

## SBSTA 48

### Agenda item 12(c)

# Revised informal note containing draft elements of the draft decision on the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

Version @ 17:00 of 8 May 2018 (edited)

*Parties focussed their work on identifying omissions, mistakes and misrepresentations as compared to Party submissions and the co-chairs sought to reflect these in these revised draft elements. General comments relating to structuring or phrasing that did not fall within omissions, mistakes and misrepresentations are not included at this stage. In relation to all the draft elements, there is an implicit “no” option, and so “no” options are not reproduced in all places. Some terms are used to help make the draft elements more succinct; further explanation may be found in paragraphs 8-12 and 15 of document SBSTA48.Informal.4. These revised draft elements are a work in progress and do not represent a consensus. They are offered by the co-chairs as an informal note to support Parties on their work in relation to this SBSTA agenda sub-item.*

## I. Preamble

**Option A** {list of preambular paragraphs} {potential list below}

*Pp1 Recognizing the need to ensure that non-market approaches under the framework for non-market approaches defined in Article 6, paragraph 8, of the Paris Agreement, hereinafter referred to as non-market approaches (NMAs), to aim to promote mitigation and adaptation ambition,*

*Pp2 Also recognizing the need to ensure that NMAs provide incentives for progression beyond participating Parties’ then current nationally determined contributions,*

*Pp3 Further recognizing the need to ensure that NMAs support participating Parties in meeting their mitigation objectives,*

*Pp4 Recalling that Parties to participate in NMAs on a voluntary basis,*

*Pp5 Recalling the need to ensure that the NMAs do not duplicate work under the Convention, the Kyoto Protocol, the Paris Agreement or other multilateral forums,*

*Pp6 Recalling that NMAs encourage international cooperation among stakeholders,*

*Pp7 Recalling that NMAs to identify opportunities to encourage Parties in replicating successful initiatives in thematic areas thus helping them to efficiently deliver their NDCs,*

*Pp8 Recalling that NMAs to be achieved through capacity building, while neither adversely affecting human rights nor employing discriminatory practices,*

**Option B** {list of preambular paragraphs, including principles} {potential list in Option A of section II below}

**Option BC** {no list of preambular paragraphs}

{no text required}

## II. Principles

### Option A *{list of principles}*

1. The following principles to guide the implementation of the framework for non-market approaches referred to in Article 6, paragraph 9, of the Paris Agreement<sup>1</sup> (hereinafter referred to as the framework) and the work programme under the framework for non-market approaches referred to in decision 1/CP.21, paragraph 39 (hereinafter referred to as the work programme) *{potential list below}*:

- (a) Principles for the framework *{further potential list below}*:
  - (i) Provide opportunities for sharing experience and best practices;
  - (ii) Preserve national prerogatives in relation to sustainable development in the implementation of NMAs;
  - (iii) Provide enhanced support to developing countries through finance and capacity-building for the implementation of NMAs;
  - (iv) Operate within the context of Article 6 as a whole;
- (b) Principles for NMAs that are under the framework *{further potential list below}*:
  - (i) NMAs to contribute to the objectives of the Paris Agreement referred to in its Article 2;
  - (ii) In accordance with Article 6, paragraph 1, Parties **may to** participate in NMAs on a voluntary basis;
  - (iii) In accordance with Article 6, paragraph 1, NMAs allow for higher ambition of participating Parties in their mitigation and adaptation actions;
  - (iv) Pursuant to Article 6, paragraph 1, NMAs **should to** promote environmental integrity;
  - (v) In accordance with Article 6, paragraph 8, NMAs are integrated, holistic and balanced and are to assist in the implementation of nationally determined contributions (NDCs);
  - (vi) In accordance with Article 6, paragraph 8, NMAs promote sustainable development and poverty eradication;
  - (vii) In accordance with Article 6, paragraph 8(a), NMAs to aim to promote mitigation and adaptation ambition;
  - (viii) In accordance with Article 6, paragraph 8(b), NMAs to aim to enhance public and private sector participation in the implementation of NDCs;
  - (ix) In accordance with Article 6, paragraph 8(c), NMAs to aim to enable opportunities for coordination across instruments and relevant institutional arrangements;
  - (x) In accordance with the preamble to the Paris Agreement, NMAs **should to** not infringe human rights and other rights;
  - (xi) NMAs **should to** provide incentives for progression beyond participating Parties' then current NDCs pursuant to Article 4, paragraph 3;
  - (xii) NMAs **should to** maintain harmony among environmental, social and economic dimensions of sustainable development, taking into consideration Article 4, paragraphs 7 and 15;
  - (xiii) NMAs **should to** assist participating Parties in implementing the objectives of their NDCs;
  - (xiv) Parties participating in NMAs to ensure that the NMAs do not duplicate work under the Convention, the Kyoto Protocol, the Paris Agreement or other multilateral forums;
  - (xv) NMAs are not reliant on market-based approaches but may provide incentives for domestic mitigation actions in the form of payments without transfer of units;
  - (xvi) NMAs **should to** ensure manageable sustainable development transition for all Parties;
  - (xvii) NMAs **should to** avoid unilateral measures and employ non-discriminatory practices.

