



Regional Climate Week

Latin America and the Caribbean

Panama City, Panama – 23-27 October 2023



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Session 3: Participation requirements



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Article 6 Participation Requirements



Mandatory	Requirement Description	
	Article 6.2	Article 6.4
✓	Must be a Party of the Paris Agreement. (196 Parties)	
✓	Has prepared, communicated and is maintaining an NDC.	
✓	Has arrangements in place for authorizing, tracking and reporting the use of ITMOs towards achievement of NDCs.	PRIOR TO PARTICIPATING Has a Designated National Authority (DNA) in place and communicated that designation to the Secretariat and SB
✓	Submit most recent National Inventory Report - NIR (as part of BTR - Biennial Transparency Reports).	Has indicated publicly to SB the type of Art 6.4 activities (Sectors) that it would consider approving
✓		Has indicated publicly to the SB how participation in the mechanism contributes to Sustainable Development .
✓	Has to specify how this participation benefit and contribute to the implementation of its NDC and LT-LEDS (if submitted) and the long-term goals of the Paris Agreement.	
		May specify (more conservative) baseline approaches and crediting periods.



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Host Party Roles and Responsibilities



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National arrangements: The Designated National Authority

Article 6.4 DNA

- Art 6.4 DNA mandatory by Host Party to participate
- Establishment of Art 6.4 DNA Decision 3/CMA3
- As of October 2023, 62 countries have submitted a designated national authority for Article 6.4 mechanism

Parties to Paris Agreement communicate to Supervisory-Body@unfccc.int

- Name of the organization to act as the national authority
- Address of the organization with city and country
- Full name of the contact person
- Communication details



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The Designated National Authority. Regional Snapshot



61 Countries have communicated DNA's

Latin America Region

10 nominations out of 17 countries



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Caribbean Region

02 nominations out of 16 countries

Experience sharing



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Country Experience: Designation of National Authorities for the Article 6.4 mechanism



BRAZIL



PANAMA



GUATEMALA



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Country Experience: Designation of National Authorities for the Article 6.4 mechanism

1. On the **institutional level selection**, what factors did you base on to choose the institution to serve as the Art.6.4 DNA?
2. Did you encounter any **challenges** while establishing the Art.6.4 DNA office? If so, how did you overcome them?
3. Are there **lessons** perhaps you learnt from CDM that you feel are important for Art.6 implementation?
4. What would you **advise** countries that are yet to communicate their Art.6.4 DNAs?



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Approval and Authorizations of A6.4 ERs



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Article 6 Participation Requirements



