

Proposal to support knowledge exchange and development of synergies between GHG management programs in the region - Creation of the Alliance of Voluntary GHG Management Programs for Latin America and the Caribbean

Participating Programs

- Costa Rica's Carbon Neutral Program
- HuellaChile Program
- HuellaPerú Program
- Carbon Neutral Certification of Ecuador
- Climate Neutral Now of the UNFCCC Secretariat
- Argentine Network of Municipalities against Climate Change
- Reduce Your Footprint Program of Panama

Background

Since December 2015, with the outcome of COP21, the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached a historic agreement to combat anthropogenic climate change. They agreed to accelerate and intensify the actions and investments needed for a sustainable low-carbon future by limiting temperature increase to 1.5 degrees Celsius, to increase the capacity of countries to cope with the effects of climate change and to make financial flows consistent with a low level of greenhouse gas (GHG) emissions and a climate-resilient trajectory.

In order to achieve the Paris Agreement, countries established and presented their Nationally Determined Contributions (NDCs) to UNFCCC. To comply with the objectives of their NDCs, countries must create policies and strategies for articulation between the different sectors, including the involvement of the private and public sectors, that allow them to take action and mobilize resources on climate action.

In the framework of the NDCs, Costa Rica, Chile, Argentina, Panama and Perú have presented their commitments in climate action, mitigation, adaptation and resilience since 2015, and are updating them towards greater ambition. Ecuador is joining this effort with the implementation of NDCs 2020-2025. Public sector work towards achieving these countries' NDCs has been strengthened with the implementation of mitigation actions by non-state actors in GHG initiatives such as Costa Rica's Carbon Neutral Program (PPCN), HuellaChile and HuellaPerú Programs, the Carbon Neutral Certification of Ecuador, the Argentine Network of Municipalities against Climate Change, Reduce Your Footprint Program of Panama and Climate Neutral Now of the UNFCCC Secretariat.

These programs promote the use of carbon pricing instruments, which seek to support and facilitate a cost-effective reduction of GHG emissions. They also have the potential to

catalyze and increase local compensation mechanisms through the recognition of GHG reductions generated by the implementation of mitigation actions.

The role of the private sector is crucial in climate action, considering the costs of achieving a low-carbon economy by 2030 and meeting the targets set in the NDCs. In this context, national and international carbon footprint programs and initiatives have great potential to promote domestic voluntary carbon markets to neutralize emissions and mobilize private investment towards mitigation measures that contribute to improved efficiency and competitiveness, sustainable development and compliance with NDCs in individual countries.

Costa Rica's Carbon Neutrality Program (PPCN) is an initiative developed since 2012 by the Costa Rican Government through the Directorate of Climate Change (DCC) of the Ministry of Environment and Energy (MINAE) and supported by the Partnership for Market Readiness (PMR) project. It provides a mechanism for recognition of compliance with strict rules for the adequate management of greenhouse gas (GHG) emissions to public and private organizations, local governments, district councils and /or communities. The Program is the official mechanism for the involvement of the private sector and local governments to comply with the National Decarbonization Plan and Costa Rica's ambitious mitigation and adaptation goals defined in its NDCs.

HuellaChile Program was created in 2013 to encourage the active participation of the private sector in the mitigation commitments made by Chile in its NDC. It aims at promoting the measurement, reporting and voluntary management of GHG in public and private sector organizations¹.

Peru has a Framework Law on Climate Change, which provides for the regulatory and institutional aspects of NDC implementation. This law defines national tools for MRV mitigation, one of which is the HuellaPerú Program. HuellaPerú promotes the measurement and reporting of GHG emissions from public and private organizations in standardized form and intends to create a voluntary carbon market through which it expects to mobilize private investment in mitigation measures that contribute to the NDC and sustainable development.

In 2014, the Ministry of the Environment of Ecuador developed the first incentives to promote carbon neutrality. This mechanism was established under the Ecuadorean Environmental Recognition "Carbon Neutral" program. In an effort to consolidate the incentive scheme, the Undersecretary on Climate Change decided to restructure the incentive in order to transform it into a certification in line with international standards that guarantee business competitiveness and allow for the emergence of a low carbon economy. Currently (first phase) Ecuador is only working on Carbon Neutrality Certification, and subsequently (second phase) the country will be in a better position to analyze new frameworks that may

¹ The HuellaChile Program is inserted in the National Action Plan on Climate Change 2017- 2022 as mitigation measure n° 22.

generate a domestic market or emissions trading systems, with the possibility to link it with regional schemes.

