



# United Nations Climate Change Regional Collaboration Centres

## Regional Dialogues on Carbon Pricing Latin America **REPORT**



2024

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## About this Report and CiACA Initiative

This report is developed as part of the Collaborative Instruments for Ambitious Climate Action Initiative (CiACA), launched during the COP22 Climate Change Conference in Marrakech in 2016. CiACA aims to support countries worldwide in adopting carbon markets and carbon pricing instruments to align with the goals of the Paris Agreement. The initiative is implemented through the United Nations Framework Convention on Climate Change (UNFCCC) Regional Collaboration Centres (RCCs) and is supported by the German Federal Government through the Federal Ministry for Economic Affairs and Climate Action (BMWK).

Focusing on the Latin America region, this report summarizes views and perspectives expressed by participants during the Regional Dialogue on Carbon Pricing (REDiCAP) for Latin America held on July 24, 2024, in Santiago, Chile, and seeks to support policymakers and other stakeholders from the region in the design, implementation, and enhancement of carbon pricing instruments for implementing Nationally Determined Contributions (NDCs).

Additionally, it provides key insights to foster regional collaboration and drive ambitious climate action through market-based instruments.

## Forewords



### **JAMES GRABERT**

Director, Mitigation Division  
UN Climate Change Secretariat

The Paris Agreement and the urgent call for climate action continue to challenge and inspire nations to embrace innovative solutions to meet their commitments. As part of this effort, carbon pricing instruments are emerging as a pivotal tool for achieving ambitious emission reduction targets while promoting sustainable economic development.

The Collaborative Instruments for Ambitious Climate Action (CiACA) initiative exemplifies the spirit of innovation and cooperation needed to tackle these challenges effectively. Through CiACA implemented by the six Regional Collaboration Centres (RCCs), the UN Climate Change Secretariat has worked tirelessly to support countries in designing and implementing carbon pricing instruments, fostering transparency, and building capacity to meet the objectives of the Paris Agreement. These efforts not only help reduce greenhouse gas emissions but also drive sustainable development by promoting low-carbon investments and enhancing economic resilience.

This initiative underscores the power of partnership, bringing together governments, the private sector, and civil society to implement practical and effective solutions. CiACA's work highlights the importance of tailored support, ensuring that countries can leverage carbon pricing instruments in ways that align with their unique circumstances and ambitions.

As we look to the future, CiACA's role in catalyzing transformative climate action will remain indispensable. The CiACA initiative is committed to fostering collaboration, knowledge sharing, and capacity building to support countries in their climate ambitions, including Latin American countries. I invite all stakeholders to explore the opportunities it offers and to join us in our shared commitment to building a sustainable and climate-resilient future for all.

**FABIANA RODRIGUES**

Regional Lead

Regional Collaboration Centre for Latin America

UN Climate Change Secretariat

Latin America stands at a pivotal juncture in its pursuit of ambitious climate action, leveraging collective efforts to shape policies and instruments that propel the region toward low-emission, climate-resilient development.

In July 2024, the Regional Dialogue on Carbon Pricing (REDiCAP) for Latin America took place in Santiago, Chile, bringing together high-level authorities, policymakers, and experts from across the Latin America region to explore cooperation and capacity development in carbon pricing. This event was made possible thanks to the support of the United Nations Economic Commission for Latin America and the Caribbean (UN ECLAC) and the Carbon Pricing in the Americas (CPA) Secretariat, co-chaired by the Government of Quebec and Panama. Additionally, special recognition is due to the technical expertise provided by experts from the International Carbon Action Partnership (ICAP) and the World Bank, whose valuable contributions significantly enriched the sessions.

This year, the dialogue emphasized regional solidarity and the importance of cross-border cooperation to overcome shared challenges. It reaffirmed Latin America's dedication to equitable and inclusive climate action, highlighting innovative approaches tailored to national and regional contexts. By sharing insights into carbon pricing mechanisms, the event underscored the role of carbon market mechanisms in accelerating progress toward the goals of the Paris Agreement.

It is inspiring to witness the collaborative spirit and expertise demonstrated at REDiCAP for Latin America, and I extend my gratitude to all partners, participating governments, subnational states, and stakeholders whose dedication contributed to the success of this dialogue.

I am confident that the connections and lessons from this event will strengthen the region's ability to tackle climate change collectively. I extend my gratitude to all who made this dialogue possible and look forward to the advances this event will inspire in Latin America and beyond.



### **CARLOS DE MIGUEL**

Officer in Charge, Sustainable Development and Human Settlements Division

Economic Commission for Latin America and the Caribbean (ECLAC)

Climate change represents the most significant generational challenge of our era. Despite global commitments to reduce greenhouse gas (GHG) emissions, current pledges remain insufficient to meet the 1.5°C target outlined in the Paris Agreement. A review of updated Nationally Determined

Contributions (NDCs) reveals a substantial emissions reduction gap, alongside the need for significant investments to bridge it.

The year 2025 marks a critical moment, as countries are required to submit their third-generation NDCs (NDC 3.0), which must demonstrate greater ambition to align with the Paris Agreement objectives. The challenge lies in achieving a 43% reduction in global GHG emissions by 2030-2035, relative to 2019 levels. Meeting these targets demands transformative structural changes, which simultaneously present opportunities for growth and innovation, particularly in Latin America and the Caribbean (LAC).

Accelerating decarbonization in the region necessitates profound systemic transformations across economic, fiscal, environmental, regulatory, technological, and institutional dimensions. However, this process unfolds in a challenging regional context. The Economic Commission for Latin America and the Caribbean (ECLAC) identifies three persistent development traps: stagnant economic growth, high inequality, and weak institutional capacities. Overcoming these challenges requires targeted interventions in key sectors such as renewable energy, sustainable mobility with an emphasis on electromobility, bioeconomy, and circular economy practices, among others.

Additionally, these transformations demand cost-effective solutions and a recalibration of relative prices to incentivize low-carbon investments, with carbon pricing serving as a pivotal economic instrument. However, in the LAC region, explicit carbon pricing mechanisms are operational in only five countries: Argentina, Chile, Colombia, Mexico, and Uruguay. To address this gap, capacity-building initiatives, such as the Workshop on Carbon Pricing and Article 6 and the REDiCAP, provide essential platforms for technical training and cross-country experience sharing.



**Javier Martínez**

Government of Panama  
Co-Chair for South and Central America  
CPA Secretariat

Panama is proudly leading the Carbon Pricing in the Americas, driving the development of carbon pricing instruments across Latin America. As a key player in this effort, we are committed to advancing the implementation of measures that contribute to achieving climate targets and ensuring a just and sustainable transition.

This year, through its role as co-chair of the CPA, Panama has played a pivotal role in foresting collaboration and knowledge exchange, building strong partnerships, and promoting technical expertise to overcome barriers and scale up carbon pricing initiatives.

The combination of REDiCAP and the Carbon Pricing and Article 6 workshop was highly beneficial, as it expanded the scope of the event, involved a larger number of relevant stakeholders, and included an agenda with highly varied and enriching topics. The workshop brought together policymakers, technical experts, and civil society representatives, with the objective of deepening the opportunities and challenges of implementing carbon pricing instruments for emissions reductions. Topics such as the scenario of carbon pricing instruments in Latin America, the achievement of the NDC, Emissions Trading Systems (ETS) and Article 6 were addressed.

As Interim South/Central America Co-chair, it is an honor to have worked hand in hand with such a valuable and committed group of experts. I firmly believe that the ideas and recommendations presented in this document will be very useful to strengthen the implementation of carbon pricing instruments in our region and thus contribute to the achievement of global climate goals.



**Jean-Yves Benoit**

Government of Quebec  
Co-Chair for North America  
CPA Secretariat

2024 has been a landmark year for Carbon Pricing in the Americas (CPA), marking significant growth and progress for the partnership. We officially welcomed the Mexican state of Guanajuato as a member and soon the Mexican state of Aguascalientes. Additionally, we conducted our inaugural CPA training session, *“Carbon Pricing and Article 6*

*Workshop and RediCAP”* in Santiago, Chile.

In its inaugural edition, the workshop aimed to provide a comprehensive overview of various carbon pricing instruments, with a particular focus on the implementation of Emissions Trading Systems (ETS).

We reiterate the vital role of collaboration in establishing carbon pricing instruments to assure a same level playing field for businesses and drive private sector participation in the journey towards decarbonization. It is imperative that we continue to be ambitious in our fight against climate change.

We, in the CPA extend our gratitude to our partners: the Economic Commission for Latin America and the Caribbean (ECLAC), the Regional Collaboration Centre for Latin America (RCC LatAm) of the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat, the International Carbon Action Partnership (ICAP) and the World Bank. Their involvement has been instrumental in making this first annual workshop a resounding success and we look forward to continuing our work in the second edition of the CPA workshop in 2025.

On behalf of the North American co-presidency, we emphasize the importance of such collaboration platforms. They enable the sharing of experiences and the exploration of opportunities to develop innovative and sustainable solutions. We are eager to pursue our implication in Carbon Pricing in the Americas as these pricing mechanisms are key to combat climate change.

