

IMPLEMENTING AGREEMENT TO THE PARIS AGREEMENT

BETWEEN

THE SWISS FEDERAL COUNCIL

AND

THE GOVERNMENT OF THE REPUBLIC OF CHILE

The SWISS FEDERAL COUNCIL and the GOVERNMENT OF THE REPUBLIC OF CHILE, thereafter referred to as "the Parties",

Having regard to the friendly relations between the Parties;

Desiring to further strengthen these relations and the fruitful cooperation between the Parties;

Reaffirming the Parties commitment to democracy, rule of law, human rights and fundamental rights in accordance with international law, including the Charter of the United Nations and the Universal Declaration of Human Rights;

Recalling the Paris Agreement, adopted on 12 December 2015, particularly its Articles 4, 6 and 13 and the relevant decisions of its Conference of the Parties;

Reaffirming their intention to amend this Implementing Agreement consistent with further guidance to be adopted by the Conference of the Parties serving as the meeting to the Parties of the Paris Agreement (CMA);

Recalling the United Nations Sustainable Development Goals;

Emphasizing the necessity to reach globally net-zero carbon emissions around 2050 considering Article 4.1 of the Paris Agreement and following the findings of the Intergovernmental Panel on Climate Change (IPCC) in its special report on the impacts of global warming of 1.5 degrees above pre-industrial levels and related global greenhouse gas emission pathways and its sixth assessment report;

Recalling the importance of formulating and communicating to the Secretariat of the Paris Agreement mid-century, long term low greenhouse gas emission development strategies, pursuant to Article 4.19 of the Paris Agreement;

Noting that cooperation under Article 6 of the Paris Agreement allows for higher ambition in mitigation and adaptation action;

Reaffirming the commitment to ensuring transparency and preventing double counting, to protecting the environment, and to promoting sustainable development including the respect of human rights;

Recognizing that the current nationally determined contribution (NDC) of the Swiss Confederation under the Paris Agreement includes the use of internationally transferred mitigation outcomes;

Noting that the Government of the Republic of Chile is considering international transfer of emission reductions provided this is not an obstacle for the compliance with the nationally determined contribution;

Noting that each Party may take the role of Transferor or Receiver under this Agreement;

have agreed as follows:

ARTICLE 1
General definitions

For the purpose of this Agreement, the following definitions apply:

1. "Article 6.2 Guidance" refers to the "guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement", as set out in the Annex to decision 2/CMA.3 and decision 6/CMA.4.
2. "CMA" refers to the Conference of Parties serving as the meeting of the Parties to the Paris Agreement.
3. "Internationally Transferred Mitigation Outcome":
 - a. "Mitigation Outcome" is defined as one tonne of emission reductions or removals measured in metric tonnes of carbon dioxide equivalent (CO_{2eq}) pursuant to Article 4.13 of the Paris Agreement;
 - b. An "Internationally Transferred Mitigation Outcome", hereafter referred to as ITMO, are Mitigation Outcomes that have been authorized by a Party to the Paris Agreement for use towards the achievement of an NDC or Other International Mitigation Purposes.
4. "Acquiring Entity" is an entity that receives the ITMOs authorized under this Agreement.
5. "Mitigation Activity" is a project or programme which mitigates greenhouse gases.
6. "Authorization" is the formal statement that each Party publishes pursuant to Article 4 of this Agreement.
7. "Biennial Transparency Report" refers to the reports defined under Article 13 of the Paris Agreement.
8. "Corresponding Adjustment" are adjustments applied by a Party in the context of reporting on its national inventory to avoid double-counting in the implementation of Article 4, paragraph 13, Article 6, paragraph 2, and Article 13, paragraph 7, of the Paris Agreement, in line with Article 6.2 Guidance.
9. "Entity Authorized" is an entity authorized by the Transferor to participate in the Mitigation Activity and request the transfer of the Mitigation Outcomes authorized under this Agreement;
10. "First Transfer" is the first international transfer of Mitigation Outcomes as defined in Article 6.2 Guidance;
11. "International Registry" is the Registry part of the centralized accounting and reporting platform administrated by the Secretariat of the Paris Agreement;
12. "Issuance" is the creation of a transferable mitigation outcome in a Registry;
13. "Other International Mitigation Purposes" are mitigation purposes other than NDC achievement as set out by Article 6.2 Guidance.
14. "Mitigation Activity Design Document" or "MADD" is a document describing the Mitigation Activity;