The Argentine Network of Municipalities against Climate Change - RAMCC, founded in 2010, is a coalition of 217 Argentine municipalities with an Executive Secretariat with the mandate of implementing municipal, regional or national projects related to the mitigation and adaptation to climate change through mobilizing local, national and international resources. RAMCC supports and trains local governments in the preparation of their Greenhouse Gas Inventories using the GPC methodology, with currently 100 inventories finalized. It also supports the development of Local Climate Action Plans (PLAC), having concluded 40 PLACs to date. With the acquired technical capabilities, in 2019 it developed a software tool and a seal for the measurement and management of the corporate carbon footprint, relying on the ISO 14,064, GHG Protocol and IPCC Protocol. The RAMCC Corporate Carbon Footprint Seal distinguishes three levels of commitment, indicated by 1, 2 or 3 stars. One star indicates that the organization has the calculation report of its carbon footprint; two stars indicate that it has developed a mitigation plan; three stars, means that it achieved Carbon Neutrality.

This year, the Government of Panama launched a national carbon footprint program named "Reduce Your Footprint", with the aim of encouraging public and private organizations to reduce their carbon emissions. This program is supported through Collaborative Instruments for Ambitious Climate Action (CiACA), promoting the development of carbon pricing instruments by the government that allow their implementation within the the country's NDCs. Panama, with the technical support of the PMR project for a pilot case for CiACA, has been an example of the increase in climate ambition and its policies at a regional level and how international cooperation is articulated to strengthen national capacities related to this ambition.

Finally, Climate Neutral Now is an initiative of the UNFCCC secretariat which promotes additional voluntary climate action through the same basic steps as the other national initiatives. The initiative supports all countries to meet their Nationally Determined Contributions (NDCs) by encouraging social actors to measure and reduce their emissions and supporting projects to reduce emissions in developing countries through offsetting. In the context of this alliance proposal, Climate Neutral Now would contribute by providing additional recognition and visibility to the national initiatives and their participants, increasing their attractiveness to recruit more participants and, through that, contributing to NDC achievement.

The exchange of experiences between Chile, Costa Rica, Ecuador, and Peru in programs associated with GHG emissions management by public and private organizations, began in the framework of the recognition ceremony of the HuellaChile Program held in Santiago on November 26, 2018. In this context, representatives of the three countries, with support from the UNFCCC, UNDP and PMR project, held working meetings, to explore areas of collaboration and possible synergies for a regional programme that would allow for

international recognition of the organizations, which are part of each of the initiatives in the different countries.

Subsequently, within the framework of COP24 held in Katowice, Poland, a Side Event was held with the contribution of the Global Climate Action (GCA) programme, and one more at COP25 held in Madrid, Spain, with the participation of representatives from Chile, Costa Rica and Perú. During 2019, virtual meetings have been held to explore synergies, both between the three countries mentioned and two new participant countries Argentina and Panama, as well as with the possibility of including other countries in the region, so the growth potential of this alliance by attracting more initiatives in the region is latent. In this sense, the PMR funds open up an opportunity to take important steps with what has already been done and to have a roadmap for carrying out a regional alliance.

The national carbon footprint initiatives and the synergy between them in the region will make it possible to strengthen and make visible the actions of the private sector to reduce emissions. This initiative supports the fulfillment of Sustainable Development Goals 7, 9, 12, 13 and 17, by promoting disruptive processes of transformation in the private sector to achieve sustainable, resilient and low emission development models and this can be enhanced with alliances such as the one proposed to be created by this project. It joins the efforts of countries and other partners to generate synergies that support climate action and regional development. The creation of the Alliance of GHG management programs, the synergies and opportunities identification for criteria and standards homologation would be generated to increase the participation of the private sector in enhanced climate action, generating potential initiatives that will be used to support post-COVID green economic recovery.

Objectives

General Objective

Create an Alliance of GHG management initiatives that promotes knowledge exchange, synergies and a roadmap for criteria and standards homologation to increase the private sector's involvement and impact on climate action, while being consistent with the implementation of the NDCs of each country, towards carbon neutrality in Latin America and the Caribbean (LAC).