## Abbreviations and Acronyms

CiACA	Collaborative Instruments for Ambitious Climate Action
CBAM	Carbon Border Adjustment Mechanism
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CPA	Carbon Pricing in the Americas
ECLAC	Economic Commission for Latin America and the Caribbean
ETS	Emissions Trading System
GHG	Greenhouse Gases
GDP	Gross Domestic Product
ICAP	International Carbon Action Partnership
LT-LEDS	Long-term Low Greenhouse Gas Emission Development Strategies
MRV	Monitoring, Reporting and Verification
NDC	Nationally Determined Contribution
RCC	Regional Collaboration Centre
REDiCAP	Regional Dialogue on Carbon Pricing

## A. Introduction

The Regional Dialogue on Carbon Pricing (REDiCAP) for Latin America was conducted with the purpose of supporting policymakers in price-based instruments and delivered as part of the Collaborative Instruments for Ambitious Climate Action (hereinafter CiACA) project. This report highlights the views expressed by participants on the REDiCAP organized on 24 July 2024 in Santiago, Chile.

This activity stems from the following mandates:

- Decision 1/CP.21 Paragraph 136: Also recognizes the important role of providing incentives for emission reduction activities, including tools such as domestic policies and carbon pricing.
- Paris Agreement Article 6, paragraph 1: Parties recognize that some Parties choose to pursue voluntary cooperation in the implementation of their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.
- Paris Agreement Article 11, paragraph 3: All Parties should cooperate to enhance the capacity of developing country Parties to implement this Agreement. Developed country Parties should enhance support for capacity-building actions in developing country Parties.
- Decision 1/CP.21 Paragraph 52: Decides that, in the implementation of the Agreement, financial resources provided to developing country Parties should enhance the implementation of their policies, strategies, regulations and action plans and their climate change actions with respect to both mitigation and adaptation to contribute to the achievement of the purpose of the Agreement as defined in its Article 2.

CiACA project's objectives are achieved through engagement, awareness raising, capacity building, funded studies as well as funded experts made available to the countries. Specifically, the workshop falls under the capacity-building objectives of this project.

Supported developing countries are the main beneficiary of the project by enabling them to put in place more effective and efficient policies (which also deliver co-benefits).

## B. Scope of the report

This report synthesizes the views and comments provided by participants during the REDiCAP Latin America as part of the Carbon Pricing and Article Capacity Building Workshop on 24 July 2024.

The REDiCAP Latin America was successfully held at the UN Economic Commission for Latin America and the Caribbean (ECLAC) Headquarters Offices in Santiago, Chile.

This gathering aimed to foster collaboration and knowledge exchange with a diverse group of 57 participants from across the region which included 25 delegates from 17 countries<sup>1</sup>, 10 delegates from 6 subnational states, 16 observers, and 6 facilitators, creating a rich environment for dialogue and learning.

The primary objectives of the REDiCAP Latin America were as follows:

- **Knowledge Sharing:** Facilitate the dialogue and sharing information, exchange of experiences, best practices, and lessons learned in adopting and implementing carbon pricing instruments and carbon markets across the Latin American region.
- **Capacity Building:** Enhance the skills and capabilities of participants regarding the effective implementation of carbon pricing instruments.
- **Collaboration:** Increase partnerships and synergies among countries, subnational governments, and other stakeholders to strengthen regional efforts.

## C. Approach and structure

Section D provides the synthesis of submitted views, categorized into common topics and sub-topics raised throughout the training. Session E includes findings from an online survey conducted after the training to collect feedback and inputs from training participants.

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<sup>1</sup> Participant Countries: Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Panama, Honduras, Mexico, Nicaragua, Panama, Peru, Uruguay, Venezuela, Canada, Belize and Antigua y Barbuda.

## D. Discussion

### 1. General considerations for designing carbon pricing policies.

#### *(a) Development of carbon pricing strategy/framework*

- (i). Participants emphasized that climate change is a direct result of the current development model and stressed the need for a structural transformation at an unprecedented speed to address this global challenge effectively.
- (ii). Participants highlighted the estimated need for investments in the region ranging from 3.5% to 5% of annual GDP to facilitate the transition to low-carbon economies, underscoring the importance of prioritizing these investments to mitigate climate change.
- (iii). Participants recognized that carbon pricing instruments have the potential to reduce the cost of NDC implementation while enabling more ambition.
- (iv). In discussions, country participants were urged to gain a deeper understanding of the nexus between carbon pricing instruments and NDC and LT-LEDs.
- (v). Country participants also raised the importance of mobilizing both domestic and international sources of finance, including from the private sector in the upcoming 2025 NDCs with due consideration of national circumstances and priorities.
- (vi). Country participants were encouraged to conduct a thorough evaluation of the distributional and economic impacts of domestic carbon pricing policies. This assessment aims to provide policymakers with insights into the potential adverse effects of carbon pricing mainly in vulnerable people and sectors.
- (vii). Country participants underscored the need for building robust institutional frameworks to support national carbon pricing schemes. Clear and transparent climate laws are seen as essential for providing the necessary clarity and stability for the successful implementation of carbon pricing policies.

#### *(b) Sector selection and gradual implementation*

- (i). Participants highlighted the significance of tailored regional approaches and strongly appreciated the opportunity of having a dedicated space to share, discuss, and learn from a diversity of cases across different stages (design or implementation) across the region.
- (ii). While recognizing the progress made in the implementation of carbon pricing in the region, countries participants expressed concerns regarding the persistent

challenges, including low tax rates, limited coverage of activities, and the presence of contradictory policies, such as fossil fuel subsidies, which undermine carbon pricing efforts.

- (iii). Country participants discussed the impact of the choice of sectors to be covered by domestic carbon pricing instruments by the complexity of Monitoring, Reporting and Verification (MRV) systems in some sectors, e.g., in motorized vehicles, agriculture and forestry. Countries participants also highlighted the importance of including a limited range of sectors, such as power, cement, and steel, and progressively expanding the policy to other sectors.
- (iv). Participants highlighted that the pilot phase of a carbon pricing policy is an essential stage in its implementation and evolution. It was noted that starting with a low carbon price and gradually increasing it over time is a strategic approach that can help prevent excessive burdens on the affected entities.
- (v). Country participants stressed the importance of integrating carbon pricing mechanisms within a broader set of policies, including industrial, social, fiscal, urban, and commercial strategies, to maximize their effectiveness and ensure a holistic approach to climate action.

***(c) Revenue recycling and mitigation of cost increase by carbon pricing***

- (i). The importance of equitable revenue sharing, and recycling was emphasized. Suggestions were made to allocate carbon tax revenues are allocated towards mitigation activities, as well as to support vulnerable communities and address socio-economic crises.
- (ii). Country participants emphasized the need to direct carbon pricing revenues toward climate adaptation and resilience efforts. They suggested using the funds to finance projects that strengthen infrastructure and prepare communities for climate change impacts, such as flood defenses and drought management, while also promoting emissions reductions.
- (iii). Country participants discussed the importance of revenue recycling to address the regressive effects of carbon pricing, proposing using carbon pricing revenues to fund social equity measures, such as direct compensation for low-income households and subsidies to offset higher energy costs, thereby protecting the most vulnerable from economic hardships.
- (iv). Country participants highlighted the strategic use of carbon pricing revenues by Chile, Colombia, and Mexico to address both environmental and socio-economic priorities. Colombia, for instance, earmarks its revenues for reforestation programs, environmental protection, and adaptation efforts, while also contributing to peacebuilding and rural development in post-conflict regions.

***(d) Complement policy and co-benefits***

- (i). Country participants raised concerns about ensuring a just transition for workers and communities in carbon-intensive sectors. They recommended introducing complementary policies, such as job retraining programs and green job creation initiatives, to mitigate the potential adverse social impacts of carbon pricing, ensuring an equitable transition for vulnerable groups.

**2. Specific considerations for Emission Trading Systems (ETS) and Carbon Tax*****(a) Design of ETS policies***

- (i). While Latin America has begun exploring ETS, initiatives like Mexico's ETS pilot program highlight the early-stage nature of these systems. Expanding such pilots into full-fledged, operational ETS will require significant capacity building and stakeholder engagement.
- (ii). Some participants expressed concerns about the hesitation of small economies towards implementing taxes, suggesting that ETS might be a more suitable alternative in such cases. There is often hesitation to implement taxes due to fears of economic impacts, which can make ETS a more palatable option. By framing ETS as a market-based solution, it may be easier to gain support from stakeholders who are wary of direct taxation.
- (iii). Questions were raised about the use of offsets within an ETS. While offsets can facilitate cost-effective emissions reductions, concerns centered on balancing their use with ensuring real and additional mitigation outcomes that uphold high environmental integrity and human rights.
- (iv). Establishing mechanisms to link domestic ETS with international carbon markets, such as those under Article 6 of the Paris Agreement, could increase liquidity and reduce compliance costs. However, ensuring compatibility with global standards and integrity is essential.

***(b) Design of Carbon Taxes policies***

- (i). The strategic use of revenue from carbon taxes was a critical consideration. Redirecting these funds to support renewable energy projects, climate adaptation initiatives, or social programs could not only enhance public acceptance but also help mitigate the economic impacts of carbon pricing policies.



- (ii). Participants highlighted that while countries like Chile, Colombia, and Mexico have made notable progress in introducing carbon taxes, the current designs often fall short of driving transformative emissions reductions. Expanding sectoral coverage and aligning tax rates with global best practices were emphasized as priority areas for improvement.

