutions working on climate policy and carbon markets
- Organizations active in climate and development policy advocacy
- Development partners and implementing organizations supporting climate mitigation initiatives in India

### **3. Objectives and Expected Outcome**

With the approval of the first Article 6.4 methodologies and the ongoing transition of eligible CDM activities, PACM is transitioning from conceptual discussion into practical operationalization. In line with this momentum, the session is focused on implementation-oriented stakeholder dialogue focused on how countries and actors across Asia are actively preparing to participate in PACM and its role in mobilizing carbon finance for NDC implementation.

#### **Objectives.**

The PACM implementation dialogue will:

- Provide an overview of Article 6, with a particular focus on the relationship between Article 6.2 and Article 6.4.
- Explain the role of PACM in mobilizing carbon finance for NDC implementation through international cooperation and domestic carbon market frameworks.
- Clarify the distinction between Article 6.4 Emission Reductions (A6.4ERs), internationally transferred mitigation outcomes (ITMOs), and Mitigation Contribution Units (MCUs), including authorization considerations.
- Present opportunities and requirements for transited CDM activities to PACM.
- Explain the process, eligibility requirements, methodologies, forms, and documentation needed to develop PACM activities.
- Highlight the key differences between PACM and the CDM, including enhanced safeguards, stakeholder engagement requirements, transparency provisions, and baseline-setting approaches.
- Demonstrate how PACM can provide a streamlined and cost-effective pathway for project developers while maintaining high environmental integrity and broad market accessibility.
- Support governments, project developers, investors, and market participants in advancing from readiness to implementation and identifying investment and partnership opportunities.

#### **Expected Outcomes.**

Participants will:

- Gain an improved understanding of the PACM and its role in supporting NDC implementation and climate finance mobilization.
- Better understand the opportunities, requirements, and practical considerations for developing Article 6.4 activities.
- Enhance their readiness and develop new PACM project pipelines.
- Strengthen their understanding of authorization pathways, issuance options, and the use of A6.4ERs and MCUs.
- Gain practical insights into methodologies, forms, documentation requirements, and the Article 6.4 project cycle.
- Understand the comparative advantages of PACM relative to bilateral Article 6.2 approaches, including reduced transaction complexity and broader market accessibility.
- Identify potential investment, financing, and partnership opportunities aligned with national climate priorities and NDC implementation.



#### 4. PACM Track at IETA Asia Climate Summit

The track will comprise two sessions, designed to provide both strategic and technical understanding of the PACM, including its global value proposition, operational requirements, linkages with NDC implementation, and a practical walkthrough of key forms, methodologies, and technical differences compared to the CDM.

<b>Time</b>	<b>Session Details</b>
15:30 – 15:35	<b>Opening Remarks</b>
15:35 – 16:05	<b>SESSION 1</b>  <b>PACM Value Proposition and Participation Pathways: Readiness to Implementation</b> <ul style="list-style-type: none"><li>• PACM, Latest milestones and developments, decisions and Supervisory Body progress.</li><li>• Operational readiness: approved &amp; under consideration methodologies, registry status, and transition pathways for CDM activities.</li><li>• Government Participation: institutional and regulatory preparations for PACM participation (e.g. host country authorization frameworks, designated national authorities).</li><li>• Private sector participation: How project developers and private sector actors are engaging in PACM through Article 6.4 activity development and methodology development opportunities.</li><li>• PACM (CA0001) interlinkage with Article 6.2 advantages</li></ul>
16:05 – 16:35	<b>SESSION 2</b>  <b>Multi-Stakeholder Panel: How Governments, Project Developers, Financial Institutions, and Regional Partners are participating in PACM</b> <ul style="list-style-type: none"><li>• Private sector perspectives: Experiences in developing project pipelines, assessing investment opportunities, and engaging with emerging participation pathways under PACM.</li><li>• Financial institutions: Perspectives on PACM-linked financial instruments, carbon finance structures, risk management considerations, and investment readiness frameworks required to mobilize climate finance.</li><li>• Technical assistance providers and knowledge partners: Emerging research priorities, capacity development needs, knowledge-sharing initiatives, and support ecosystems being established to facilitate PACM implementation.</li><li>• Regional perspectives on market readiness: Lessons learned, remaining challenges, and opportunities for strengthening institutional readiness and participation in PACM across Asia Pacific region.</li></ul>
16:35-17:00	<b>SESSION 3</b>  <b>Interactive Q&amp;A and Reflections</b> <ul style="list-style-type: none"><li>• Open floor for participant questions, reflections, and dialogue with panelists; key takeaways and closing remarks.</li></ul>