



## **Non-market approaches under the Convention**

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### **WHAT IS A NON-MARKET-BASED APPROACH?**

This approach is aimed to reorient the climate change actions in the context of the principles and provisions of the Convention addressing reduction of emissions to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would protect the health and integrity of Mother Earth, without the transference, trade or offsets of units of CO<sub>2</sub>e among Parties, and ensuring the achievement of joint mitigation and adaptation co-benefits, taking into account that sustainable mitigation is only possible through adaptation. The non-market-based approach takes into consideration the right of Mother Earth to the non-commodification and financialization of their environmental functions.

### **THE UNFCCC IS INHERENTLY A NON-MARKET-BASED APPROACH**

The article 3 about the principles of the UNFCCC calls for the protection of the climate systems for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Also article 4 about the commitments of Parties with the Convention is based on cooperation, solidarity, complementarity and financial, technological and capacity building support from developed to developing country Parties, favoring to the most vulnerable.

### **THE CLIMATE CHANGE CONTEXT**

Cumulative global emissions have totaled about 1214 GT in 1850-2008. Of this total, Annex I countries accounted for 878 GT or 72% of the total. Since their share of population was about 25%, so their fair share was 310 GT and their overuse was 568 GT. Non Annex I countries accounted for 336 GT or 28% of the total. Their fair share was 904 GT and under-use was 568 GT. The carbon debt of Annex I countries was thus 568 Gton for the period 1850-2008. They are still accumulating debt because their actual emissions as a group in 2009 still exceed their fair share.

Limiting temperature rise to within 1.5 degrees, CO<sub>2</sub> emissions in 2010-2050 must be kept to below 450 GT. Therefore, in order to prevent the increase of climate change to much more less than 1.5 degrees is necessary:

1. Establish the target global emissions of less than 450 GT by 2050.
2. Divide that amount between the percapita world population in 2050, which is nearly of 120 GT for developed countries and 630 GT by developing countries, whilst

applying some coefficients to get into the principles of the Convention of historical responsibility, CBDR and equity.

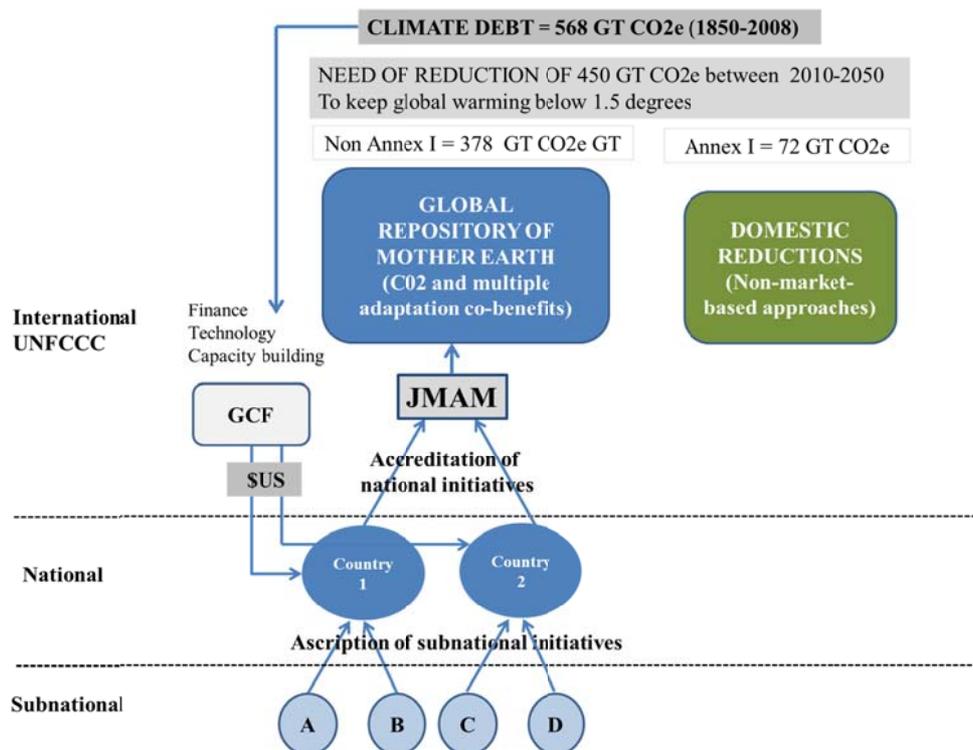
In sharing the remaining carbon space in 2010-2050 two concepts are needed: (1) The allocation of carbon space as according to rights and responsibilities; (2) The actual carbon budget (and related physical emissions reduction schedule) that countries eventually put forward as what they can physically undertake.

There could be a difference between the allocation of responsibilities and rights, and the actual emissions reduction or related budgets. Therefore: Countries that cannot meet their allocated budget or emission cut can compensate for this unmet part of their obligation and countries that do not make full use of these rights, can obtain the funds for their actions.