### **3. Other compliance instruments**

#### ***(a) Carbon Border Adjustment Mechanism (CBAM)***

- (i). Participants raised concerns about the vulnerability of the exports and the potential increase in costs, recognizing that Latin America is a major exporter of commodities (e.g., metals, agricultural products) and can risk reduced competitiveness for its exports to regions implementing CBAM, such as the European Union. Additionally, the carbon price embedded in exported products was identified as a critical issue, as it could significantly raise costs for exporters in the region.
- (ii). Despite these concerns, participants argued that CBAM should serve as an incentive for countries to decarbonize their industrial production while remaining competitive in the global market.
- (iii). Participants sought clarification on CBAM scope and offset mechanisms, if the CBAM is applied at the level of emissions from the product itself or the facility where it is produced. Additionally, questions were raised about whether manufacturers would be allowed to use offsets to lower the embedded emissions in their products.
- (iv). Country participants expressed that many Latin American countries lack robust systems to measure, report and verify carbon emissions at the product level, which is essential for compliance with CBAM.
- (v). Concerns were raised about the short timeframe for countries to comply with CBAM and the readiness of both governments and companies, particularly in addressing embedded carbon emissions and the associated costs. The responsibility for compliance is perceived as potentially shifting to governments, requiring them to establish domestic carbon pricing instruments. However, uncertainties remain regarding governments' preparedness for these measures and their potential impact on products entering CBAM jurisdictions. Concerns also extend to non-CBAM countries importing carbon-intensive products from jurisdictions implementing CBAM.
- (vi). Country participants highlighted that CBAM could drive the implementation or strengthening of carbon pricing instruments in the region, such as carbon taxes

and emissions trading systems. This would not only mitigate trade impacts but also prepare countries for compliance with new global regulations. While some countries, such as Argentina, Chile, Colombia, Mexico, and Uruguay, already have carbon taxes in place, expanding and aligning these policies with international standards is increasingly crucial.

- (vii). Participants emphasized the need to intensify capacity-building activities and deploy advanced technologies to measure and certify carbon emissions (MRV systems), ensuring compliance with CBAM requirements.
- (viii). The need to protect vulnerable sectors was also raised, emphasizing the importance of designing policies that provide financial and technical support for affected industries, such as small and medium-sized enterprises (SMEs) and high-emissions industries.

***(b) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)***

- (i). The implementation of CORSIA highlights the need for capacity building among Latin American airlines and governments to ensure compliance with international standards. Regional collaboration could help develop shared strategies and support systems, reducing administrative burdens and aligning efforts with global climate goals.

**4. Cross-cutting issues**

***(a) Enhancement of the capacity, particularly in MRV***

- (i). Country participants recognized the significance of addressing barriers such as the lack of transparency, the absence of a centralized registry, inadequate legal infrastructure, and limited internal capacities. They also emphasized the importance of capacity-building efforts for local experts, as well as ministries and other government agencies, to strengthen their climate action.
- (ii). Participants highlighted that a robust MRV system is crucial for accurately measuring the impact of climate actions.

***(b) Stakeholder involvement and awareness raising***

- (i). Participants agreed that the success of carbon pricing policies in Latin America hinges on engaging a wide range of stakeholders, including local communities, business leaders, civil society, and indigenous groups. The dialogue underscored the importance of ensuring that all voices, especially from vulnerable and marginalized communities, are heard and incorporated into the design of carbon pricing mechanisms. Inclusive participation strengthens policy buy-in and enhances the overall effectiveness of such instruments.

- (ii). Participants highlighted the need for communication strategies that are specifically tailored to the diverse cultural, social, and economic contexts across Latin America. They recognized that carbon pricing messages must resonate with local priorities, such as job creation and economic resilience, particularly in rural or low-income areas. Tailoring these messages can help bridge the gap between policy and public perception, fostering a better understanding of the long-term benefits of carbon pricing.
- (iii). Participants emphasized the need for comprehensive public awareness campaigns to raise understanding of the importance and benefits of carbon pricing. These campaigns should target a broad audience, including educational institutions, media, and local communities. A well-informed public is key to building support for carbon pricing policies and ensuring their successful implementation.
- (iv). Trust in government institutions remains a challenge in some Latin American countries. Participants agreed that transparency in how carbon pricing revenues are utilized is essential for building public trust. Ensuring that funds are reinvested in renewable energy projects, climate adaptation programs, and social support systems will enhance public confidence and mitigate any negative perceptions of carbon pricing. Regular reporting on the impacts and benefits of carbon pricing can further reinforce this trust.
- (v). It was acknowledged that the private sector can play a pivotal role in advocating for carbon pricing policies. By engaging businesses, especially those in key sectors such as energy, agriculture, and manufacturing, as champions of carbon pricing, governments can leverage their influence to promote policy acceptance. Participants noted that these early adopters could help communicate the long-term benefits of carbon pricing for competitiveness and market access, thus expanding its acceptance across industries.

***(c) Knowledge sharing***

- (i). Participants shared experiences on carbon pricing implementation at the domestic level. While most jurisdictions are at an early stage of considering carbon pricing instruments, other jurisdictions are at the piloting or full implementation phases. Countries participants reiterated the importance of experience sharing.
- (ii). Participants highlighted the critical role of capacity-building efforts and peer exchanges in strengthening countries' ability to implement carbon pricing mechanisms, with a particular focus on sharing experiences, best practices, and lessons learned from various countries in the region.

- (iii). Participants agreed that multi-stakeholder platforms such as the REDiCAP are an essential tool for facilitating knowledge exchange and strengthening regional collaboration on carbon pricing. These platforms provide a space for governments, businesses, civil society, and academia to share experiences, best practices, and lessons learned. Such exchanges help countries refine their carbon pricing policies, adopt innovative solutions, and address implementation challenges more effectively.

## E. Regional specific opportunities and barriers

### ***(a) Enhancing fiscal space through Carbon Pricing***

- (i). Carbon pricing policies in Latin America offer an opportunity to internalize the social costs of greenhouse gas (GHG) emissions while generating revenue that can create fiscal space for other critical social objectives and climate investments. For example, in Colombia, carbon pricing revenue has been earmarked for funding peace-building efforts, particularly the reintegration of former guerrilla fighters into society. This dual benefit not only strengthens economic resilience but also supports the transition to low-carbon economies by financing renewable energy projects, adaptation initiatives, and social programs, ultimately contributing to broader social stability and development.

### ***(b) Aligning Carbon Prices with Global Climate Goals***

- (i). Limiting global warming to 1.5°C requires a more widespread application of carbon pricing mechanisms in the region. It is crucial that carbon prices are aligned with the external costs of emissions and that they cover a broader range of greenhouse gases. For Latin America, expanding the scope of carbon pricing can help drive significant emissions reductions, encourage innovation in clean technologies, and enhance regional cooperation in climate action efforts.

### ***(c) Phasing Out Fossil Fuel Subsidies and Repricing Fuels***

- (i). One of the major barriers to effective carbon pricing in Latin America is the widespread use of fossil fuel subsidies, which artificially lower the cost of carbon-intensive fuels, undermining the competitiveness of renewable energy sources.
- (ii). In 2023, fossil fuel subsidies in Latin America and the Caribbean amounted to \$317 billion, representing 5.4% of the region's GDP. Of this, 80% was allocated to oil and 12% to natural gas<sup>2</sup>. These subsidies create significant distortions in the energy market, favouring continued reliance on fossil fuels and delaying the transition to low-carbon energy systems.
- (iii). Deep changes in fuel pricing policies, including the phase-out of these subsidies, are essential to create a level playing field for renewable energy sources. By removing these subsidies, governments can foster a fairer, more competitive

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<sup>2</sup> ECLAC (Economic Commission for Latin America and the Caribbean), *Economic Policy and Climate Change: Carbon Pricing in Latin America and the Caribbean*, 2024.

energy market and create the necessary incentives for the decarbonization of the energy sector.

***(d) Addressing the Distributional Impacts of Carbon Pricing***

- (i). The distributional impacts of carbon pricing such as higher energy and fuel costs can disproportionately affect low-income households and vulnerable communities. These potential negative impacts present a significant barrier to the adoption of carbon pricing policies. To overcome this, participants emphasized the importance of applying compensatory measures, such as targeted cash transfers, subsidies for clean energy technologies, or energy efficiency programs. These measures can help mitigate the regressive effects of carbon pricing and make it more politically and socially acceptable.

***(e) Opportunities for Regional Integration through Carbon Pricing***

- (i). Latin America has the opportunity to foster regional cooperation in carbon pricing by aligning national policies and creating shared carbon markets. By harmonizing carbon pricing mechanisms and integrating ETS across the region, Latin American countries can enhance market liquidity, reduce the cost of compliance, and support each other's climate targets. Regional integration can also open new markets for carbon credits, providing financial incentives for emission reduction projects.

***(f) Leveraging Carbon Pricing for Green Recovery Post-Pandemic***

- (i). Carbon pricing can play a key role in the post-pandemic economic recovery in Latin America. By redirecting carbon pricing revenues into green infrastructure, clean energy projects, and climate-resilient development, governments can create jobs, stimulate sustainable economic growth, and support the region's long-term climate goals. This "green recovery" approach not only promotes sustainable development but also ensures that carbon pricing is viewed as a tool for economic transformation, not just climate mitigation.