15. "Monitoring Report" is a report on the verifiable result indicators of a Mitigation Activity from which Mitigation Outcomes originate. The Entity Authorized is responsible for its preparation;
16. "Nationally Determined Contribution" or "NDC" is the contribution of a Party to the Paris Agreement under its Article 3;
17. "NDC Implementation Period" is the time frame of a NDC of a Party to the Paris Agreement;
18. "Recognition of transfer" is the registration of information in a Registry to confirm a transfer;
19. "Registry" is a digital system to track Mitigation Outcomes;
20. "Receiver" is the Party to this Agreement which recognizes the Mitigation Outcomes internationally transferred in its Registry as ITMOs for possible use or transfer;
21. "Transferor" is the Party to this Agreement where the mitigation activities are or will be taking place and which recognizes the Mitigation Outcomes internationally transferred in its Registry as additions to its emission level covered by its NDC;
22. "Verifier" is the independent third-party entity that verifies Monitoring Reports;
23. "Verification Report" is the report issued by the Verifier confirming the accuracy of content of a Monitoring Report;
24. "Vintage Year" is the year in which a Mitigation Outcome has taken place.

ARTICLE 2

Objective

The objective of this Agreement is to establish the legal framework for the transfers of Mitigation Outcomes for use towards NDC achievement or for Other International Mitigation Purposes in line with Article 6 of the Paris Agreement. In this regard, both Parties shall promote sustainable development and ensure environmental integrity and transparency, including in governance, and robust accounting, including avoidance of double counting.

ARTICLE 3

Environmental integrity and sustainable development

Minimal principles and criteria relevant for ensuring environmental integrity of Mitigation Outcomes, for which transfer and use are authorized, and for the promotion of sustainable development are hereby established:

1. Mitigation Outcomes shall be real, verified, additional to any that would otherwise occur, including current mitigation efforts and plans to comply with the Transferor's NDC, and permanent or achieved under a system that ensures permanence, including by appropriate compensation of any material reversals;
2. Mitigation Outcomes shall represent mitigation achieved from 2021 onwards;
3. The Vintage Year of a Mitigation Outcome and its use should be in the timeframe of the same NDC implementation period; and
4. Mitigation Outcomes shall originate from activities that:

- a. Do not lead to an increase in global emissions, within and between NDC Implementation Periods;
- b. Consider conservative reference levels, baselines set in a conservative way and below “business as usual” emission projections, including by taking into account all existing policies and addressing uncertainties in quantification and potential increase in emissions outside of the activity boundaries;
- c. Are in line with the respective long-term low emission development strategy and the NDC of each Party;
- d. Foster the transition to low emission development, in accordance with net zero greenhouse gases emissions by 2050 at the latest;
- e. Do not include activities based on nuclear energy, or lock-in carbon intensive technologies or practices, in particular any activities locking-in the continued use of fossil fuels;
- f. Promote enhanced climate action and apply any safeguard and limits in accordance with national arrangements against incentives for low ambition by the Parties involved;
- g. Minimize the risk of carbon leakage and adjust for any occurred leakage in the calculation of emission reductions or removals;
- h. Minimize the risk of non-permanence of mitigation across several NDC Implementation Periods and, when reversals of emission reductions or removals occur, ensure that these are addressed in full;
- i. Take into account all existing and planned national policies, including legislation;
- j. Minimize, and where possible, avoid the risk of negative environmental and social impacts, including on air quality and biodiversity, social inequality and the discrimination of population groups based on gender, ethnicity or age and respect national and international environmental regulations;
- k. Are in line with sustainable development and any respective strategies and policies; and
- l. Prevent social conflict and respect human rights, the right to health, the rights of indigenous people, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.

ARTICLE 4

Authorization Cycle

1. Each Party shall establish a process by which entities can submit a request for Authorization of a Mitigation Activity and the international transfer and use of Mitigation Outcomes originating from that Mitigation Activity, publish its national requirements, and inform the other Party of any modification thereof.
2. Each Party may establish a process and any requirements to be fulfilled by entities in order to apply to become an Entity Authorized.
3. All Mitigation Activities require Authorization by each Party, in accordance with the process and any requirements established by that Party in its national framework and in

accordance with Article 3 of this Agreement. Each Party shall provide its Authorization of a Mitigation Activity by publication of the Authorization Form pursuant to Article 5 of this Agreement.