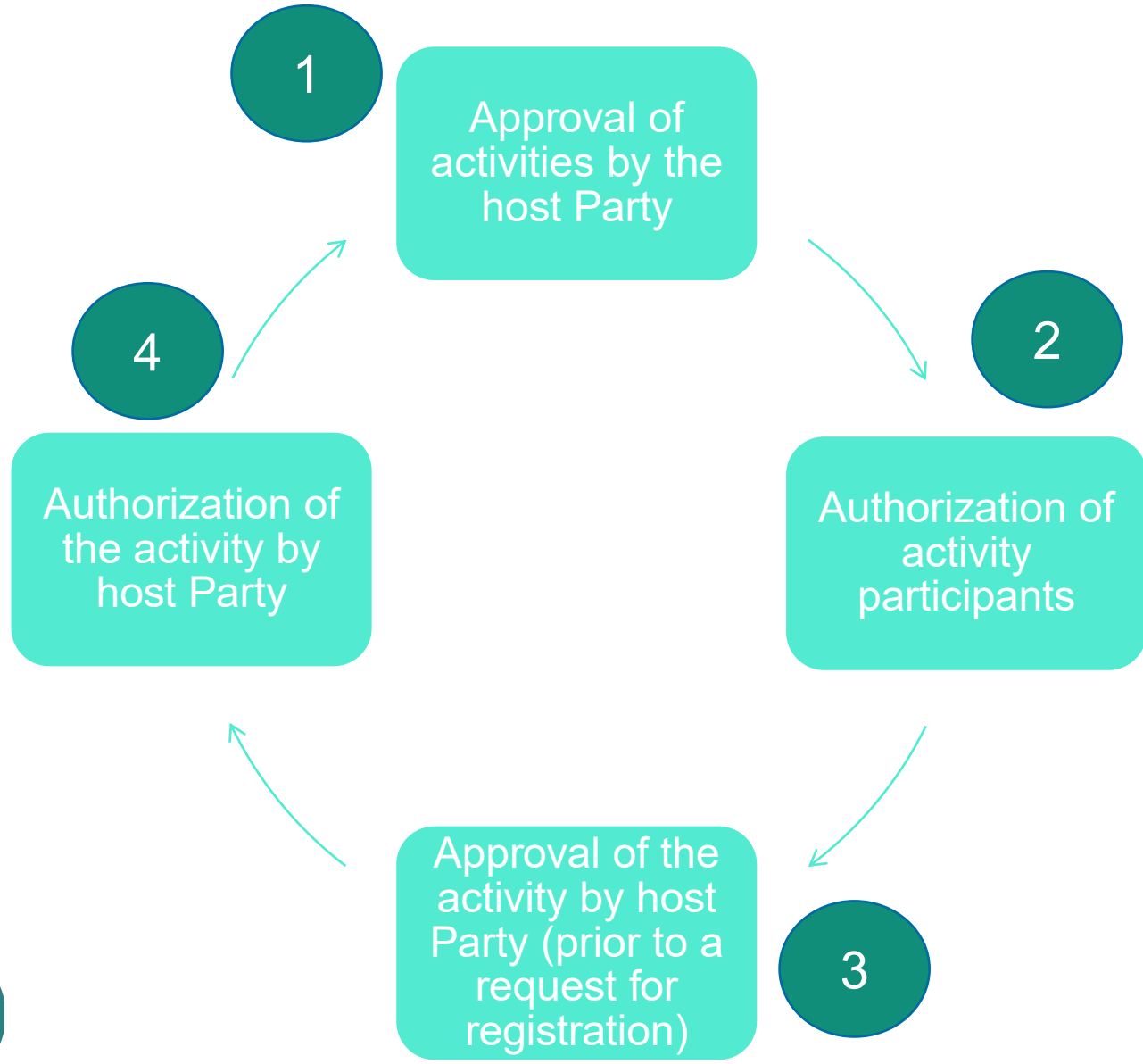
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Approval and Authorisations of ERs

