



**HOST PARTY PARTICIPATION REQUIREMENTS
FOR ARTICLE 6.4 MECHANISM
(Version 02.0)**

SECTION 1: GENERAL INFORMATION

Country:	Panama
Institution name:	Ministry of Environment of Panama
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ADDITIONAL REPRESENTATIVE (OPTIONAL)

Additional representative of the institution:	NA
E-mail address of the additional representative:	NA
Phone number of the additional representative:	NA

SECTION 2: PARTICIPATION RESPONSIBILITIES

Is your country a Party to the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country prepared, communicated, and is it maintaining a Nationally Determined Contribution (NDC) in accordance with Article 4, paragraph 2 of the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country designated a Designated National Authority (DNA) for the Article 6.4 mechanism and communicated that designation to the UNFCCC secretariat?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Please describe how your country's participation in the Article 6.4 mechanism contributes to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.

The following Sustainable Development Goals (SDGs) are expected to be impacted through Panama's participation in the Article 6.4 mechanism. At this stage, the mitigation activities under consideration pertain exclusively to the energy sector, which is currently prioritized at the national level. Consequently, the SDGs listed below reflect the expected contributions of activities in this sector. As Panama updates its future NDCs and identifies additional priority sectors, the associated SDG impacts will be reviewed, and this form will be updated accordingly.

Panama also recognizes the importance of applying the mandatory Article 6.4 Sustainable Development Tool to ensure that each Article 6.4 project or programme of activities promotes sustainable development and contributes meaningfully to the 17 SDGs and national development priorities.

SDG Alignment		Comments
<input checked="" type="checkbox"/>	SDG 1 – No poverty:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 3 – Good Health and Well-being:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 5 – Gender Equality:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 7 – Affordable and Clean Energy:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2. Linked to the fulfillment of the strategies included in Panama's Energy Transition Agenda.
<input checked="" type="checkbox"/>	SDG 8 – Decent Work and Economic Growth:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 9 – Industry, Innovation and Infrastructure:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 10 – Reduced Inequalities:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 11 – Sustainable Cities and Communities:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2.
<input checked="" type="checkbox"/>	SDG 13 – Climate Action:	Linked to the fulfillment of the energy sector's commitments in Panama's NDC 2. Linked to the fulfillment of the strategies included in Panama's Energy Transition Agenda.

National Sustainable Development Priorities:

(Optional: Please reference any specific national strategies, policies, or priority activity types)

- [Panama's Strategic Government Plan for 2024–2029](#) (PEG, by its Spanish acronym) includes the SDGs as a fundamental part of its strategy. It is structured around four pillars, one of which focuses on environmental sustainability and responsible management of natural resources. The PEG prioritizes various activities, such as access to water, sanitation, and electricity; the promotion of renewable energy; the improvement of national connectivity; the protection of biodiversity; the

sustainable management of watersheds; the reduction of the carbon footprint; and adaptation to the new climate reality, among others.

- [The Plan Colmena Strategy](#) is a mechanism for accelerating the 2030 Agenda in Panama, designed to eliminate poverty and reduce inequality in a comprehensive and participatory manner. Among the prioritized activities are environmental conservation through the protection and sustainable use of natural resources and universal access to electricity.
- [The Panama 2030 Strategic Plan with a State Vision](#) seeks to align the country's sustainable development with the SDGs. Its priorities include inclusive and sustainable growth that generates employment opportunities, reduces poverty, and promotes economic growth, as well as environmental sustainability through the conservation and sustainable use of natural resources, protection of biodiversity, water management, reduction of pollution, and adaptation to and mitigation of climate change.
- [Panama's Long-Term Strategy](#), whose full title is “National Strategy for Socioeconomic Development, Inclusion, Low Emissions, and Climate Change Resilience 2050” (ELP Panama, by its Spanish acronym), is a national planning document that establishes the vision and actions that Panama will follow to address climate change in the coming decades, with a horizon extending to the year 2050. It has four (4) strategic pillars linked to Panama's Nationally Determined Contribution (NDC) sectors, promoting alignment and synergy between these instruments: (1) Well-being and human development; (2) A just, low-emission, and climate-resilient energy transition; (3) Management of watersheds around water conservation and biodiversity; (4) Development of industry, agriculture, and tourism in harmony with nature.

Please provide detailed information on the types of activities under Article 6, paragraph 4 (A6.4 activities) that your country would consider approving pursuant to chapter V.C (Approval and Authorization) of the Rules, Modalities and Procedures (RMPs).

Additionally, explain how these activities, and any associated emission reductions or removals, would contribute to the achievement of your country's NDC, if applicable, its long-term low GHG emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement?

Panama has made an initial prioritization of the energy sector for the approval of mitigation activities that will transition under the Article 6.4 Mechanism, recognizing its relevance within the national emissions profile and its clearly defined and ambitious role in the country's current NDC.

As Panama updates its NDCs and identifies new priority areas, the scope of eligible activities may be revised to include relevant sectors.