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<sup>1</sup> References to "Article" are to articles of the Paris Agreement, unless otherwise specified.

**Option B {list of preambular principles}**

{see Option A of section I above}

**Option C {no principles}**

{no text required}

### III. Definitions

2. For the purpose of this decision on the work programme under the framework for non-market approaches referred to in decision 1/CP.21, paragraph 40 (hereinafter referred to as this decision), the definitions contained in Article 1 and the provisions referred to in Article 17 to apply. Furthermore, *{potential list below}*:

- (a) An “**internationally transferred mitigation outcome**” and “**ITMO**” have the meaning given to it in the guidance on cooperative approaches referred to in Article 6, paragraph 2;
- (b) A “**nationally determined contribution limitation quotient unit**” has the meaning given to it in the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4.

*{further definitions may be required for implementation}*

### IV. Objectives /purposes

#### A. Framework

3. The objectives/purposes of the framework are *{potential list below}*:

- (a) To contribute to the objectives of the Paris Agreement as set out in its Article 2;
- (b) To allow for higher ambition of Parties in their mitigation and adaptation actions and to promote sustainable development and environmental integrity as referred to in Article 6, paragraph 1;
- (c) To promote NMAs as referred to in Article 6, paragraph 9;
- (d) To address the concerns of Parties with economies most affected by the negative social and economic impacts of response measures, particularly developing country Parties, as referred to in Article 4, paragraph 15.

#### B. Work programme

4. The objectives/purposes of the work programme are *{potential list below}*:

(a) To consider how to enhance linkages and create synergy between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building and how to facilitate the implementation and coordination of NMAs as referred to in decision 1/CP.21, paragraph 39;

(b) To enhance public and private sector participation in the implementation of NDCs as referred to in Article 6, paragraph 8(b).

*{further development may be required for implementation, including by specifying functions of the framework and programme}*

### V. Scope of the framework

#### A. Non-market approaches under the framework

##### 1. Aims of non-market approaches as referred to in Article 6, paragraph 8(a), (b) and (c)

5. Each NMA to:

**Option A {meet all the aims}**

- (a) aim to achieve all of the aims of NMAs referred to in Article 6, paragraph 8(a), (b) and (c).

**Option B {meet at least one of the aims}**

- (b) aim to achieve at least one of the aims of NMAs referred to in Article 6, paragraph 8 (a), (b) and (c).

**Option C {apply in the context of Article 6, paragraphs 2 and 4}**

- (c) apply in the context of Article 6, paragraph 2, and Article 6, paragraphs 4–7.

**Option D {no reference to the aims}**

{no text required}

**2. Voluntary cooperation between Parties in the implementation of their NDCs**

6. Each NMA to {potential list below}:

- (a) Involve more than one participating Party in voluntary cooperation that is bilateral, regional or multilateral;
- (b) Involve more than one participating Party and public and private sector participant(s);
- (c) Encourage voluntary cooperation between Parties;
- (d) Aim to assist in the implementation of NDCs of the participating Parties.

**3. Relationship with/ Nature of NMAs in relation to internationally transferred mitigation outcomes referred to in Article 6, paragraph 2**

7. Each NMA not to {potential list below}:

- (a) Create or issue any ITMOs/nationally determined contribution limitation quotient units;
- (b) Transfer any ITMOs;
- (c) Involve any market-based approaches.

**4. Integrated, holistic and balanced nature of NMAs**

8. Each NMA to {potential list below}:

- (a) Cover more than one of each of the following areas: mitigation, adaptation, finance, technology transfer and capacity-building;
- (b) Avoid duplication with the work of subsidiary and constituted bodies under or related to the Convention, the Kyoto Protocol and the Paris Agreement and other multilateral
- (c) Aim to promote sustainable development and poverty eradication in accordance with Article 6, paragraph 8.

**VI. Governance of the framework** {Option C may not be mutually exclusive with Option B and Option D. Option C may be further developed with elements from Option B and Option D}

**Option A {SBSTA agenda item}**

9. The Subsidiary Body for Scientific and Technological Advice (SBSTA) to implement the framework and the work programme at its first/second/first and second sessional period meeting each year, with its first meeting taking place at its X session.

**Option B {task force}**

10. A task force for the framework (hereinafter referred to as the task force) is hereby established to implement the framework and the work programme.

11. The Chair of the SBSTA to convene the task force, which will meet twice a year in conjunction with the sessions of the SBSTA {further development may be required for implementation, including when the task force will meet for the first time}.