4. Once the Mitigation Activity has been authorized, the Mitigation Outcomes thereof shall be authorized for international transfer and use pursuant to Article 4.6 of this Agreement and Article 6.3 of the Paris Agreement, up to the maximal amount of ITMOs defined pursuant to Article 5.2 of this Agreement and defined in the MADD and pending fulfilment of all transfer requirements pursuant to Article 6 of this Agreement.

5. Each Party shall define its requirements and format for the MADD and should aim to harmonize these requirements as adequate with the other Party.

6. The international transfer and use of Mitigation Outcomes towards NDC achievement or for Other International Mitigation Purposes originated from an authorized Mitigation Activity requires Authorization by each Party, in accordance with Article 6.3 of the Paris Agreement, Article 6.2 Guidance and with Articles 3 of this Agreement and consistent with respective national requirements. Each Party shall provide its Authorization of the international transfer and use of Mitigation Outcomes of an authorized Mitigation Activity by publication of the Authorization Form pursuant to Article 5 of this Agreement.

7. Each Party shall publish its Authorizations, including the MADDs, in English, in their respective Registry defined pursuant to Article 8.1 of this Agreement, and inform the other Party thereof, including updates or changes of the Authorizations Form.

8. Consistent with a request of the Entity Authorized, each Party may update or change its Authorization Form, i.e. the elements pursuant to Article 5.1 and 5.2 of this Agreement, according to paragraph 7 of this Article and consistent with its national requirements. The other Party may update or change its Authorization Form or approve the update or change by the other Party pursuant to paragraph 9. The changes or updates to the Authorization Form must be authorized by both Parties. The updates or changes become valid pursuant to paragraph 9 of this Article. Each Party may at any time update or change information pursuant to Art 5.3 in its Authorization Form.

9. Each Party shall review consistency between their corresponding Authorization Forms and inform the other Party through a published statement in the case of inconsistency. In relation to the Mitigation Activity, in absence of a statement of inconsistency, a Mitigation Activity is authorized as per paragraph 3 of this Article, respectively, after 30 calendar days from the date on which Authorization Forms from both Parties are published. In the case of ITMOs, in absence of a statement of inconsistency, the international transfer and use of Mitigation Outcomes originating from an authorized Mitigation Activity are authorized as per paragraph 6 of this Article, respectively, after 30 calendar days from the date on which Authorization Forms from both Parties are published.

ARTICLE 5

Authorization Form

1. An Authorization Form shall reference the MADD and include:
 - a. Specification whether this Authorization Form authorizes the Mitigation Activity and/or the ITMOs originating from that Mitigation Activity for international transfer and use;
 - b. An identification of the Mitigation Activity from which the Mitigation Outcomes originate;

- c. Information on the origin (activity, sector, and geographical location);
 - d. A definition of, *inter alia*, the applied standard or baseline methodologies, and requirements for Monitoring and Verification Reports;
 - e. A definition of the crediting period for the Mitigation Activity;
 - f. A definition of the NDC Implementation Period(s) during which the ITMOs are authorized for use, as appropriate;
 - g. The total cumulative maximal amount of ITMOs generated from the Mitigation Activity;
 - h. Any conditions or eligibility criteria for the transfer and use of Mitigation Outcomes;
 - i. A reference to the corresponding Authorization of the other Party, where applicable.
2. An Authorization of the Transferor shall include identification of the Entity Authorized.
3. For completion of the Authorization Cycle, each Party may reference in its Authorization Form information on the fulfillment of all transfer requirements pursuant to Article 6 of this Agreement. Any changes to this information shall not affect the authorization itself, pursuant to Article 4 of this Agreement:
- a. The exact amount of ITMOs verified and authorized
 - b. The vintage year of the authorized ITMOs
 - c. Information on the unique identifier of the authorized ITMOs consistent with Article 6.2 Guidance; and
 - d. Information on the use (towards NDC achievement or for Other International Mitigation Purposes);
 - i. In case that the use is for Other International Mitigation Purposes, specification of the mitigation purpose and the name of the entity that will use the ITMOs, where available.

