

Climate Action Teams Climate Dialogue: Shared Statement on the use of Article 6 in Chile

I. Background

Between June and August 2023, the Climate Action Teams (CAT) initiative convened a group of actors involved in technical and political work on climate change with a special focus on Article 6 of the Paris Agreement, with the aim of discussing the potential of this instrument to increase the country's greenhouse gas reduction commitments. This call initiated a participatory conversation process called "*Climate Dialogue: Strengthening Chile's Ambition through Article 6 of the Paris Agreement*".

This process incorporated a series of complementary interactions with two groups of stakeholders. On the one hand, five working sessions were held involving actors from sectors related to national climate policy, including representatives from the public and private sectors, civil society and academia, and on the other hand, three sessions were held with a group of people belonging to different indigenous peoples in the country.

The meetings focused on addressing the following questions:

- Is the use of Article 6 feasible in Chile, specifically the cooperation mechanism outlined in Article 6.2? What are the challenges that need to be addressed in this context?
- Should Chile decide to implement cooperative agreements under Article 6, what safeguards or conditionalities are necessary to ensure appropriate implementation?
- How can Climate Action Teams Chile contribute to the design and implementation of these mechanisms?

At the conclusion of these working sessions and based on the discussions held, participants in each group agreed on a series of points considered essential to be communicated to decision-makers and others interested or involved in the design and implementation of Article 6 in Chile, which represent a perspective shared by those who participated in this process, and whose names and organizations are detailed at the end of this document. These messages are summarized below.

II. Key messages from the group

Feasibility of the application of Article 6 in Chile

- 1. Feasibility with Challenges.** It is feasible to use Article 6 in Chile, although it is recognized the difficulty of meeting, and even more, exceeding the greenhouse gas (GHG) emissions target for the year 2030 established in Chile's current Nationally Determined Contribution (NDC), making possible the materialization of bilateral or multilateral agreements under the Article 6.2 cooperation mechanism. To achieve this, it is essential to have early definitions and a significant availability of human and financial resources, as well as an institutional infrastructure that facilitates the implementation of both public and private initiatives that promote GHG mitigation beyond national commitments.
- 2. Capacity Building.** The State must strengthen its technical and operational capacities, while broadening its scope at the territorial level, in order to effectively implement policies and cooperation initiatives under Article 6. It is essential that the agreements generated (whether bilateral or multilateral, under Article 6.2, or under any other Article 6 mechanism) contain instruments to finance and promote the strengthening of the capacities of local governments and actors, promoting the development of enabling infrastructure, technology transfer and facilitating technical exchange.

Safeguards application

- 3. Integral Protection.** The use of Article 6 should be based on the normative frameworks and international agreements signed by Chile that safeguard essential social and environmental balances. Special attention should be paid to their full compliance in the territories. These mechanisms should consider: (i) unwavering respect for Human and Indigenous Peoples' Rights, in line with international standards (e.g., the UN Declaration for the Rights of Indigenous Peoples); (ii) the right to free, prior and informed consent; (iii) safeguards to protect natural, cultural, tangible and intangible heritage and prevent further damage; (iv) consultation with the territories and local communities and institutions representing indigenous peoples before approving GHG reduction and/or removal initiatives/projects, promoting the inclusion of their knowledge and experience, the incorporation of ancestral knowledge and indigenous science, as well as mechanisms that allow for the equitable distribution of benefits in

the intervened territory, and; (v) that the State of Chile fulfills its role as guarantor of these rights.

- 4. Participation and Oversight.** The procedures for the application of Article 6 must include robust citizen participation processes, based on international best practices. Participation and transparency are fundamental safeguards to validate these mechanisms. Effective oversight of all safeguards is also essential. It is recommended that agreements under Article 6, especially Article 6.2, include funding mechanisms for monitoring and oversight, following international best practices, such as ongoing third-party audits of their implementation/operation to ensure the rigor of the process.

Next steps to move forward

- 5. Strategic Definition.** It is of utmost importance that the State defines and/or establishes general guidelines, regulatory frameworks, procedures, sectoral and/or territorial definitions, or a positive/negative list of initiatives/projects to clarify where and how to direct the incentives and actions of the various stakeholders. In addition, progress should be made in defining mechanisms and procedures for managing the corresponding adjustments and between project and/or initiative proponents and the respective government authority. These elements will provide clear signals to the different sectors, including both national and international collaborators.
- 6. Learning and Experimentation.** Recognizing that the international community is in a learning process on how to enable and use the different cooperation mechanisms of Article 6, particularly Article 6.2, the group urges progress using existing tools, technological solutions and standards, along with experimental piloting processes, first, in territories where there are better conditions for implementation and always ensuring the application of best practices and their respective safeguards.
- 7. Transparency and Collaboration.** It is essential to clarify and communicate in advance the functioning of the mechanisms of Article 6 and its safeguards in order to achieve an optimal and adequate distribution of benefits in the territories. We must also highlight the mechanisms related to fostering the involvement, collaboration and empowerment of local communities and indigenous peoples, through their own organizations and representative institutions related to these issues.

Role of Climate Action Teams (CAT)

8. **Active Promotion.** Climate Action Teams can play an active role in promoting the use of Article 6.2 in Chile, through proposals for aggregated and simplified Measurement/Monitoring, Reporting and Verification (MRV) methodologies, as well as its ability to bring together diverse stakeholders in a multi-sectoral and multi-level cooperative pilot approach.
9. **Technical Support.** Climate Action Teams could play an important technical role in fostering the incorporation of high social and environmental standards in GHG mitigation initiatives and cooperative agreements, as well as supporting and promoting capacity building, technology transfer and experience sharing among relevant actors at the local and global levels, including the public, private, academic, indigenous peoples and civil society sectors in general.
10. **Multisectoral Collaboration.** The stakeholder group convened by the Climate Action Teams initiative recognizes that the implementation of Article 6 is a complex challenge that depends on collaboration among diverse sectors. It therefore calls on the public sector to communicate its progress in this area in a broad, timely and transparent manner, while expressing its willingness to support the implementation of Article 6 in a variety of capacities and roles.

III. **Adherents to the declaration**

- Alfonso Cárcamo, Comunidad Indígena Kawésqar Isla Dawson.
- Andrés Antivil, Caucus Indígena Chileno de Cambio Climático.
- Angelo Sartori, Verra.
- Carlos Finat, Consultor Independiente.
- Caroll Owen, en representación de la alcaldesa Carolina Leitao Álvarez-Salamanca, Municipalidad de Peñalolén.
- Cristián Mosella, EnergyLab.
- Encarnación Rosa Quispe, Asociación Indígena Aymara Taqpacha Arustañani.
- Ester Quispe, Comunidad Aymara Pumire.
- Francisca Sandoval, Alianza para la Acción Climática Chile, ACA Chile.
- Francisco Pinto, Punto Focal, Climate Action Teams.
- Javier Kaltwasser, consultor Senior en Energía y Medio Ambiente.
- María Teresa Ruiz-Tagle, Directora Ejecutiva de CLG Chile, Líderes Empresariales por la Acción Climática.

- Nicolas Westenenk, PwC.
- Rayen Cariman, Caucus Indígena Chileno de Cambio Climático y el Parlamento Indígena del Maule.
- Rodrigo Astorga, Heinrich Böll Stiftung.
- Rodrigo Bórquez, Project Manager, Climate Action Teams.
- Sergio Palma, Environmental Defense Fund, EDF.
- Teresita Alcántara, Especialista en Planificación Climática para gobiernos subnacionales.
- Uri Colodro, WWF.
- Zulema Mancilla, Comunidad Colla Pastos Grandes.