

## Concept Note

# National Training Workshop on Carbon Markets and Article 6 Implementation

18-20 September 2024 - Ciudad de Guatemala, Guatemala

## 1. Background

In preparation for the update of the next round of Nationally Determined Contributions (NDCs) by 2025, the Government of Guatemala, through the Ministry of Environment and Natural Resources (MARN), has requested technical support from the UN Climate Change Secretariat's Regional Collaborating Center for Latin America (RCC Latin America) with both the preparation of the new NDC and the use of cooperative approaches under Article 6 of the Paris Agreement.

The Government of Guatemala has identified that Article 6 will be one of the strategies to mobilize resources and ensure effective implementation of the current NDC and its future updates, as well as the country's Long Term Strategy. It has also indicated that in order to take full advantage of Article 6 cooperative approaches, it is essential to strengthen national capacities. The RCC Latin America has proposed a series of capacity building and strengthening activities aimed at experts from Guatemala including a regional exchange between representatives from Chile, Colombia and Panama to share experiences in the design and implementation of carbon pricing instrument policies and their participation in carbon markets under domestic and international approaches, including Article 6 of the Paris Agreement.

In February 2024, RCC Latin America conducted the first country-level mission to assess the specific needs and challenges for Guatemala's participation in cooperative approaches under Article 6 and to analyze opportunities for integration into the new NDC 2025 submission. As a result of this mission, the RCC Latin America presented a Support Package to Guatemala based on its needs, priorities and readiness, in collaboration with the LAC-6 project implemented by UNEP, which includes the following activities:

- **Activity 01:** Introductory Workshop on Carbon Pricing and Article 6, held May 14-20, 2024, for the technical team of the Climate Change Directorate.
- **Activity 02:** National Workshop on Capacity Building for Carbon Markets and Implementation of Article 6, for public entities in Guatemala, scheduled for September 18-19, 2024.
- **Activity 03:** Technical Session for the development of an Article 6 Roadmap that will identify the required elements (strategic considerations, legal framework and governance, institutional arrangements, operational procedures, among others) and the key activities needed (e.g. development of a positive list for the national approval process for activities A6. 2 and A6.4 and authorization process for ITMOs and entities and review of Participation Requirements A6.2 and A6.4) for national participation in Article 6, addressed to the Climate Change Directorate Mitigation Team, scheduled for September 20, 2024.

This detailed Concept Note will describe the content of the National Capacity Building Workshop and the technical session framed within activity 02 and 03 of the Guatemala Support Package.

## 2. Objetivos principales

1. **Empower key stakeholders:** Provide decision makers, policy makers and technical representatives of the Government of Guatemala with essential knowledge and tools to design, implement and manage market-based carbon pricing instruments and cooperative approaches under Article 6 of the Paris Agreement.
2. **Enhance national capacity:** Strengthen Guatemala's capacity to participate in international platforms related to Article 6 and carbon pricing by identifying and taking advantage of opportunities for collaboration with other countries and entities.
3. **Promote South-South Exchange:** Promote the exchange of knowledge between Guatemala, Chile, Colombia and Panama (South-South Exchange).
4. **Develop an Article 6 Roadmap:** Guide the creation of a comprehensive roadmap to establish a policy and legal framework to support the adoption and effective implementation of Article 6 mechanisms in Guatemala.

## 3. Agenda

### Day 1: Wednesday, September 18<sup>th</sup>, 2024

Time	Session	Moderator/Speaker
08:30 – 09:00	Registration of participants	Climate Change Directorate Ministry of Environment and Natural Resources
09:00 – 09:15	Introduction and Welcomes Remarks	Fabiana Rodrigues Regional Lead RCC Latin America UN Climate Change  Edwin Castellanos Vice-Minister of Environment and Natural Resources of Guatemala
09:15 – 09:50	Icebreaker	Laura Lasso de la Vega RCC Latin America UN Climate Change
09:50 – 10:00	Introduction to the RCC Latin America	Fabiana Rodrigues Regional Lead RCC Latin America UN Climate Change
10:00 – 10:15	Introduction to the LAC-6 project	Daniella Suger Project LAC-6 UNEP LACO