However, the authorization for the transfer of ITMOs will not be automatic following the approval of activities and will be reserved for a later stage, in accordance with the national regulatory framework that will be released for the authorization and tracking of ITMOs. Panama will carefully assess each case, taking into account the ambition of its NDC, environmental integrity, and the development of its national carbon market. This authorization will be granted solely through formal declarations, based on technical and strategic criteria defined by the competent national authority, and in line with the approval and authorization processes established in the Rules, Modalities, and Procedures of the Article 6.4 Mechanism.

a) Types of activities under Article 6, paragraph 4 (A6.4 activities) to be approved:

Sectorial Scope ¹		Country's specific A6.4 activity types	Notes
<input checked="" type="checkbox"/>	1) Energy industries (renewable/ non-renewable sources)	Renewables Typical activities: Generation of power and heat from renewable energy sources, including construction of new plants, capacity increases, plant modernization, energy efficiency, and fuel switching. Typical GHG emissions: CO ₂ emissions from fuel combustion for power and heat generation; CO ₂ and CH ₄ emissions from renewable energy technologies.	Types of renewable sources: hydroelectric, solar, wind, green hydrogen, and geothermal, which are aligned with CDN2.
<input checked="" type="checkbox"/>	2) Energy distribution	Energy distribution Typical activities: Energy efficiency measures in energy transmission and distribution. Typical GHG emissions: CO ₂ emissions from fuel combustion for power and heat generation.	
<input checked="" type="checkbox"/>	3) Energy demand	Energy demand Typical activities: Demand-side energy efficiency measures in various sectors, such as pumping systems, lighting systems, appliances, and buildings. Typical GHG emissions: CO ₂	Examples: efficient stoves, energy-efficient technology systems in buildings, and process improvements in industrial sectors.
<input checked="" type="checkbox"/>	4) Transport	Transport Typical activities: Introduction of modal shifts, fuel shifts, and less GHG-intensive modes of transport in freight and passenger transport. Typical GHG emissions: CO ₂ emissions from the combustion of fossil fuels in transport activities; CO ₂ emissions from the combustion of fuel for power generation.	Examples: Alternative sustainable transportation, including: fuel vehicles, electric vehicles, and hydrogen-based vehicles.
<input checked="" type="checkbox"/>	5) Waste management and disposal	Solid waste and wastewater Typical activities: Solid waste disposal in landfills; Alternative methods of solid waste management, such as gasification, incineration, recycling, and production of fuel derived from waste; Wastewater treatment systems; Biogas management. Typical GHG emissions: CH ₄ emissions from the anaerobic decomposition of organic matter contained in solid waste and wastewater.	Example: conversion of waste into energy (biogas).

b) contribution to the achievement of your country's NDC, if applicable, its long-term low GHG emission development strategy:

¹ Source: [Standard Article 6.4 accreditation Version: 01.0](#)

Has the Host Party submitted a Long-Term Low Emission Development Strategy (LT-LEDS) to the UNFCCC?			
		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
A6.4 Activity Type	NDC Sector	Contribution Description	Contribution to LT-LEDS
Power and heat generation from renewable energy sources: solar, wind, hydroelectric	Energy	<p>Supports the sectoral goal of reducing total emissions from the energy sector by at least 24% by 2050 and 11.5% by 2030 (unconditional).</p> <p>Supports the goal of eliminating carbon-based generation from the electricity matrix by 2026 (conditional).</p> <p>Supports the goal of achieving universal access by 2030 (through the transition to renewable energy) and its intermediate milestones (conditional).</p> <p>Supports the 2030 goal of achieving a contribution of more than 20% from non-conventional renewable energy sources from power plants connected to the SIN and from distributed generation, including its intermediate milestones (conditional).</p> <p>Supports the goal that by 2030 at least 1,700 MW of installed capacity will come from distributed generation through renewable energies, including its intermediate milestones (conditional).</p>	<p>It aligns with the LT-LEDS pillar of a just energy transition, specifically with the catalytic action of promoting the adoption of alternative sources of energy generation and storage.</p> <p>It also aligns with the catalytic action of promoting the use of decentralized and/or environmentally friendly renewable energy sources.</p> <p>It aligns with the catalytic action of electrifying end uses of energy and implementing efficient technologies such as efficient cooking.</p> <p>It aligns with the catalytic action of achieving and sustaining universal access to energy.</p> <p>It aligns with the assumptions used for the projection of the net zero emissions scenario in 2050 (E2) and the carbon negativity scenario with additional actions (E3).</p>
Green Hydrogen production for power and heat generation	Energy	<p>Supports the renewable energy goals outlined above and also:</p> <p>Supports the goal of producing 500,000 tons of H2V and/or derivatives locally by 2030 (conditional).</p>	<p>In addition to those mentioned in the renewable energy activities, the approval of green hydrogen activities supports the achievement of the catalytic action of reducing an additional 200,000 tons of CO2 equivalent by 2040 through the replacement of diesel-powered freight trucks with trucks powered by green hydrogen fuel cells.</p>
Energy efficiency measures in power transmission and distribution	Energy	<p>Supports the achievement of the goal of incorporating, by 2030, at least 5% of the total projected demand in energy storage capacity into the national interconnected electricity system, and its intermediate milestones (conditional).</p>	<p>It aligns with the LT-LEDS pillar of a just energy transition, specifically with the catalytic action of promoting the adoption of alternative sources of energy generation and storage.</p>
Demand-side energy efficiency measures in diverse sectors	Energy	<p>Supports the achievement of the goal of reducing final electricity consumption by 15% compared to the reference scenario (conditional).</p> <p>Supports the achievement of the goal of reducing final fuel consumption by 3% by 2030 compared to 2015 and its intermediate milestones (conditional).</p> <p>Supports the achievement of the goal of reaching, by 2030, an active share of demand exceeding 30% of total energy</p>	<p>Not specified.</p>