Specific Objectives

1. Promote knowledge sharing among LAC GHG management initiatives, and with other similar international successful initiatives, on their progress, rules, incentives, standards, protocols, scope, strengths and weaknesses, and any other relevant information.

2. Carry out a process to enhance strengths and decrease weaknesses of the different initiatives, as well as to identify potential synergies and opportunities identification for criteria and standards homologation, in order to ensure their continuity, growth, cost-effectiveness, scalability, and easy access to different sectors of the economy. This will also take into account the potential role of these incentive programs in the COVID19- scenario to promote the green economic recovery.
3. Identify viable economic and non-economic incentives that can be developed for each initiative, to add value and increase the participation and involvement of different sectors in the initiatives taking into account relevant COVID-recovery developments.
4. Create a strategic and communication framework of the alliance to publicize the Alliance and its long-term vision and common objectives, the participating initiatives' approaches and experiences, main results to date, and synergies.

Proposed activities

Objective 1. Promote knowledge sharing among LAC GHG management initiatives, and with other similar international successful initiatives, on their progress, rules, incentives, standards, protocols, scope, strengths and weaknesses, and any other relevant information.

- 1.1 Compile data of each initiative including rules, scope, incentives, results, strengths, weaknesses, opportunities, technical gaps in each country, possible synergies between initiatives, identified opportunities for criteria and standards homologation, current and potential clients and stakeholders, and their perceptions about the initiatives. The compilation must also include information of relevant aspects for the programs such as the state of the climate negotiations, article 6, existing carbon markets and carbon assessment instruments, elements of the Enhanced Transparency Framework (MRV), and other relevant aspects, in particular the potential role of these incentive programs in the COVID19- scenario to promote the green economic recovery.
- 1.2 Based on the results of activity 1.1 determine relevant criteria for comparing the initiatives and perform a comparative analysis in order to identify points of synergy and differences to be considered in the approval process.
- 1.3 Identify successful GHG management initiatives from other regions (e.g. Australian Climate Active program, Carbon Trust Certification program, German Development and Climate Alliance, Italian GHG Management Program), and select experiences or replicable elements to improve or increase the added value of the initiatives in the region.

- 1.4 Carry out workshops and knowledge exchange sessions (virtual) where representatives from each initiative explain the role of each of their actors in-depth. The different initiatives will learn from each other's experience, including how they operate (accreditors, verifiers, program administrators, participants and other stakeholders).
- 1.5 Carry out knowledge exchange processes (virtual) through workshops, with the participation of representatives from other international successful GHG programs, to learn about their operations, incentives, rules, standards, protocols, scope, and other areas of interest.

Objective 2. Carry out a process to enhance strengths and decrease weaknesses of the different initiatives, as well as identify potential synergies and opportunities identification for criteria and standards homologation, in order to ensure their continuity, growth, cost-effectiveness, scalability, and easy access to different sectors of the economy.

- 2.1 Based on the results of activities 1.1, 1.2 and 1.3 assess the identified gaps, weaknesses, barriers and opportunities to make each initiative more effective within in its countries and assess the standardization options across schemes to look for uniformity and homologation.
- 2.2 Based on the results of activities 1.1, 1.2, 1.3 and 2.1, develop and implement a work plan with several activities including to provide training if it's necessary to close the gaps, take advantage of opportunities, generate capacities, synergies, and other relevant aspects.
- 2.3 Based on the results of activities 1.1, 1.2, 1.3 and 2.1, design and carry out virtual knowledge exchange events (webinars, videoconferences, calls, or other considered relevant) in aspects that are identified as relevant.
- 2.4 Based on the results of activities 1.1, 1.2, 1.3 and 2.1, prepare a work plan towards standardization, homologation and mutual recognition of GHG management programs and the official establishment of the Alliance and the proposal activities to be developed.

Objective 3. Identify viable (economic and non-economic) incentive instruments that can be developed for each initiative, to add value and increase the participation and involvement of different sectors in the initiatives.