10:00 – 10:45	<b>Session 1: Leveraging Carbon Pricing Policies and Article 6 for NDC Achievement and progression.</b> <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>	Laura Lasso de la Vega RCC Latin America UN Climate Change
10:45 – 11:10	Special Session: Guatemala's NDC and Climate Governance – Q&A	Juan Pablo Reyes Quevedo Climate Change Directorate Ministry of Environment and Natural Resources
11:10 – 11:30	Coffee Break	
11:25 – 11:45	<b>Session 2: Introduction to Carbon Pricing Instruments</b> <i>This session will introduce the concept of compliance carbon pricing and the different types of carbon pricing instruments as well as its connection to Article 6.</i>	Daniella Suger LAC-6 Project UNEP LACO
11:45 – 12:00	Questions & Answers	RCC Latin America UN Climate Change
12:00 – 12:30	<b>Session 3: Introduction to carbon markets</b> <i>This session will provide an in-depth introduction to carbon markets, a critical tool in addressing climate change. Participants will gain a solid understanding of the various types of carbon markets (regulatory vs. voluntary, domestic vs. international), as well as the mechanisms for generating supply and the demand segments within these markets. In addition, the session will provide an overview of a carbon project design.</i>	Daniella Suger LAC-6 Project UNEP LACO
12:30 – 01:45	LUNCH	
01:45 – 02:45	<b>Experience Sharing (Virtual Participation)</b> <ul style="list-style-type: none"> <li>Colombia's Experience: Carbon Pricing Policies in Colombia. <ul style="list-style-type: none"> <li>Q&amp;A</li> </ul> </li> <li>Panama's Experience: Reduce Your Footprint Programme and its National Carbon Market. <ul style="list-style-type: none"> <li>Q&amp;A</li> </ul> </li> </ul>	Daniella Suger LAC-6 Project UNEP LACO
02:45 – 03:10	<b>Session 4: The Paris Agreement and the Article 6 Voluntary Cooperation towards NDC Achievement</b> <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. In addition, participants will</i>	Ana Domínguez RCC Latin America UN Climate Change

	<i>gain an understanding of the requirements of participation and opportunities provided by Article 6.</i>	
<b>03:00 – 03:30</b>	<b>Coffee Break</b>	
<b>03:30 – 04:00</b>	<p>Session 5: Article 6 Participation Strategies</p> <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>	Ana Domínguez RCC Latin America UN Climate Change
<b>04:00 – 05:00</b>	<p><b>Group Activity 01: Description of the NDC of Guatemala</b></p> <p><i>Development of a dynamic group discussion and reflection to analyze mitigation goals and activities under Guatemala's current NDC, based on the following questions:</i></p> <ol style="list-style-type: none"> <li><i>1. What sectors and types of mitigation activities are included in my current NDC?</i></li> <li><i>2. What are the unconditional goals of my NDC (what will the country achieve on its own)?</i></li> <li><i>3. What does the conditional part of my NDC include? What type of support will be used?</i></li> <li><i>4. Is there any prioritization of mitigation sectors and activities within my current NDC?</i></li> <li><i>5. What sectors and mitigation activities included in the current NDC contribute to Guatemala's Low Emission Development Strategy (ENDBE)?</i></li> <li><i>6. Are there other national planning instruments aligned to the mitigation activities included in the current NDC?</i></li> <li><i>7. Do these mitigation activities contribute to SDGs other than SDG 13?</i></li> <li><i>8. Are there any difficulties in accessing finance, national capacities or technologies for these mitigation activities?</i></li> </ol>	Daniella Suger LAC-6 Project UNEP LACO

## Day 2: Thursday, September 19th, 2024

Time	Session	Moderator/Speaker
<b>09:00 – 09:10</b>	<b>Welcome and Agenda</b>	Daniella Suger LAC-6 Project UNEP LACO
<b>09:10 – 09:40</b>	<p><b>Session 6a: Introduction to Article 6.2 Cooperative Approaches (authorization, tracking and infrastructure)</b></p> <p><i>During this session, participants will learn about Article 6.2 governance and regulatory frameworks required to implement activities that can generate ITMOs, including mandatory processes such as authorization, tracking and its infrastructure required. Some examples will be presented.</i></p>	Ana Domínguez RCC Latin America UN Climate Change
<b>09:40 – 10:00</b>	<b>Questions &amp; Answers</b>	RCC Latin America UN Climate Change
<b>10:00 – 10:20</b>	<b>Coffee Break</b>	