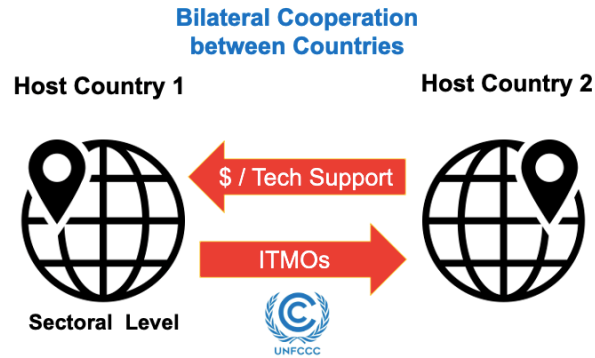


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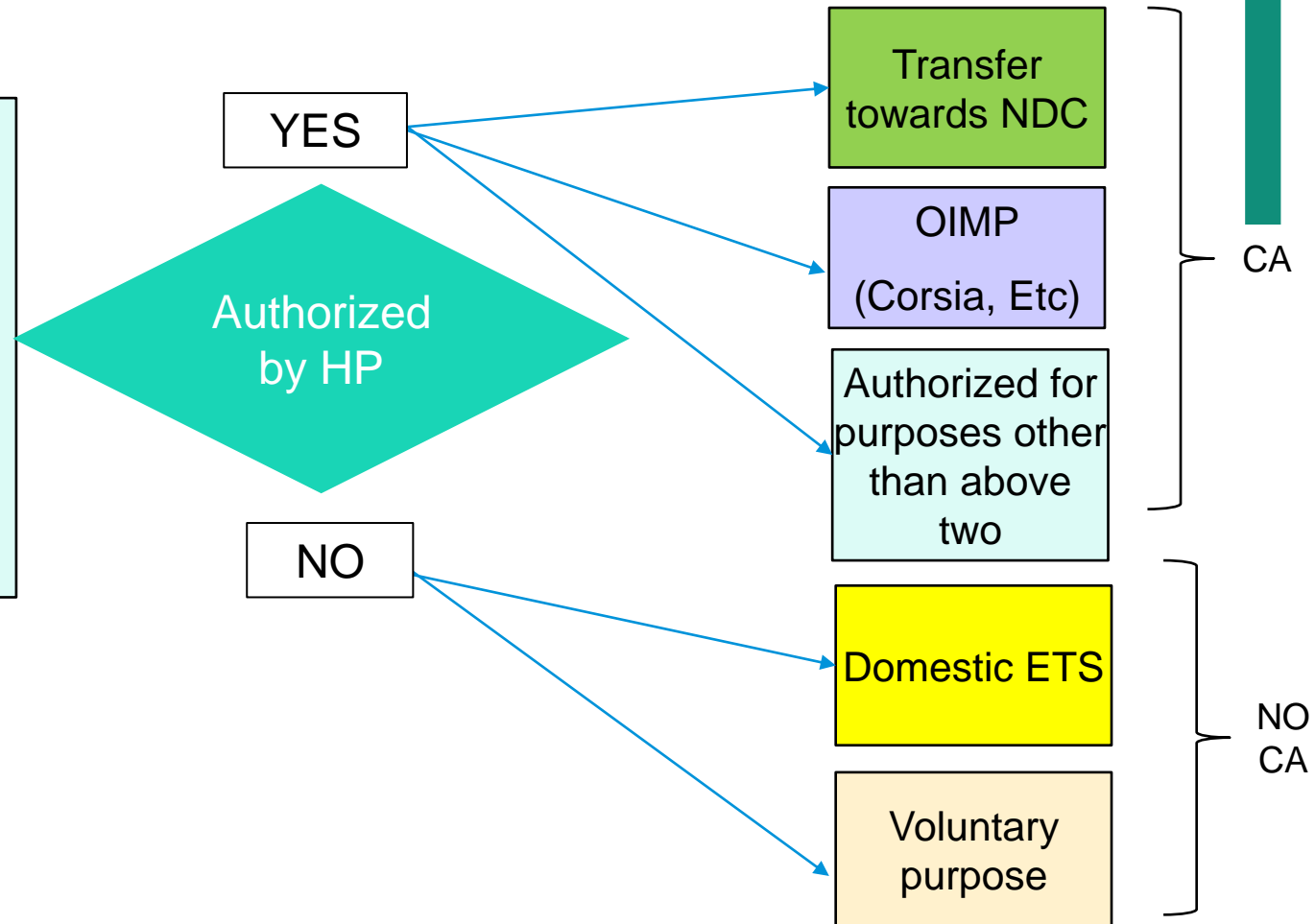
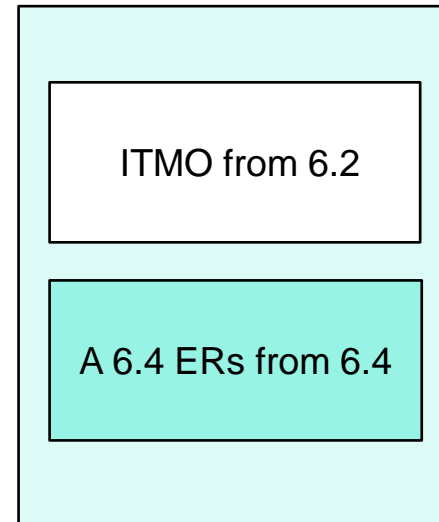
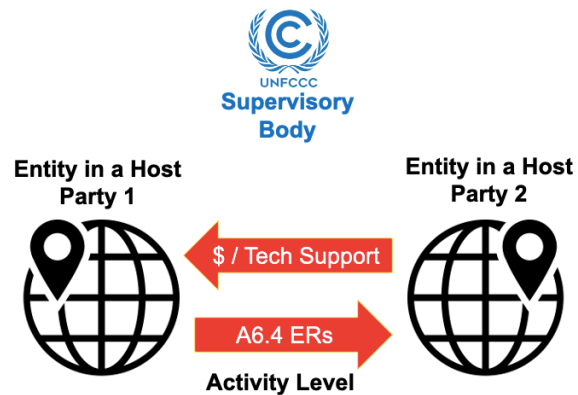
Interplay / Reporting (6.4 & 6.2)

Article 6.2



Mitigation Outcomes

Article 6.4



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Optional national arrangements: Baseline methodologies