ARTICLE 6

Monitoring, verification and examination

1. Monitoring Reports and verification thereof are required for each Authorized Mitigation Activity. A Verifier approved by each Party selected by the Entity Authorized establishes a Verification Report and submits the Verification and Monitoring reports to each Party.
2. Each Party shall make information on approved Verifiers publicly available.
3. Each Party shall publish the Verification and Monitoring Reports, consistent with national requirements.
4. Each Party shall assess the Verification and Monitoring Reports based on the requirements defined in the Authorization Form pursuant to Article 5.1.d. of this Agreement. Both Parties have a period of 90 calendar days from the date of the submission of the Verification and Monitoring Reports to assess the Verification and Monitoring Reports and notify the Approval of the report. Approval from both Parties shall take effect to declare the report as approved.
5. The Transferor shall examine the Mitigation Outcomes from an authorized Mitigation Activity, within 90 calendar days from the date of submission of the Verification and Monitoring Reports by the Verifier.
 - a. No double claiming of the Mitigation Outcomes under other national or international systems or aims;

- b. No evidence of discrepancy with the provisions in the Authorization Form;
- c. No evidence of violation of human rights, the rights of indigenous people, or of national legislation of the Transferor in the implementation of the Mitigation Activity from which the Mitigation Outcomes originate.

The Transferor shall publish an examination statement specifying the exact amount of verified Mitigation Outcomes authorized for international transfer and use pursuant to Article 4.6 of this Agreement, and notify the Receiver as well as the Entity Authorized.

6. Upon positive examination by the Transferor, the Receiver shall issue within 30 calendar days a confirmation of the fulfilment of the requirements for international transfer and the use of the respective Mitigation Outcomes. The Receiver shall make the confirmation publicly available and notify the Transferor as well as the Entity Authorized thereon.

ARTICLE 7

Recognition of transfer

Each Party shall recognize authorized international transfers of Mitigation Outcomes for which positive statements from the Parties are available pursuant to Articles 6.5 and 6.6 of this Agreement:

1. The Transferor may issue authorized ITMOs in its Registry, where that Registry is linked to the International Registry, consistent with Article 6 of the Paris Agreement, or request Issuance in the International Registry account, where possible.
2. International transfer of ITMOs requires a respective request of the Entity Authorized to the Transferor. The Transferor shall ensure notification of the transfer to the Acquiring Entity and the Receiver. Such notification shall include identification of the Acquiring Entity and information on the amount of ITMOs, unique identifiers for each ITMO clarifying the origin and Vintage Year, the applicable method for corresponding adjustment pursuant to Article 9 of this Agreement.
3. In case the ITMOs may be used towards Other International Mitigation Purposes the First Transfer is defined as the recognition of transfer pursuant to this Article corresponding to the Issuance referred to in Article 6.2 Guidance, unless the Parties agree otherwise in accordance with Article 6 of the Paris Agreement
4. Upon recognition of international transfer or First Transfer of the ITMO, the Transferor shall recognize the international transfer through cancellation of the ITMO in the Registry, where such ITMOs has been issued, and apply corresponding adjustment pursuant to Article 9 of this Agreement.
5. Upon recognition of international transfer or First Transfer of the ITMO, the Receiver shall recognize the ITMOs in the Registry pursuant to Article 8 of this Agreement. The Receiver shall notify to the Transferor when the ITMOs are used and, where used towards NDC achievement, ensure application of corresponding adjustment pursuant to Article 9 of this Agreement.

ARTICLE 8

Registry

1. Each Party shall define and use a Registry with the following properties for the recognition of transfer:
 - a. The Registry shall make public all information relevant under this Agreement, in accordance with national confidentiality principles;
 - b. The Registry shall be updated pursuant to the publication of Authorizations Forms and the recognition of transfers under Articles 7.2 and 7.3 of this Agreement, respectively;
 - c. The Registry shall include i.a. unique identifiers for all ITMOs authorized under this Agreement, information regarding the origin and the Vintage Year, a reference to the Authorizations Form.
2. Parties may define a Registry jointly used for Issuance and/or transfer and/or tracking of international units representing ITMOs and exchange of information for the fulfilment of the reporting requirements in accordance with Article 6.2 Guidance.
3. Each Party shall record all the data and information in the Registry to comply with tracking obligations from the Article 6.2 Guidance.

ARTICLE 9

Corresponding adjustment

In order to avoid double counting, each Party shall apply corresponding adjustments for each ITMO authorized under this Agreement, in accordance with Article 6 of the Paris Agreement.

ARTICLE 10

Reporting

1. Each Party shall comply with their reporting obligations under the Paris Agreement, including the submission of an Initial Report, Biennial Transparency Reports (including regular information) and annual information in line with Articles 6 and 13 of the Paris Agreement, Article 6.2 Guidance, the guidance under the Article 13 and other relevant decisions adopted by the CMA.
2. Each Party shall ensure that its submitted reports and information are consistent with this Agreement.