12. The task force to comprise *X* members as follows:
- (a) *X* members from Parties to the Paris Agreement, with balanced regional representation, appointed by the President of the Conference of the Parties (COP)/elected by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);
  - (b) *X* members from social organizations nominated by Parties, with balanced regional representation;
  - (c) *X* members from the Board of the Green Climate Fund (GCF), the Technology Executive Committee (TEC) and the Paris Committee on Capacity-building *{further development may be required for implementation, including consideration of members from the other operating entities of the financial mechanism}*.
13. Two co-chairs of the task force to be appointed, one being a member from a developing country Party and one from a developed country Party.

*{further development may be required for implementation, including functions of the task force, rules of procedure, budget and workplan, and membership issues such as nomination, qualifications and term of office, quorum and participation of observers}*

**Option C *{permanent forum held in conjunction with the meetings of the subsidiary bodies}***

14. A forum for the framework (hereinafter referred to as the forum) is hereby established to implement the framework and the work programme.

15. The Chair of the SBSTA to convene the forum, which will meet in conjunction with the first/second/first and second sessional period meeting of the SBSTA.

*{further development may be required for implementation, including when the forum will meet for the first time}*

**Option D *{existing committees and structures (e.g. Adaptation Fund, Standing Committee on Finance) with or without expansion of their terms of reference}***

16. The existing constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement that carry out activities relevant to the work programme activities under the framework to:

- (a) Implement the relevant work programme activities under the framework, to the extent possible within their existing terms of reference and the availability of their financial resources; and/or
- (b) Review their terms of reference and work programme activities, where necessary, with a view to enabling them to carry out the relevant work programme activities under the framework in the context of the implementation of the framework and the work programme and, where appropriate, recommend draft revisions to their terms of reference and work programme for consideration and adoption by the COP, the CMA, or the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), as appropriate, at its *X*, *Y* and *Z* session, respectively.

*{further development may be required for implementation, including processes whereby the COP, the CMP or the CMA request the relevant existing bodies to implement the related work programme activities under the framework and/or to review their terms of references based on recommendations from the SBSTA}*

**Option E *{Committee for the Future}***

17. The Committee for the Future is hereby established. The Committee for the Future to implement/supervise the framework and the work programme, under the authority and guidance of the CMA.

*{further development may be required for implementation, including functions of the Committee for the Future, rules of procedure, budget and workplan, and composition of the Committee for the Future including membership, nomination, qualifications and term of office, and on chairs, quorum and participation of observers. In addition, on how often the Committee for the Future will meet and when it will meet for the first time}*

**Option F *{Party determines its own governance structures}***

18. Any Party may establish its own governance arrangements for the framework in order to implement the framework and supervise its national work programme under the framework within the Party.

19. In order to facilitate the implementation, each participating Party is encouraged to voluntarily develop its national work programme, determine NMAs within the Party and report on the implementation of the NMAs in accordance with paragraph 30 below *{see option B of section IX (Reporting)}*.

*{further development may be required for implementation, including in relation to other sections of this draft decision}*

**Option G {through the work programme, jointly by the SBSTA and the SBI, in consultation and with existing UNFCCC bodies}**

20. The Subsidiary Body for Implementation (SBI) and the SBSTA to jointly coordinate the framework and the work programme, including through the technical examination process on mitigation referred to in decision 1/CP.21, paragraph 109 and that on adaptation referred to in decision 1/CP.21, paragraph 124.

*{further development may be required for implementation, including any decisions to enable the technical examination process post-2020. In addition, on how, when and how often the SBI and the SBSTA will jointly meet}*

21. The secretariat to, in consultation with the Technology Executive Committee (TEC) and the Climate Technology Centre and Network and in accordance with their respective mandates, conduct the technical examination process on mitigation.

*{further development may be required for implementation, including reporting from the secretariat to the SBI and the SBSTA}*

22. The Adaptation Committee to, in consultation with the Standing Committee on Finance, the TEC, the Least Developed Countries Expert Group (LEG) and observer constituencies and with support from the secretariat, conduct the technical examination process on adaptation.