### **THE NEED FOR RECOGNITION OF AN INTEGRATED NON-MARKET-BASED APPROACHES AT THE UNFCCC**

Non-market-based approaches imply establishing a global ethical commitment with Mother Earth in order to prevent global warming much more less than 1.5 degrees.

The recognition of international institutional arrangements based on non-market-based approaches at the UNFCCC is important in order to effectively articulate ambitious efforts on mitigation and adaptation to climate change in a holistic and comprehensive way. Also, to address comparable efforts, transfer finance, technology and capacity building in a not discriminatory way whilst supporting the most vulnerable countries in a systematic manner. Finally, it is necessary in order to establish a system of measurement, monitoring, verification and reporting, particularly for public funds to be provided from developed countries to developing countries.



The development of non-market-based-approaches under the COP implies the following interrelated aspects:

1. Developed countries must be committed to pay their **climate debt** (568 GTN) – through financial and technology support to developing country parties, plus ensuring no new debt is being created from now onwards. The payment must be disbursed at the Green Climate Fund (GCF).
2. Strengthening the **reduction of emissions of developed countries through national non-market-based schemes** in order to address immediate reductions of CO<sub>2</sub>e to almost zero, enabling developing countries to have more atmospheric space. This can include a variety of approaches, including direct emissions pricing (carbon tax); subsidy reforms; feed-in tariffs; energy efficiency and other negative cost measures, and tackling consumption as elements of a non-market-based approaches.
3. Establishment of a **Global Repository of Mother Earth (GRME)**, in which developing country parties register CO<sub>2</sub>e reductions and multiple adaptation co-benefits, as a result of the achievement of voluntary commitments on mitigation and adaptation using climate debt payments by developed country Parties. Joint mitigation and adaptations units included in the GRME are not transferable and tradable, and are the ethical contribution of Parties towards Mother Earth.
4. Establishment of the **Joint Mitigation and Adaptation Mechanism for the Integral and Sustainable Management of Forests and Mother Earth** articulated

to the GRME as one of the main instruments to achieve joint mitigation and adaptation voluntary commitments. In turn, developing country Parties are able to ascribe national initiatives to the JMAM in order to receive support of the Green Climate Fund (GCF).

5. Development of additional initiatives of mitigation and/or adaptation by developing country Parties to be articulated to the GRME.

The greatest challenge to developing countries is to de-couple conventional economic growth from emissions growth. This can be achieved adequately using international cooperation in transfers of finance and environmentally-sound technology. Higher levels of finance and technology transfers would lead to a greater efficiency in terms of lower emissions per capita while allowing GNP per capita to grow, and enable mitigation actions of developing countries.

## **THE JOINT MITIGATION AND ADAPTATION MECHANISM**

The non-market-based approach implies the constitution of the Joint Mitigation and Adaptation Mechanism (JMAM) operating under the guidance of the COP as one of the main instruments to fill out the global repository of Mother Earth with ethical CO<sub>2</sub>e reductions and multiple adaptation co-benefits.

The JMAM is an instrument to provide joint mitigation and adaptation commitments generated at the national level and registered at the international level in the GRME. The GCF provides to JMAM initiatives ex ante and ex post funding in order to achieve such commitments. The basic of the JMAM are: a) strengthening forest and landscapes governance; b) planning of systems of life of Mother Earth and sustainable productive systems; c) common multiactoral agreements about joint mitigation and adaptation goals; d) integrated support for promotion of sustainable productive systems at the local and community level; and e) holistic monitoring including mitigation and adaptation to climate change.

The JMAM allows the establishment of agreements of joint mitigation and adaptation between the UNFCCC (Green Climate Fund) governance body and developing country Parties (through a national JMAM entity) based on a composite of ex ante and ex post sustained public financing.

The JMAM works on through the ascription of initiatives developing integral and sustainable management of the forests integrating to them joint mitigation and adaptation approaches. Through this process it captures all the collective efforts developed by people and communities at different scales and governance levels, then strengthening polycentric governance on climate change.

## **DECISION AT THE COP TO STRENGTHEN AN INTEGRATED NON-MARKET-BASED APPROACH**

- Decides to establish the Global Repository of the Mother Earth, considering mitigation and adaptation co-benefits to protect the integrity of Mother Earth and people, articulated to the Green Climate Fund (GCF).
- Decides to establish the Joint Mitigation and Adaptation Mechanism (JMAM) to work under the Convention as a non-market based instrument to enhance voluntary joint mitigation and adaptation efforts of developing country Parties, including through a process of ascription to the Global Repository.
- Decides to enhance non-market-based approaches for the domestic reduction of emissions by developed country parties.
- Call for exchange of information by developing country Parties in order to promote additional initiatives of mitigation and/or adaptation to be articulated to the GRME.
- Decides to call SBSTA for the development of methodologies and procedures for non-market-based approaches in order to take a decision about the comprehensive implementation of an integrated non-market-based approach at the COP20.