<b>10:20 – 11:00</b>	<b>Session 6b: Introduction to Article 6.2 Cooperative Approaches (reporting and review)</b> <i>During this session, participants will learn about the rest of mandatory processes that are part of design and implementation of Article 6.2 cooperative approaches, including reporting and review to ensure transparency of ITMOs and linkage with the ETF.</i>	Ana Domínguez RCC Latin America UN Climate Change
<b>11:00 – 11:20</b>	<b>Questions &amp; Answers</b>	RCC Latin America UN Climate Change
<b>11:20 12:00</b>	<b>Experience Sharing (Virtual Participation)</b> <ul style="list-style-type: none"> <li>Chile's Experience: Article 6 Framework. <ul style="list-style-type: none"> <li>Q&amp;A</li> </ul> </li> <li>Colombia's Experience: Article 6 Framework. <ul style="list-style-type: none"> <li>Q&amp;A</li> </ul> </li> </ul>	Daniella Suger LAC-6 Project UNEP LACO
<b>12:00 – 01:15</b>	<b>LUNCH</b>	
<b>01:15 – 02:00</b>	<b>Session 6c: Introduction to Article 6.2 Cooperative Approaches (application of corresponding adjustments)</b> <i>During this session, participants will learn about the application of corresponding adjustments to ensure environmental integrity.</i>	Ana Domínguez RCC Latin America UN Climate Change
<b>02:00 – 03:30</b>	<b>Group Activity 02:</b> Self-assessment of national readiness to implement Article 6.2 <i>Group analysis of Guatemala's current situation regarding compliance with the Participation requirements of Article 6.2, using a matrix to complete sections I, II and III of the Initial Report in accordance with Guatemala's national circumstances.</i>	Daniella Suger LAC-6 Project UNEP LACO
<b>03:30 – 04:00</b>	<b>Coffee Break</b>	
<b>04:00 – 04:30</b>	<b>Session 7a: Implementing the Paris Agreement Crediting Mechanism (Article 6.4)</b> <i>This session aims to provide a foundational understanding of Article 6.4, focusing on its role in promoting environmental integrity through cooperative approaches. Participants will learn about the design and operational aspects of the Article 6.4 mechanism, including its similarities and differences compared to the Clean Development Mechanism (CDM).</i>	Ana Domínguez RCC Latin America UN Climate Change
<b>04:30 – 05:00</b>	<b>Questions &amp; Answers</b>	Daniella Suger LAC-6 Project UNEP LACO

**Day 3: Friday, September 20, 2024**

Time	Session	Moderator/Speaker
09:00 – 09:10	<b>Welcome and Agenda</b>	Daniella Suger <b>LAC-6 Project</b> <b>UNEP LACO</b>
09:10 – 09:40	<b>Session 7b: Host Countries Participation Requirements and Roles and Responsibilities of DNAs</b>	Daniella Suger <b>LAC-6 Project</b> <b>UNEP LACO</b>

	<i>This session will outline the roles of Designated National Authorities and Article 6.4 eligible activities.</i>	
09:40 – 10:10	<b>Special Session:</b> <i>Experience of the Designated National Authority (DNA) of Guatemala in the implementation of the Clean Development Mechanism (CDM) of the Kyoto Protocol.</i>	Saúl Pérez <b>Climate Change Directorate Ministry of Environment and Natural Resources</b>
10:10 – 10:30	<b>Coffee Break</b>	
10:30 – 11:30	<b>Group Activity: A6.4 Self-Assessment and Host Party Participation Requirements Form for Guatemala</b> <i>This session will include a group activity focused on preparing host party participation requirements for the Article 6.4 mechanism (A6.4-FORM-GOV-001).</i>	Daniella Suger <b>LAC-6 Project UNEP LACO</b>
11:30 – 11:50	<b>Session 8: Article 6.8 Non-Market Approaches</b> <i>This session will provide 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 a greater understanding of non-market based approaches and how they contribute to the objectives of the Paris Agreement. It aims to provide participants with a greater understanding of non-market based approaches and how they contribute to the objectives of the Paris Agreement.</i>	Ana Domínguez <b>RCC Latin America UN Climate Change</b>
11:50 – 12:00	<b>Questions &amp; Answers</b>	<b>RCC Latin America UN Climate Change</b>
12:00 – 12:20	<b>Evaluation Survey</b>	Ana Domínguez <b>RCC Latin America UN Climate Change</b>
12:20 – 12:30	<b>Closing Remarks</b>	Edwin Castellanos <b>Vice-Minister of Environment and Natural Resources of Guatemala</b>
12:30 – 01:30	<b>LUNCH</b>	
<b>Technical Session: Roadmap for Article 6 implementation</b>		
01:30 – 01:45	<b>Part 1:</b> Presentation of the Article 6 Readiness Assessment Analysis prepared by the LAC-6 project, UNEP.	Daniella Suger <b>LAC-6 Project UNEP LACO</b>
01:45 – 02:15	<b>Part 2:</b> Submission of Self-Assessment Results for compliance with Article 6.2 and Article 6.4 participation.	Ana Domínguez <b>RCC Latin America UN Climate Change</b>
01:15 – 04:00	<b>Group Discussion and Reflection</b>	<b>Climate Change Directorate Ministry of Environment and Natural Resources</b>
01:15 – 04:00	<b>Part 3:</b> Completion of the Draft Article 6 Roadmap Matrix for Guatemala	Andrea Fión <b>Climate Change Directorate Ministry of Environment and Natural Resources</b>