- Article 6.4 mechanism provides standardized baseline approaches & methodologies.
- Standardized baselines may be developed by the Supervisory Body at the request of the host Party or may be developed by the host Party.
- Participating countries may submit **explanation of self-made baseline approaches and other methodological requirements, including additionality**, to be applied for Article 6.4, activities to the **Supervisory Body for approval considering requirements** described further.
- In the activity cycle the participating Party shall ensure the activity shall apply a mechanism methodology that has been developed and/or approved by the Supervisory Body :
- **Baseline Methodologies must:**
 - Set a baseline for the calculation of emission reductions to be achieved by the activity;
 - Demonstrate the additionality of the activity;
 - Ensure accurate monitoring of emission reductions;
 - Calculate the emission reductions achieved by the activity.



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Optional national arrangements: methodologies

Methodologies shall...	Innovative mechanism Methodologies requirements	Baseline approach*	Standardized Baselines	Demonstration of Additionality
<ul style="list-style-type: none"> • encourage ambition over time; • encourage broad participation; be real, transparent, conservative, credible and below 'business as usual'; • avoid leakage, where applicable; • recognize suppressed demand; • align with the long-term temperature goal of the PA • contribute to the equitable sharing of mitigation benefits between the participating Parties; and, in respect of each participating Party, • contribute to reducing emission levels in the host Party, and align with its NDC, if applicable, its LT-LEDS. 	<ul style="list-style-type: none"> • Include relevant assumptions, parameters, data sources and key factors • Consider uncertainty, leakage, policies and measures, and relevant circumstances, including national, regional or local, social, economic, environmental and technological circumstances, • address reversals, where applicable. • <i>Mechanism methodologies may be developed by activity participants, host Parties, stakeholders or the Supervisory Body:</i> • <i>Mechanism methodologies shall be approved by the Supervisory Body where they meet the requirements</i> 	<ul style="list-style-type: none"> • A performance-based approach, considering: • (i) Best available technologies that represent an economically feasible and environmentally sound course of action, • (ii) Ambitious benchmark approach where the baseline is set at least at the average emission level of the best performing comparable activities providing similar outputs and services in a defined scope in similar social, economic, environmental and technological circumstances; • (iii) existing actual or historical emissions, adjusted downwards to ensure alignment with requirements • a host Party may determine a more ambitious level at its discretion 	<ul style="list-style-type: none"> • may be developed by the SB at the request of the host Party or may be developed by the host Party and approved by the SB • shall be established at the highest possible level of aggregation in the relevant sector of the host Party and be consistent with methodologies requirements 	<ul style="list-style-type: none"> • using a robust assessment that shows the activity would not have occurred in the absence of the incentives from the mechanism, considering all relevant national policies, including legislation, and FCCC/PA/CMA/2021/10/Add.1 • representing mitigation that exceeds any mitigation that is required by law or regulation, and taking a conservative approach that avoids locking in levels of emissions, technologies or carbon-intensive practices incompatible with methodologies requirements • The SB may apply simplified approaches for demonstration of additionality

Optional national arrangements: Crediting periods

- Article 6.4 mechanism provides guidance on crediting periods to be applied on Article 6.4 activities
- Explanation of **how those crediting periods are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy** is also required
- Participating Party may provide **explanation of crediting periods to be applied for Article 6.4, activities that it intends to host, including whether the crediting periods may be renewed**, to the Supervisory Body, for approval and following specific requirements
- **Participating Party shall:**
 - Provide guidance on the potential renewal of the crediting period => if the Party intends to allow the activity to continue beyond the first crediting period (where the Party has specified that the crediting periods of Article 6.4, activities that it intends to host may be renewed)
 - Ensure the crediting periods are appropriate to the activity, and benefit approval by the Supervisory Body
 - Consider the crediting period shall not start before 2021

Crediting period of a registered A6.4, activity may be renewed*, if the host Party has approved such renewal

Renewal of a crediting period shall be approved by the SB and the HP following a technical assessment by a DOE to determine necessary updates to the baseline, the additionality and the quantification of emission reductions.

Appeal of a decision taken by A.6.4 SB requires to request grievance

Host Party may request for voluntary cancellation and/or review of a registration or issuance



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Thank you for attending!



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