- 3.1 Identify and prioritize viable economic and non-economic incentives/incentive instruments² that can be developed for each initiative (for example: benefits in public procurement, brand recognition and communication, affordable green financing access, productive chains generation, among others) that provide added value and increase the participation and involvement of different sectors. This task includes the identification of

² The term **incentive instrument** includes financial and economic **instruments** as well as legal and regulatory **instruments**, education, co-management, voluntary approaches, community-based mechanisms and research.

a set of key criteria to be used to guide the mapping/classification and discussion of individual incentive instruments.

Objective 4. Develop the strategic and communication framework of the alliance to publicize the Alliance, the participating initiatives' experiences, main results, and synergies.

- 4.1 Based on the results of objectives 1, 2 and 3 elaborate a comprehensive policy advisory note to inform the long-term strategic framework of the Alliance including its mission, vision, main strategic objectives and any other relevant aspect.
- 4.2 Develop a communication strategy and a plan proposal for the alliance and the participating initiatives.
- 4.3 Develop a visual identity for the alliance including a basic branding package.
- 4.4 Develop infographics and other key communicational materials about the Alliance and participating activities

Proposed Schedule

The phase of creation of the Alliance and initial knowledge sharing will be carried out in 6 months, as depicted in the following chart:

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
1	1.1	1.1.1 Diagnosis document for each initiative including the elements indicated in activity 1.						
		1.1.2 Presentation of main results of the diagnosis to the alliance representatives and other actors.						

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	1.2	<p>1.2.1 Document with selected criteria for comparing the initiatives</p> <p>1.2.2 Document with a comparative analysis between initiatives in order to identify points of synergy and differences to be considered in the approval process.</p>						
	1.3	1.3.1 Document identifying successful initiatives from other regions, including a description of the initiatives, their rules, incentives, participants and main results. The document will also include the experiences or replicable elements that can help improve or increase the added value of the region's initiatives.						
	1.4	1.4.1 5 webinars (1 per initiative) to present each initiative.						

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	1.5	1.5.1 At least 1 on-line workshop (for approximately 15 people of at least 1 day) to learn about at least 2 successful GHG management initiatives from other identified regions.						
2	2.1.	2.1.1 Asses document of identified gaps, weaknesses, barriers and opportunities to make each initiative more effective within in its countries and standardization options across schemes to look for uniformity and homologation.						
	2.2	2.2.1 Work plan document including training activities to close identified gaps, take advantage of opportunities, generate capacities, develop synergies, or other aspects considered relevant (Annex in document 2.1). 2.2.2 Execute the work plan including training activities to close identified gaps, take advantage of opportunities, generate capacities, develop						

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
		synergies, or other aspects considered relevant (Annex in document 2.1).						
	2.3.	<p>2.3.1 Document with the design virtual knowledge exchange events</p> <p>At least 2 online workshops and from 3 to 5 webinars to work on the aspects that were identified as relevant in the diagnosis.</p>						
	2.4	2.4.1 Proposed Work Plan towards standardization, homologation and mutual recognition of GHG management programs (Annex in document 2.1).						

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
3	3.1	<p>3.1.1 Document identifying viable economic and non-economic incentives/incentive instruments³ that can be developed for each initiative that provide added value and increase the participation and involvement of different sectors. This task includes the identification of a set of key criteria to be used to guide the mapping/classification and discussion of individual incentive instruments.</p> <p>3.1.2 1 online workshop to present identified economic and non-economic incentives</p>						
4	4.1	4.1.1 A comprehensive policy advisory note to inform the long-term strategic framework of the Alliance including its mission, vision, main strategic objectives and any other relevant aspect.						

³ The term **incentive instrument** includes financial and economic **instruments** as well as legal and regulatory **instruments**, education, co-management, voluntary approaches, community-based mechanisms and research.

Objective	Activity	Deliverables	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	4.2	4.2.1 Communication strategy and plan proposal to position the Alliance and participating initiatives.						
	4.3	4.3.1 Basic branding package including a logo and graphics templates for the Alliance						
	4.3	4.3.1 A 3-minute informational video about the Alliance and the participating initiatives. 12.2 Infographics and other key communicational documents about the Alliance and participating activities						
All	Hiring a professional to coordinate and monitor the project execution	Coordination and monitoring reports on the project activities execution.						

Procurement proposal and costs

This phase has a total cost of US\$120,000, with the following breakdown:

1. Technical coordinator (STT)

To hire a technical coordinator for the project with the responsibility to coordinate and follow up on the project activities execution.