***(g) Building Capacity for Carbon Pricing Implementation***

- (i). Many Latin American countries still face challenges in the design and implementation of carbon pricing mechanisms due to limited technical capacity, particularly in sectors like agriculture, transportation, and manufacturing. Investing in capacity-building initiatives, knowledge-sharing platforms, and technical assistance is crucial for ensuring the effective rollout of carbon pricing policies across the region. Strengthening institutional capacity will also facilitate the MRV of emissions, which is essential for ensuring the credibility of carbon markets.

**(h) Encouraging Private Sector Engagement and Innovation**

- (i). Carbon pricing policies offer significant opportunities for businesses to innovate and drive the transition to a low-carbon economy. By establishing clear pricing signals, governments can incentivize the private sector to invest in green technologies, improve energy efficiency, and reduce carbon footprints. However, for the private sector to fully engage, clear and stable policy frameworks are necessary. Ensuring that carbon pricing policies provide a predictable and transparent environment will foster innovation and encourage businesses to take a proactive role in climate action.

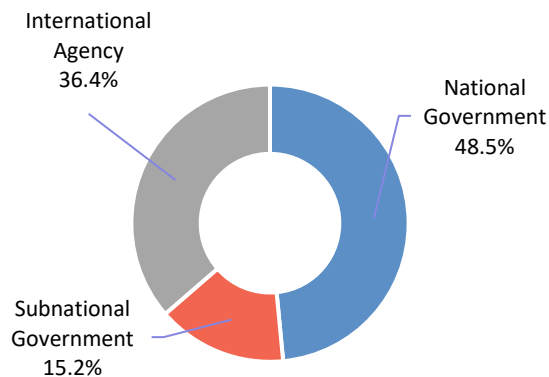


## F. Feedback and reflections

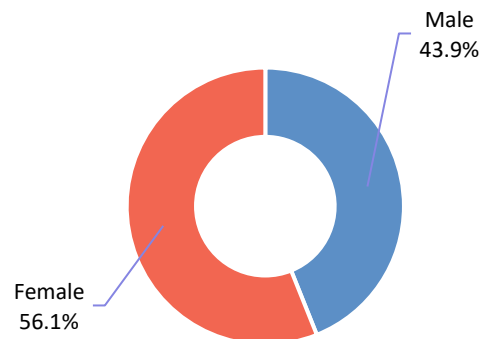
### (a) *Survey Response Rate*

- (i). An online survey was conducted following the REDiCAP session to gather feedback from participants. Of the 57 participants from across the region, 33 individuals (approximately 55%) responded, providing valuable insights into the effectiveness and impact of the session.
- (ii). The survey responses came from a diverse mix of organizational backgrounds, with 48.5% representing national governments, 36.4% from international agencies, and 15.2% from subnational governments.
- (iii). In terms of gender, the survey had a balanced representation, with 56% female participants and 44% male participants, reflecting a diverse and inclusive group of respondents engaged in the carbon pricing and climate policy discussions.

**Figure 1.** Participants by type of Organization.



**Figure 2.** Participants by gender.

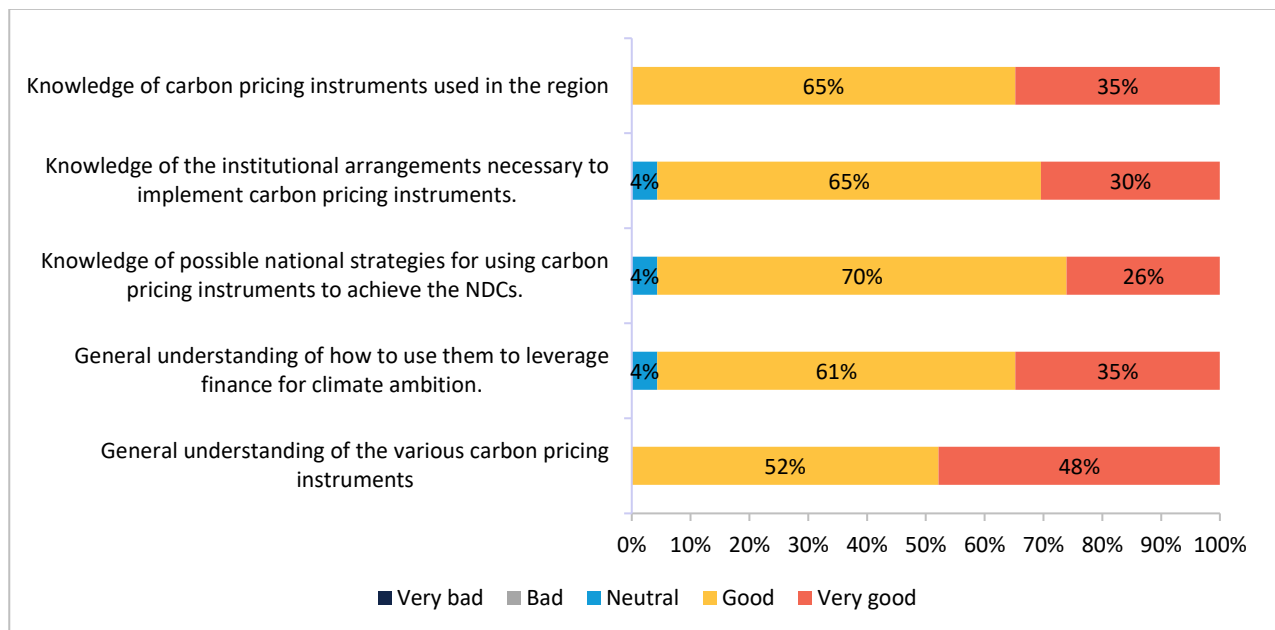


Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

**(b) Survey results on Knowledge of Carbon Pricing Instruments**

- (i). Most participants rated their knowledge as either "Good" or "Very good" across different aspects of carbon pricing.
- (ii). Specifically, 65% of respondents felt confident about the knowledge of carbon pricing instruments used in the region, and 70% were knowledgeable about national strategies for using these instruments to achieve NDCs.
- (iii). However, there is room for improvement in the understanding of institutional arrangements (65% rated as "Good") and leveraging finance for climate ambition (61% rated as "Good").
- (iv). Overall, 48% of participants rated their general understanding of the various carbon pricing instruments as "Very good," indicating a strong grasp of the subject matter, although further capacity-building efforts may be beneficial.

**Figure 3.** Questions on previous knowledge.

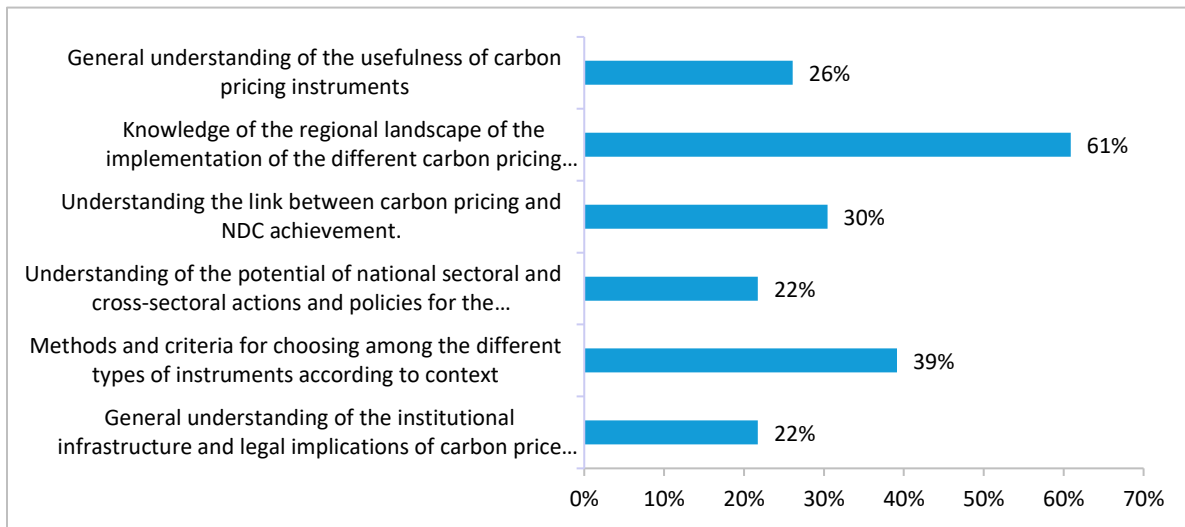


Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

(c) **Most Relevant Topics in the Regional Dialogue on Carbon Pricing (REDiCAP)**

- (i). The graph below shows the following insights regarding the participants' understanding of various aspects of carbon pricing instruments:

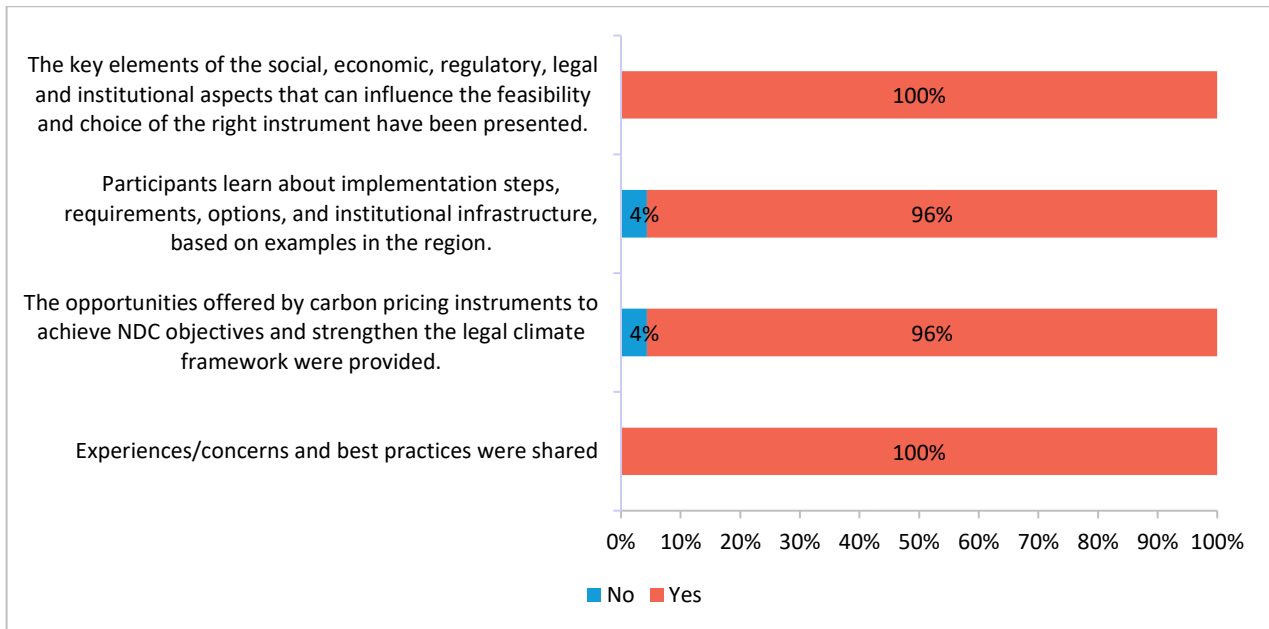
**Figure 4.** Topics and aspects more interesting by participants.



Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

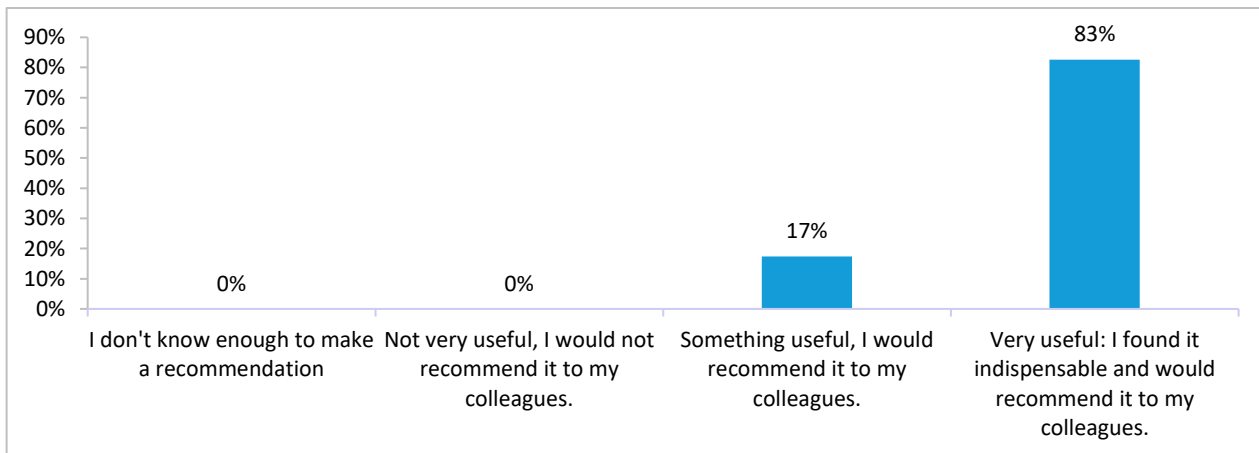
- (ii). This suggests there is a need for further capacity-building, particularly in understanding the regional dynamics and legal frameworks surrounding carbon pricing mechanism

**Figure 5. Level of Understanding among participants.**



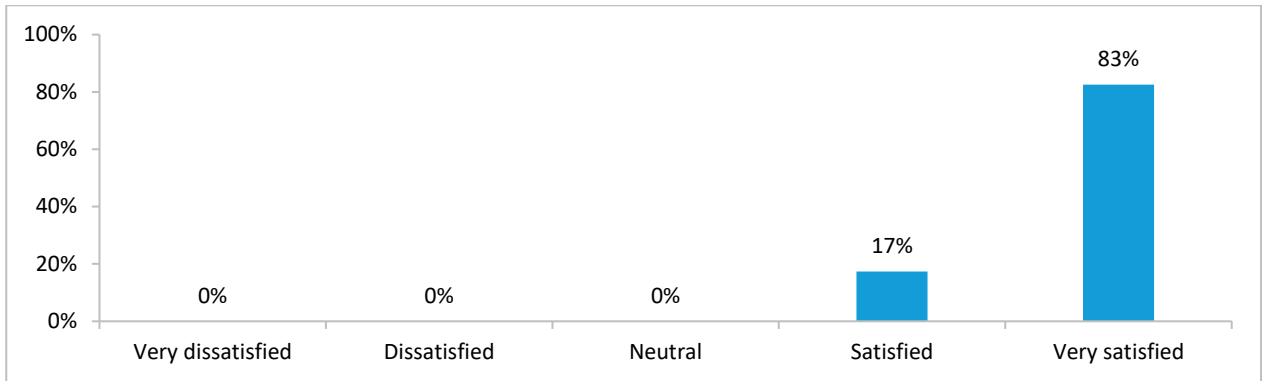
Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

**Figure 6. Level of dialogue satisfaction among participants.**



Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

**Figure 7.** What is your overall impression of this workshop?



Source: Survey conducted after the REDiCAP Session, RCC Latin America (2024).

## G. Conclusion and Key takeaways

### 1. High Engagement and Interest in Carbon Pricing

- The REDiCAP attracted significant participation across Latin America, highlighting the region's growing interest in carbon pricing as a tool for achieving climate targets. A diverse mix of stakeholders, including national governments, international agencies, and subnational governments, showed strong engagement in understanding the policy mechanisms and potential benefits of carbon pricing instruments.

### 2. Varying Knowledge Levels and Gaps in Understanding

- Survey results indicate a broad range of knowledge levels among participants, with some showing a strong understanding of carbon pricing mechanisms and their relevance to national strategies (70% demonstrated good knowledge). However, gaps remain, particularly regarding the specific legal and institutional frameworks required for effective implementation. This underscores the need for further capacity-building efforts to bridge these gaps, particularly in countries at the early stages of carbon pricing adoption.

### 3. Importance of Tailored Carbon Pricing Policies

- Several participants emphasized the need for carbon pricing policies tailored to the unique contexts of each country, considering factors such as existing economic conditions, social considerations, and institutional capacities. This personalization is crucial to ensure the policies are not only effective in reducing emissions but also acceptable to the public and adaptable to local conditions.

### 4. Key Opportunities for Regional Cooperation

- The dialogue highlighted several opportunities for regional collaboration, particularly in knowledge sharing, peer learning, and cross-border initiatives. Latin American countries can benefit greatly from shared experiences and best practices, particularly as many are in the early stages of adopting carbon pricing instruments. Regional platforms like REDiCAP facilitate the exchange of lessons learned and technical support. Success stories, such as the Mexican state of Queretaro's carbon tax and its offsetting mechanism and Paraguay's efforts to explore cooperative approaches under Article 6 were shared. Countries like Chile, Colombia, and Brazil demonstrated how tailored carbon pricing strategies can address unique national priorities, while experiences from global leaders such as the European Union, Quebec, California, and Canada provided valuable insights into designing robust and effective mechanism.

## **5. Challenges Related to Public Perception and Equity**

- Public acceptability and social equity were recurring themes throughout the discussions. Concerns about the potential regressive impacts of carbon pricing on vulnerable communities were raised. To address these concerns, participants suggested the need for compensatory mechanisms and social programs to offset negative economic impacts. It is crucial to design policies that are equitable and help ensure that the costs of carbon pricing do not disproportionately affect lower-income populations.

## **6. Integration of Carbon Pricing with National Climate Plans**

- The integration of carbon pricing mechanisms with national climate policies, particularly NDCs, was highlighted as a key factor in driving ambition for climate action. Many participants acknowledged that carbon pricing can be an essential tool in achieving the goals set under the Paris Agreement, especially when aligned with broader climate and sustainable development objectives.

## **7. Legal and Institutional Frameworks are Critical**

- A clear takeaway from the session was that the legal and institutional frameworks for implementing carbon pricing are just as important as the pricing mechanisms themselves. Understanding how these frameworks can be developed and strengthened will be essential for the successful adoption and long-term sustainability of carbon pricing policies in the region.

## **8. Need for a Comprehensive and Holistic Approach**

- A recurring message from the participants was the necessity of taking a comprehensive approach to carbon pricing, one that incorporates environmental, social, and economic considerations. Carbon pricing must be integrated with broader policy goals, such as fiscal reform, sustainable energy transitions, and equitable economic growth, to maximize its effectiveness and benefits across the region.