ARTICLE 11

Fees and charges

1. The Transferor shall ensure that any fees and charges imposed by the Transferor on or in connection with Authorizations, or the implementation of any Mitigation Activities authorized under this Agreement, shall be:
 - a. non-discriminatory; and

- b. reasonable and not applied with a view to, or with the effect of, creating unnecessary obstacles to the conduct of a Mitigation Activity or Mitigation Activities under this Agreement.
2. The Transferor shall also ensure that all such fees and charges be commensurate with the cost of services rendered.
3. The Transferor shall notify the Receiver of any changes to such fees and charges in writing, at least three months before such changes take effect. The notification to the Receiver shall include an explanation for the relevant changes to such fees and charges.

ARTICLE 12

No double counting with international climate finance

The resources used for the acquisition of ITMOs authorized under this Agreement shall not be reported as support provided or mobilized under Article 9, 10 and 11 of the Paris Agreement, unless the Parties to this Agreement agree otherwise in accordance with Article 13.13 of the Paris Agreement.

ARTICLE 13

Competent authorities

1. Chile has authorized the Ministry of Environment to act on its behalf in implementing this Agreement in national matters. For the representation of Chile in international issues related to this agreement, the country designates the Ministry of Foreign Affairs, with the technical advice of the Ministry of the Environment.
2. The Swiss Confederation has authorized the Federal Department of the Environment, Transport, Energy and Communications, acting through the Federal Office for the Environment (FOEN), to act on its behalf in implementing this Agreement.

ARTICLE 14

Common Concern

The Parties agree to combine their efforts to fight corruption and, in particular, declare that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomever, directly or indirectly, with a view to being awarded an authorization or a recognition of transfer under this Agreement, will be construed as an act contrary to the present agreement or corrupt practice. Any act of this kind constitutes sufficient grounds for suspending recognition of transfers pursuant to Article 19 of this Agreement. The Parties shall promptly inform each other of any well-founded suspicion of an illegal act or corrupt practice.

ARTICLE 15

Entry into force

This Agreement shall enter into force 60 calendar days following the date of receipt of the last written notice by which one of the Parties notifies the other, through diplomatic

channels, of the completion of its respective internal requirements for entry into force of this Agreement.

ARTICLE 16

Amendments

Any modification or amendment to the present Agreement shall be made in writing with the mutual agreement of both Parties.

ARTICLE 17

Settlement of disputes

Any dispute between the Parties concerning the interpretation or application of this Agreement shall be resolved by direct negotiations by diplomatic channels.

ARTICLE 18

Denunciation of this Agreement

1. Any Party may denounce this Agreement by written notification to the other Party. Such denunciation shall take effect four calendar years after the end of the NDC Implementation Period during which the denunciation is communicated. Such alignment of the time frame for denunciation ensures legal effect of this Agreement over the full time period during which obligations in this Agreement are implemented by the Parties.
2. The Entities Authorized shall be informed by the Transferor immediately on the termination of the Agreement.

ARTICLE 19

Suspension of recognition of transfers

1. Any Party may suspend a recognition of transfer if
 - a. The other Party is in non-compliance with Article 4.2 of the Paris Agreement, whereby consideration of compliance should be based on relevant considerations by the committee established under Article 15 of the Paris Agreement;
 - b. The other Party is in non-compliance with the Article 4, 5, 6, 7, 9, 10 or 12 of this Agreement.
2. Such suspension of recognition of transfer shall be communicated by written notification to the other Party and shall take effect 30 calendar days from the date of receipt of the written notification or on later date as specified in that notification.

ARTICLE 20

Termination

1. This Agreement and all authorizations under this Agreement shall terminate if any of the Parties withdraws from the Paris Agreement.

2. Such termination shall take effect on the same date as the date on which the Party's withdrawal from the Paris Agreement takes effect.

Done in Dubai on 9 December 2023 in two original copies in English, Spanish and German languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

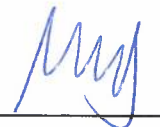
In witness whereof, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

FOR THE SWISS FEDERAL COUNCIL



Albert Rösti
Federal Councillor
Minister of the Environment, Transport,
Energy and Communications

**FOR THE GOVERNMENT OF THE
REPUBLIC OF CHILE**



María Heloisa Rojas Corradi
Minister of Environment