The proposed budget for this hiring is \$20 000.

Duration: 6 months

2. Technical consulting group

To hire a consulting group to execute the activities described in the objectives 1, 2 and 3.

The proposed budget for this hiring is \$70 000.

The proposed CG should include the following key team members:

- One senior expert with expert knowledge on carbon pricing instruments, climate negotiations, article 6 (Paris Agreement), existing carbon markets and carbon assessment instruments and other relevant elements to participating initiatives of this alliance
- At least one technical staff member with knowledge in the participant initiatives' relevant policies, institutional and legal frameworks, governance, quality system, verification schemes and other relevant elements.
- At least one technical staff member with expertise on GHG management programs, governance, rules and methodologies including the framework of the participating programs of this alliance.
- 100% of the technical staff must be fluent in Spanish and have writing capabilities in this language.

Duration: 6 months

3. Communication agency

To hire a communication agency to execute the activities described in the objective 4.

The proposed budget for this hiring is \$30 000.

Duration: 5 months

Other contributions to the project

In addition to direct collaboration between Climate Neutral Now and the national initiatives, the Climate Change Secretariat (UNFCCC) can provide additional support such as the following:

1- Visibility of the Alliance in UNFCCC's official events, in particular the climate change conferences (COP).

2- Facilitation and coordination of contacts with other national initiatives outside the LAC region, to seek support and knowledge exchange of additional experiences.

3- Provide technical support (in-kind contribution) from the Panama Regional Collaboration Centre (RCC Panama⁴), that include, among others, the following actions:

- Facilitate presence on the ground of the UNFCCC together with its partner organizations, in accordance with the needs and work plans established by the Parties;
- Help countries identify gaps and barriers to the effective implementation of NDCs, including assisting its carbon neutrality programs to efficiently develop GHG inventories, emissions registration, mitigation projects and monitor their NDCs (MRV) consistent with the Enhanced Transparency Framework. This includes local efforts to promote the Climate Neutral Now initiative and facilitate synergies with other national schemes;
- Provide technical support and facilitate liaison with other United Nations organizations, international, regional and local, through regional coordination and alignment of the response to climate change to achieve the objectives of the Paris Agreement and the SDGs;
- Support the organization of regional events and commitments (for example, LACCW - Climate Weeks of Latin American and Caribbean) so that they save costs and improve their outreach to regional stakeholders;
- Support the creation of local technical capacity (and facilitating South-South cooperation) through the participation of local key stakeholders including youth;
- Promote a regional vision in Latin America to comply with the reinforced transparency framework for action and support of the Paris Agreement on climate change;
- Help disseminate and inform the public and interested parties about this initiative and about the progress in climate commitments of the countries of the region.

Proposal prepared by:

- Laura Mora Mora, Costa Rica's Carbon Neutrality Program manager and Costa Rica's PMR project staff

⁴ RCC Panama is operated since March 2017 jointly by the UN Secretariat for Climate Change (UNFCCC) and the Development Bank of Latin America (CAF) to support Latin American countries in the implementation of their contributions determined at the national level (NDC) under the Paris Agreement, as well as related sustainable development activities under the Kyoto Protocol, particularly the clean development mechanism (CDM).

- Sebastián Garín Figueroa, Huella Chile Program manager.
- Rodrigo Alvites, Planning and monitoring specialist, General Directorate for Climate Change and Desertification, Perú
- Vanessa Gutiérrez Reyes, Carbon Neutrality Coordinator, Ministry of Environment, Ecuador
- Santiago Salazar Benavides, Specialist in adaptation to climate change, Ministry of the environment, Ecuador
- Miguel Angel Cinquantini, Argentine Network of Municipalities against Climate Change
- Ligia Castro de Doens, Reduce Your Footprint Program of Panama
- Miguel Naranjo González - Program Officer, Global Climate Action Team, UNFCCC
- Carlos Ruiz-Garvia, Coordinator, Regional Collaboration Office, UNFCCC

Contact point:

Laura Mora Mora, Costa Rica's Carbon Neutrality Program Manager and Costa Rica's PMR project staff

E-mail: lauramora207@gmail.com

Phone: +506 8321-5775