## H. Photographic Report



**Figure 8.** The Regional Dialogue on Carbon Pricing for Latin America was part of the Carbon Pricing and Article 6 Capacity Building.

***"Effective climate change management in Latin America and the Caribbean requires aligning carbon pricing instruments with broader policy goals. While some progress has been made, the challenge remains to phase out fossil fuel subsidies and expand the use of carbon taxes and emissions trading systems to drive low-carbon development in the region", stated Jimy Ferrer, Economic Affairs Officer, ECLAC.***



**Figure 9 and 10.** Welcome remarks with the participation of high-level representatives from the Government of Chile and ECLAC.

**“In total, 25 country participants from 17 countries, 10 subnational participants from 6 states, and 16 observers participated in the REDiCAP for Latin America.”**





**Figure 11 and 12.** Countries representatives presenting their cases during the Carbon Pricing Instruments Snapshot.

**The “*Carbon Pricing Instruments Snapshot*” included cases from Chile, Colombia, Paraguay, Brazil, State of Queretaro, European Union, and Canada.**



**Figure 13 and 14.** Countries representatives presenting their cases during the Carbon Pricing Instruments Snapshot.

The “*World Café – Exposure method*” enabled in smaller groups a dialogue among stakeholders from the region to analyze strategies and lesson learned to strengthen ambition and climate finance in Latin America.





**Figure 15 and 16.** Participants discussed challenges, opportunities and lessons learned during the World

**"During the World Café session, participants shared valuable insights from Latin America, highlighting both the challenges and opportunities in implementing carbon pricing mechanisms. These real-world cases underscored the need for tailored approaches, effective stakeholder engagement, and regional collaboration to accelerate the transition towards a low-carbon economy, - said Ana Him from CCAP, World-Café facilitator"**



**Figure 17.** Participants discussed challenges, opportunities and lessons learned during the World Café in smaller groups.

**“The REDiCAP underscored Latin America's strides in advancing carbon pricing policies while emphasizing the critical need for capacity building. This aligns with the Paris Agreement’s call to strengthen national capacities, ensuring the effective implementation of carbon market mechanisms and accelerating climate action” - said *Nathalie Flores, Vice Chair of the Science and Technology Body.***

## **I. Annexes:**

- **List of Participants**
- **Agenda**



## List of Participants: Carbon Pricing and Article 6 Capacity Building Workshop and REDiCAP.

Country	Organization
Argentina	Ministry of Foreign Affairs
Brazil	Ministry of Environment and Climate Change
Chile	Ministry of Foreign Affairs
	Ministry of Foreign Affairs
	Department of Environmental Economy
	Ministry of Environment and A6.4 DNA
	Ministry of Energy
Colombia	Ministry of Environment
Ecuador	Ministry of Environment, Water and Ecological Transition
Guatemala	Ministry of Natural Resources and Environment
Honduras	Forest Conservation Institute
Mexico	Secretariat of Environment and Natural Resources (virtual)
Nicaragua	Climate Change Secretariat
Panama	Ministry of Environment
Paraguay	Ministry of Environment and Sustainable Development
Peru	Ministry of Environment
Uruguay	Ministry of Environment
Venezuela	General Directorate of Integration and International Affairs
<b>Subnational Governments (CPA Members)</b>	<b>Organization</b>
Querétaro- Mexico	Head of Environmental Research
Sonora- Mexico	Executive Commissioner of Environment and Sustainable Development
Guanajuato - Mexico	Ministry of Environment and Land Management Government of the State of Guanajuato
Pernambuco - Brazil	Executive Secretary for Sustainability
Québec	Ministry of Environment of Québec
	Ministry of Environment of Québec
	Ministry of Environment of Québec
	Ministry of Environment of Québec
California	California Air Resources Board
	California Air Resources Board
<b>Other National Governments (Guests)</b>	<b>Organization</b>
Canada	Canadian Carbon Market Bureau
	Canadian Carbon Market Bureau
Belize	Deputy Chief Climate Change Officer · Belize National Climate Change Office
Antigua y Barbuda	Civil & Environmental Engineer, Department of Environment in Antigua
<b>International Organizations/Partners (Observers and Speakers)</b>	
International Carbon Action Partnership (ICAP)	
Center for Clean Air Policy (CCAP)	

Carbon Trust

Center for Climate and Energy Solution (C2ES)

GIZ Mexico

World Bank

Klikk Foundation

Global Carbon Pricing Challenge (Adelphi)

### United Nations Agencies

UN Climate Change Secretariat and RCC Latin America

UN Economic Commission for Latin America and the Caribbean (ECLAC)

United Nations Environment Programme (UNEP)

United Nations Development Programme (UNDP)

# **Carbon Pricing and Article 6 Capacity Building Workshop and REDiCAP**

**Monday 22 July – Friday 26 July 2024**

**Santiago de Chile, Chile**



United Nations Climate Change  
Regional Collaboration Centres



International Carbon  
Action Partnership





## Background

The Carbon Pricing in the Americas (CPA), in collaboration with the UNFCCC Regional Collaboration Centre (RCC) for Latin America and the Economic Commission for Latin America and the Caribbean (ECLAC), is thrilled to present the Carbon Pricing and Article 6 Capacity Workshop and REDiCAP.

This five-day training will be conducted at ECLAC's facilities in Santiago de Chile, from July 22nd to 26th, 2024. It is funded by ECLAC with support from Euroclima, and the CIACA Project, which is implemented by the United Nations Framework Convention on Climate Change (UNFCCC) Secretariat through its RCCs.

This first edition of the CPA Knowledge-Sharing and Hands-on Training will bring together CPA members, observers and partners, to overview the different carbon pricing instruments such as carbon taxes, with a particular focus on the implementation of an Emission Trading System (ETS).

Recognizing the significance of carbon pricing as a policy tool for incentivizing greenhouse gas emissions reduction and facilitating the achievement of countries' Nationally Determined Contributions (NDCs), the training will shed light on the pivotal role of ETS in the climate policy mixes of numerous jurisdictions. It will particularly highlight the growing interest among emerging economies and developing countries in taking steps towards developing such systems and expanding global emissions coverage.

The event presents an exceptional opportunity also to host the ***Regional Dialogue on Carbon Pricing (REDiCAP)***, aimed at sharing practical experiences and insights gained from the implementation of carbon pricing instruments. This initiative aligns with the broader global effort to promote carbon pricing as a crucial tool for addressing climate change. It draws upon key lessons learned from the UNFCCC Secretariat's Collaborative Instruments for Ambitious Climate Action (CiACA) initiative, emphasizing the effectiveness of regional exchange of experiences from both national and subnational perspectives.

Furthermore, the event will aim to demystify Article 6 of the Paris Agreement, offering insights into its opportunities, challenges, participation requirements and implications.

We hope that this first edition will live up to your expectations and lay the foundations to deepen the knowledge acquired in future editions of our Knowledge-Sharing Training.

**Carbon Pricing and Article 6 Capacity Building Workshop and REDiCAP**  
**Santiago de Chile, July 22-26, 2024**

Thanks to our partners, without whom it would not be possible to hold such an event:



And a special thanks to the financial support from



**United Nations** Climate Change  
Regional Collaboration Centres

## Detailed Agenda

### Monday, July 22, 2024: Introduction to Carbon Market

Time	Topic and Speakers
<b>RAUL PREBISCH ROOM</b>	
09:00-10:00	<b>Introduction</b> <ul style="list-style-type: none"> <li>• Welcoming remarks <ul style="list-style-type: none"> <li>○ Javier Martínez, CPA Co-Chair, Panama (3 min)</li> <li>○ Myriam Savard-Lajeunesse, Quebec Bogota Office (3 min)</li> <li>○ Carlos De Miguel, Chief of the Sustainable Development and Human Settlements Division, ECLAC (3 min)</li> <li>○ Ewout Sandker, Head of Cooperation EU-Delegation Chile (5 min)</li> <li>○ Fabiana Rodrigues, UNFCCC RCC Latin America (5 min)</li> <li>○ Maisa Rojas, Minister of the Environment of Chile (10 min)</li> </ul> </li> </ul>
10:00-10:30	<b>Overview of Carbon Pricing Instruments: A Latin American Perspective.</b> <ul style="list-style-type: none"> <li>○ TBC, ECLAC.</li> </ul>
10:30-11:00	<ul style="list-style-type: none"> <li>• <b>Leveraging Carbon Pricing Policies for NDC achievement and progression.</b> <ul style="list-style-type: none"> <li>○ Laura Lasso De La Vega, UNFCCC RCC Latin America</li> </ul> </li> </ul> <p><i>This session will introduce the importance of mobilizing both domestic and international sources of finance, including from the private sector and how well-designed carbon pricing policies support climate ambition under the Paris Agreement and its upcoming 2025 NDCs (NDC 3.0) with due consideration of national circumstances and priorities.</i></p>
11:00-11:20	<b>Presentation of the State and Trends of Carbon Pricing in other regions</b> <ul style="list-style-type: none"> <li>• Marlen Goerner (World Bank – PMI)</li> </ul>
11:20-11:35	Coffee Break
<b>ENRIQUE IGLESIAS ROOM</b>	
11:35-11:55	<ul style="list-style-type: none"> <li>• <b>Introducing the participants</b> <ul style="list-style-type: none"> <li>○ Dorsa Sabet-Rasekh - CPA Secretariat</li> </ul> </li> </ul>
11:55-13:15	<ul style="list-style-type: none"> <li>• <b>Intro to Carbon Pricing &amp; ETS: Comparing different carbon pricing instruments and looking at design elements of an ETS.</b> <ul style="list-style-type: none"> <li>○ Marlen Goerner (World Bank – PMI - Global)</li> <li>○ Víctor Alejandro Ortiz Rivera (ICAP - ETS)</li> </ul> </li> </ul>