		consumption and the intermediate milestones (conditional).	
Introduction of modal shifts, fuel switches and less GHG-intensive transport modes in the transport of freight and passengers	Energy	<p>Support for the goal of ensuring that by 2030, 10%–20% of the total private vehicle fleet will be electric, and its intermediate milestones (conditional).</p> <p>Support for the goal of ensuring that by 2030, 25%–40% of private vehicle sales will be electric vehicles, and its intermediate milestones (conditional).</p> <p>Support for the goal of ensuring that by 2030, 15%–35% of buses in authorized concession fleets are electric, and its intermediate milestones (conditional).</p> <p>Support for the goal of ensuring that by 2030, 25%–50% of public fleets will be composed of electric vehicles (conditional).</p>	<p>It aligns with the LT-LEDS pillar of a just energy transition, specifically with the catalytic action of developing and implementing comprehensive urban mobility programs that use clean and efficient energy sources, as well as a national intermodal program.</p> <p>It aligns with the catalytic action of accelerating the implementation of the goals of the National Electric Mobility Strategy (ENME).</p> <p>It aligns with the assumptions used for the projection of the net zero emissions scenario in 2050 (E2) and the carbon negativity scenario with additional actions (E3).</p>
Wastewater management	Waste	Supports the goal of eliminating coal-based generation from the electricity matrix by 2026 (conditional).	<p>It aligns with the LT-LEDS pillar of a just energy transition, specifically with the catalytic action of promoting the adoption of alternative sources of energy generation and storage.</p> <p>It also aligns with the catalytic action of promoting the use of decentralized and/or environmentally friendly renewable energy sources.</p>

Please provide any additional information that the host Party may deem necessary (optional)²:	
<p>Baseline approaches and other methodological requirements, including additionality, to be applied for A6.4 activities that it intends to host, in addition and subject to and consistent with the RMPs, under the supervision of the Supervisory Body, and subject to further relevant decisions of the CMA, with an explanation of how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy:</p> <p>>> Currently, Panama does not have information regarding baseline approaches or methodological requirements. However, the country is making progress in strengthening its regulatory framework and participation requirements. Once this has been defined, anyone interested in participating in Article 6.4 must comply with these guidelines.</p>	
<p>Crediting periods to be applied for A6.4 activities that it intends to host, including whether the crediting periods may be renewed, subject to the RMPs and under the supervision of the Supervisory Body, and in accordance with further relevant decisions of the CMA, with an 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:</p> <p>>> Currently, Panama does not have information regarding crediting periods to be applied for A6.4 activities. However, the country is making progress in strengthening its regulatory framework and participation requirements. Once this has been defined, anyone interested in participating in Article 6.4 must comply with these guidelines.</p>	
<p>Definition of first transfer pursuant to decision 2/CMA.3, annex, paragraph 2(b)3 as:</p> <p><input checked="" type="checkbox"/> The authorization</p> <p><input type="checkbox"/> The issuance</p> <p><input type="checkbox"/> The use or cancellation of the A6.4ERs</p>	
<p>Exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS⁴</p>	<p>Is the host Party an LDC or SIDS:</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

² The host Party may optionally provide additional information on: i) Baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities as per decision 3/CMA.3, annex, paragraph 27; ii). Crediting periods to be applied for Article 6.4 activities that it intends to host, including whether the crediting periods may be renewed as per decision 3/CMA.3, annex 3, paragraph 27(b); iii) First transfer in case it intends to authorize A6.4ERs for other international mitigation purposes as per decision 2/CMA.3, annex, paragraph 2(b); iv) statement on exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS of all projects or PoAs and CPs.

³ Decision 2/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/sites/default/files/resource/cma2021_10a01E.pdf.

⁴ This provision is only applicable to LDCs and SIDS and is to be checked if the LDC/SIDS hosting the projects or PoAs and CPs therein, chooses not to exempt all project activities or PoAs and CPs from the share of proceeds for adaptation or may be indicated for each project or PoA and CPs at the time of approval of the project or PoA.

	<input type="checkbox"/> The host Party chooses not to exempt all projects or PoAs and CPs from the share of proceeds for adaptation ⁵
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Any additional information:

>> Not applicable.

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
02.0	20 March 2025	Revision to clarify which are the optional elements for the section "additional information that the host Party may deem necessary".
01.0	25 March 2024	Published with revised symbol number (previously A6.4-FORM-AC-001).

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⁵ Please see footnote 3.