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	<i>This session will provide an introduction to the concept of compliance carbon pricing and the different types of carbon pricing instruments as well as its connection to Article 6. It will also provide an introduction to the design elements typical in the design and implementation of an ETS.</i>
13:15-14:30	Lunch Break – Cafeteria
<b>ENRIQUE IGLESIAS ROOM</b>	
14:30-14:45	<ul style="list-style-type: none"> <li>• <b>Interactive activity - Getting to know the CPA members</b> <ul style="list-style-type: none"> <li>○ Dorsa Sabet-Rasekh - CPA Secretariat</li> </ul> </li> </ul>
14:45-16:15	<ul style="list-style-type: none"> <li>• <b>Defining the scope and the coverage of an ETS</b> <ul style="list-style-type: none"> <li>○ Andrés Felipe Olarte Peña (ICAP)</li> <li>○ Katie Gibbs, Canada, Carbon Market Bureau</li> <li>○ Alise Karcevska, Head of UK ETS International Cooperation</li> <li>○ Ishtar Ali, Head of UK ETS Free Allocation</li> </ul> </li> </ul> <p><i>Some of the decisions that jurisdictions need to make early in the process of implementing an ETS revolve around which economic sectors to cover and which greenhouse gases to cover. This session will discuss the practical implications of making these decisions.</i></p>
16:15-16:30	Coffee Break
<b>ENRIQUE IGLESIAS ROOM</b>	
16:30-18:00	<ul style="list-style-type: none"> <li>• <b>Setting the cap: managing supply, and demand in an ETS</b> <ul style="list-style-type: none"> <li>○ ICAP carbon markets expert</li> <li>○ Rachel Gold, California Air Resources Board</li> <li>○ Mark Sippola, California Air Resources Board</li> </ul> </li> </ul> <p><i>The cap in an ETS defines the emissions that are allowed under the system. This session discusses which practical considerations (such as emissions data and modelling exercises) contribute to setting the cap under an ETS.</i></p> <ul style="list-style-type: none"> <li>• <b>Conclusion</b></li> </ul>

## Tuesday, July 23, 2024: Carbon Market - MRV, Allowances and Infrastructures

Time	Topic and Speakers
<b>ENRIQUE IGLESIAS ROOM</b>	
09:00-09:30	Welcoming – Jean-Yves Benoit
09:30-11:00	<ul style="list-style-type: none"> <li>• <b>Administration of an ETS</b></li> </ul> <p>Developing an MRV system for the ETS - Data collection, processes, and enforcement.</p> <ul style="list-style-type: none"> <li>○ Amanda Luna, Carbon Trust</li> <li>○ Juan Pablo Rodríguez, Chile</li> </ul> <p><i>An MRV system constitutes the backbone of an ETS. This session will discuss the objectives that an MRV system seeks to achieve, the infrastructure that is required, the actors that are involved and the mechanisms to ensure compliance.</i></p>
11:00-11:30	Coffee Break
<b>ENRIQUE IGLESIAS ROOM</b>	
11:30-13:15	<ul style="list-style-type: none"> <li>• <b>Allocating allowances in an ETS: Options, implications, and experience</b></li> </ul> <ul style="list-style-type: none"> <li>○ Victor Alejandro Ortiz Rivera, ICAP</li> <li>○ Jean-Yves Benoit, Québec</li> <li>○ Alise Karcevska, Head of UK ETS International Cooperation</li> <li>○ Ishtar Ali, Head of UK ETS Free Allocation</li> </ul> <p><i>The session will discuss different mechanisms to distribute the carbon budget under the ETS: either for free or through auction. The session will also discuss the practical needs to develop each allocation mechanism.</i></p>
13:15-14:30	Lunch Break – Cafeteria
<b>ENRIQUE IGLESIAS ROOM</b>	
14:30-14:45	<ul style="list-style-type: none"> <li>• <b>Interactive activity - Getting to know the CPA members</b></li> </ul> <ul style="list-style-type: none"> <li>○ Dorsa Sabet-Rasekh - CPA Secretariat</li> </ul>
14:45-16:15	<ul style="list-style-type: none"> <li>• <b>Market infrastructure: registries, auctioning platforms, building blocks, market dynamics (actors, players) roles</b></li> </ul> <ul style="list-style-type: none"> <li>○ Andrés Felipe Olarte Peña (ICAP)</li> <li>○ María Montoya (WCI, Inc.) (<i>Virtual Participation**</i>)</li> </ul>



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	<i>This session will provide an overview of the different elements of infrastructure required for the implementation of an ETS (such as a registry to track the ownership and the transaction of allowances) and the actors involved (such as financial intermediaries).</i>
16:15-16:30	Coffee Break
<b>ENRIQUE IGLESIAS ROOM</b>	
16:30-18:00	<ul style="list-style-type: none"> <li>● <b>“Ask me anything”. Strengthening the knowledge so far: Insights from the theory and the practice.</b> <ul style="list-style-type: none"> <li>○ Víctor Alejandro Ortiz Rivera (ICAP)</li> <li>○ Andrés Felipe Olarte Peña (ICAP)</li> <li>○ Marlen Goerner (World Bank – PMI)</li> <li>○ Diana Guzmán, SEMARNAT, México (<i>Virtual Participation**</i>)</li> <li>○ Suriel Islas, SEMARNAT, México (<i>Virtual Participation**</i>)</li> <li>○ Martín Aguilar, SEMARNAT, México (<i>Virtual Participation**</i>)</li> </ul> </li> </ul> <p><i>In this session, participants will discuss in groups the theoretical learnings that they have received so far. The experts will be available to answer questions, as well as to go more in depth into the topics that require more discussion.</i></p>

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**Wednesday, 24 July 2024: REDiCAP and Carbon Market in Practice**

Time	Topic and Speakers
<b>RAUL PREBISCH ROOM</b>	
<b>REGIONAL DIALOGUE ON CARBON PRICING (REDiCAP)</b>	
09:00-09:30	Welcoming – Jean-Yves Benoit (CPA Co-chair) and Fabiana Rodrigues (RCC Latin America Lead)
09:30-10:30	<p><b>Country Carbon Pricing Instruments Snapshot</b></p> <ul style="list-style-type: none"> <li>○ Ana Domínguez, UNFCCC RCC Latin America.</li> </ul> <p><i>Each case (approx. 5-6 national or subnational jurisdictions) presents the respective instruments in 5 minutes, using a ppt with a maximum of two slides. The presentation should contain key features of each instrument (scope and coverage, carbon price, any other main design element, and any other important feature).</i></p> <ul style="list-style-type: none"> <li>○ Potential Cases <ul style="list-style-type: none"> <li>▪ Chile</li> <li>▪ Colombia</li> <li>▪ Paraguay</li> <li>▪ Brazil</li> <li>▪ Querétaro</li> <li>▪ European Union (<i>Virtual Participation**</i>)</li> <li>▪ Canada</li> </ul> </li> </ul>
10:30-10:45	Coffee Break
<b>ROOM RAUL PREBISCH</b>	
10:45-11:45	<p><b>World Cafe (Exposure Method):</b></p> <ul style="list-style-type: none"> <li>○ Ana Domínguez, UNFCCC RCC Latin America (moderator).</li> <li>○ Patrick Munyaneza, UNFCCC RCC Caribbean (facilitator).</li> <li>○ Ana Him, CCAP (facilitator).</li> <li>○ Nathalie Flores, SBSTA Vice-chair (facilitator).</li> </ul>
11:45-12:15	<p><b>Connecting the dots: conclusions and challenges for Latin America</b></p> <ul style="list-style-type: none"> <li>● José Eduardo Alatorre, Economic Affairs Officer, ECLAC.</li> </ul>
12:15-12:30	Coffee Break

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ENRIQUE IGLESIAS ROOM	
12:30-14:00	<ul style="list-style-type: none"> <li>● <b>Understanding ETS in practice: Simulation exercise (part 1)</b> <ul style="list-style-type: none"> <li>○ Josh Margolis, external senior expert, (ICAP) (<i>Virtual Participation**</i>)</li> </ul> </li> </ul> <p><i>In this exercise, participants will better understand price formation by engaging in a simulated auction and trading of allowances.</i></p> <p><i>*Participants require computers for this exercise.</i></p>
14:00-15:15	Lunch Break – Cafeteria
ENRIQUE IGLESIAS ROOM	
15:15-17:00	<ul style="list-style-type: none"> <li>● <b>Understanding ETS in practice: Simulation exercise (part 2)</b> <ul style="list-style-type: none"> <li>○ Josh Margolis, external senior expert, (ICAP) (<i>Virtual Participation**</i>)</li> </ul> </li> </ul> <p><i>In this exercise, participants will better understand price formation by engaging in a simulated auction and trading of allowances.</i></p> <p><i>*Participants require computers for this exercise.</i></p>
17:00-17:15	<ul style="list-style-type: none"> <li>● <b>Global Carbon Pricing Challenge, example of collaboration in the region</b> <ul style="list-style-type: none"> <li>○ TBC (GCPC Secretariat)</li> </ul> </li> </ul>

## Thursday, July 25, 2024: Article 6 Capacity Building Workshop

Time	Topic and Speakers
ENRIQUE IGLESIAS ROOM	
09:00-09:30	Welcoming – Javier Martínez
09:30-9:45	<ul style="list-style-type: none"> <li>• <b>Session 1a: The Paris Agreement and the Article 6 Voluntary Cooperation towards NDC Achievement</b> <ul style="list-style-type: none"> <li>○ Patrick Munyaneza, UNFCCC RCC Caribbean.</li> </ul> </li> </ul> <p><i>In this session, participants will better understand the context of the Paris Agreement, NDC ambition cycle and Article 6 Cooperation, including its main operational components: Article 6.2, Article 6.4 and Article 6.8 and be equipped with all necessary background knowledge to begin in-depth technical content on Article 6.</i></p>
9:45-10:30	<ul style="list-style-type: none"> <li>• <b>Session 1b: Article 6 Participation Strategies</b> <ul style="list-style-type: none"> <li>○ Ana Domínguez, UNFCCC RCC Latin America.</li> </ul> </li> </ul> <p><i>In this session, participants will gain an understanding of the requirements of participation and opportunities provided by Article 6 and be also prepared to engage in national level making decision around Article 6.</i></p> <ul style="list-style-type: none"> <li>• Developing an Article 6 Strategy for Host Countries for Article 6.2 (15 min) <ul style="list-style-type: none"> <li>○ Marlen Goerner, World Bank.</li> </ul> </li> </ul>
10:30-11:00	Coffee Break
ENRIQUE IGLESIAS ROOM	
11:00-11:30	<ul style="list-style-type: none"> <li>• <b>Session 2a: Introduction to Article 6.2 Cooperative Approaches</b> <ul style="list-style-type: none"> <li>○ Patrick, UNFCCC RCC Caribbean.</li> </ul> </li> </ul> <p><i>During this session, participants will learn how Article 6 governance and regulatory frameworks function and how countries are required to report on Article 6 action to the UNFCCC. In addition, about possible projects within Article 6.2 and the complete process including authorization, reporting, and the application of Corresponding Adjustments.</i></p>
11:30-12:45	<ul style="list-style-type: none"> <li>• <b>Panel Discussion: Article 6 Framework Experience sharing with Host Countries from Latin America and Switzerland</b></li> </ul> <p><b>Moderator:</b> Nathalie Flores, SBSTA Vice Chair.</p> <p><b>Participants:</b></p> <ul style="list-style-type: none"> <li>○ Switzerland (<i>Virtual Participation**</i>)</li> <li>○ Chile</li> <li>○ Brazil (tbc)</li> <li>○ Perú</li> <li>○ Uruguay</li> <li>○ Klik Foundation</li> </ul>

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	<p><b><u>Panel Discussion #1 (with Presentations if needed) (45 mins)</u></b></p> <ol style="list-style-type: none"> <li>1. Why should we participate in Article 6.2?</li> <li>2. What makes a good 6.2 project/initiative?</li> <li>3. Eligibility criteria (Risk assessment and positive/negative list)</li> <li>4. Authorization Process</li> </ol>
12:45-14:00	Lunch Break – Cafeteria
<b>ENRIQUE IGLESIAS ROOM</b>	
14:00-14:30	<ul style="list-style-type: none"> <li>• <b>Session 2b: Tracking, Reporting, and Reviewing under Article 6 and linkage with Article 13 of the Paris Agreement</b> <ul style="list-style-type: none"> <li>○ Ana Domínguez, UNFCCC RCC Latin America.</li> </ul> </li> </ul>
<b>GROUP DIVISION: ENRIQUE IGLESIAS ROOM / ADDITIONAL ROOM (Z-407)</b>	
14:30-15:30	<ul style="list-style-type: none"> <li>• <b><u>Group Activity #1: Article 6 Strategy Game</u></b> – During this special interactive session, participants will experience through a game how countries must navigate synergies and tradeoffs between finance and mitigation objectives to decide the best eligible sectors for Article 6, applying concepts from the previous sessions on participation strategies. <ul style="list-style-type: none"> <li>○ Patrick Munyaneza, UNFCCC Caribbean (Group Facilitator)</li> <li>○ Ana Domínguez, UNFCCC RCC Latin America (Group Facilitator)</li> <li>○ Laura Lasso De la Vega, UNFCCC Latin America (Group Facilitator)</li> <li>○ Ana Him, CCAP, (Group Facilitator)</li> </ul> </li> </ul>
15:30-15:45	Coffee Break
<b>GROUP DIVISION: ENRIQUE IGLESIAS ROOM / ADDITIONAL ROOM (Z-407)</b>	
15:45-18:00	<ul style="list-style-type: none"> <li>• <b>Session 2c: Simulated Exercise on Reporting and Accounting</b></li> </ul> <p>In this activity, participants will engage in a simulated exercise designed to practically illustrate the process of reporting and the application of corresponding adjustments.</p> <ul style="list-style-type: none"> <li>• Exercise will cover the following elements: <ol style="list-style-type: none"> <li>1. Initial Report</li> <li>2. The Application of Corresponding Adjustments</li> <li>3. Agreed Electronic Format</li> </ol> </li> <li>○ Patrick Munyaneza, UNFCCC RCC Caribbean.</li> <li>○ Ana Dominguez, UNFCCC RCC Latin America</li> </ul>

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**Santiago de Chile, July 22-26, 2024**

**Friday, July 26, 2024: Article 6 Capacity Building Workshop**

Time	Topic and Speakers
<b>ENRIQUE IGLESIAS ROOM</b>	
9:00-9:30	Welcoming – Javier Martínez
09:30-10:30	<ul style="list-style-type: none"> <li><b>Session 2d: Simulation Exercises Presentation (Accounting and Reporting)</b> Patrick Munyaneza, UNFCCC RCC Caribbean.</li> </ul>
10:30-10:45	<b>Recap of Previous Day (what we learned)</b>
10:45-11:15	<ul style="list-style-type: none"> <li><b>Session 3: Implementing the Paris Agreement Crediting Mechanism.</b> <i>This session will provide an overview of the operationalization of the new crediting mechanism established by Article 6.4 of the Paris Agreement such as objectives, A6.4 Units, Host Countries participation benefits and requirements, governance structure and regulations, A.64 activity cycle, CDM Transition and comparison between Article 6.2 and Article 6.4</i></li> <li>Ana Domínguez, UNFCCC RCC Latin America.</li> </ul>
11:15-11:30	Coffee Break
<b>ROOM RAUL PREBISCH</b>	
11:30-11:45	<ul style="list-style-type: none"> <li><b>Session 4: Host Countries Participation Requirements and Roles and Responsibilities from their DNAs</b></li> </ul> <p>Under the Article 6.4 Activity Cycle, Host countries are required to approved mitigation activities prior to their registration under the mechanism, this session will deep dive about how assess eligible sectors and technologies, the allocation of roles and responsibilities among government entities, among other specific task during the Article 6.4 Activity Cycle.</p> <ul style="list-style-type: none"> <li>Patrick Munyaneza, UNFCCC RCC Caribbean.</li> </ul>
11:45-12:00	<ul style="list-style-type: none"> <li><b>Session 5: Article 6.8 Non-Markets Approaches</b></li> </ul> <p>This session will deliver an overview of Article 6.8, including its definition, purpose and an explanation of how it differs from the market-based approaches of Articles 6.2 and 6.4. It aims to provide participants with an increased awareness of non-market approaches and how they contribute to the goals of the Paris Agreement.</p> <ul style="list-style-type: none"> <li>Ana Domínguez, UNFCCC RCC Latin America.</li> </ul>
12:00-12:30	<ul style="list-style-type: none"> <li><b>Extra Session: The Article 6 Readiness Assessment Report and Dashboard for Latin America</b></li> <li>Ana Him, Center for Clean Air Policy</li> </ul>

**Carbon Pricing and Article 6 Capacity Building Workshop and REDiCAP**  
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12:30-13:20	<ul style="list-style-type: none"> <li>• <b>Event Closing Panel with the experts – CPA's Carbon Pricing and Article 6 Workshop and REDiCAP</b></li> </ul> <ol style="list-style-type: none"> <li>1. Javier Martínez, Co-Chair, Moderator</li> <li>2. Jimmy Ferrer, ECLAC</li> <li>3. Marlen Goerner, World Bank</li> <li>4. Victor Ortiz, ICAP</li> <li>5. Andrea Camponogara, UN Climate Change Secretariat</li> </ol> <p><i>In this closing panel, there will be a round of questions addressed to all the experts who presented during the week, followed by a 15-20 minutes space for final questions from the participants</i></p>
13:20-13:30	<ul style="list-style-type: none"> <li>• <b>Closing remarks</b></li> </ul> <ul style="list-style-type: none"> <li>○ Javier Martínez, CPA Co-Chair</li> <li>○ Santiago Lorenzo, Chief of the Climate Change Unit, ECLAC</li> </ul>