*{further development may be required for implementation, including how the terms of reference of the Adaptation Committee would be revised if they do not cover relevant work programme activities under the framework and reporting from the Adaptation Committee to the SBI and the SBSTA}*

**Option H {no organizational arrangements for the framework}**

*{no text required}*

## VII. Modalities of the work programme

**Option A {collective approach}**

23. The governance of the framework referred to in section VI above (Governance of the framework) (hereinafter referred to as the A6.8 governance) to, in implementing the work programme activities referred to in section VIII (Work programme activities), apply the following modalities of the work programme, as appropriate *{potential list below}*:

- (a) Workshops;
- (b) Regular meetings with public and private sector participants, including technical experts, business, civil society organizations and financial institutions, and the subsequent publication of the outcomes of the regular meetings;
- (c) A web-based repository of submissions from Parties, observer organizations and public and private sector participants;
- (d) A public web-based platform that facilitates identification of opportunities to enhance linkages and create synergies between, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building;
- (e) A public web-based platform that aims to match the needs of participating Parties and public and private sector participants for the development and implementation of NMAs with the support offered by other Parties and other public and private sector participants;
- (f) A public web-based registry for the Adaptation Benefit Mechanism;
- (g) A public web-based registry for the environmental balance index;
- (h) Technical papers and synthesis reports prepared by the secretariat;
- (i) Coordination, where needed, between the A6.8 governance and the forum on the impact of the implementation of response measures referred to in decision 1/CP.21, paragraph 33 *{further development may be required for implementation}*;

- (j) Technical examination process on mitigation referred to in decision 1/CP.21, paragraph 109 and that on adaptation referred to in decision 1/CP.21, paragraph 124, with a condition that there is a decision to continue technical examination processes post-2020.

**Option B {national approach} {potential list below}**

24. Parties voluntarily developing and implementing national work programmes in accordance with paragraphs 18 and 19 above and public and private sector participants developing and implementing NMAs within the Parties may make submissions on their work programmes to the SBSTA, as appropriate {see Option F of section VI (Governance of the framework)}.

**Option C {negative list of the modalities of the work programme}**

25. The A6.8 governance to, in implementing the work programme activities referred to in section VIII (Work programme activities), refrain from applying the following modalities of the work programme {further development may be required for implementation}.

**Option D {decide modalities after decision on the work programme}**

26. The SBSTA to develop and recommend draft modalities of the work programme for consideration and adoption by the CMA at its second session (November 2019), taking into account recommendations from the A6.8 governance.

## VIII. Work programme activities

### A. Stepped activities

27. The A6.8 governance to implement the following stepped activities in the period X–Y with a view to achieving the objectives/purposes of the work programme referred to in section IV. B (Work programme) {potential list below}:

- (a) STEP 1: Identify areas of focus by:

**Option A {outputs of the technical examination process}**

- (i) drawing on the outputs of the technical examination processes on mitigation and adaptation.

**Option B {guidance for the areas of focus}**

- (ii) developing guidance for the areas of focus.

**Option C {guidance for the areas of focus plus identifying the specific areas in this decision}**

- (iii) developing guidance for the areas of focus, including {further potential list below}:

- a. Joint mitigation and adaptation for the integral and sustainable management of forests;
- b. Social ecological resilience;
- c. Avoidance of greenhouse gas emissions;
- d. Ecosystem-based adaptation;
- e. Integrated water management;
- f. Energy efficiency schemes;

- (b) STEP 2: Identify existing activities in the areas of focus that are considered to be NMAs in accordance with section V.A above (Non-market approaches under the framework);

- (c) STEP 3: Identify existing linkages, synergies, coordination and implementation in relation to those NMAs, and identify, record and evaluate the positive and other experience from those NMAs {further development may be required for implementation};

- (d) STEP 4: Identify opportunities to enhance the existing linkages, create synergies, and facilitate coordination and implementation of NMAs, including in the local, national and global context {further development may be required for implementation};

- (e) STEP 5: Assess the results of the previous steps and develop and recommend conclusions on how to enhance existing linkages and create synergies for consideration by the CMA at its X session {further

*development may be required for implementation, including whether to recommend conclusions on how to facilitate the implementation and coordination of NMAs};*

- (f) STEP 6: Take action to enhance linkages and create synergies while avoiding duplication of its activities with those under the subsidiary and constituted bodies under or related to the Convention, the Kyoto Protocol and the Paris Agreement and other multilateral forums *{further development may be required for implementation, including whether to take action to facilitate the implementation and coordination of NMAs}*.

## **B. ~~Cross-step~~ Other activities**

28. ~~In implementing the stepped activities referred to in section VIII.A (Stepped activities),~~ ~~the A6.8 governance to, where appropriate, in the period X-Y, also implement the following cross-step activities that contribute to implementing one or more other step(s) referred to above, where appropriate, with a view to achieving the objectives/purposes of the work programme referred to in section IV. B (Work programme) {potential list below}:~~

- (a) Identifying, developing and implementing tools, including *{further potential list below}*:
- (i) A public web-based platform that aims to match the needs of participating Parties and public and private sector participants for the development and implementation of NMAs, including finance, technology transfer and capacity-building, with the support offered by other Parties and other public and private sector participants;
  - (ii) A UNFCCC web-based platform to register, officially recognize and exchange information on NMAs;
  - (iii) A web-based clearing house mechanism to enable participating Parties and public and private sector participants to identify opportunities for collaboration in developing and implementing NMAs;
  - (iv) A public list of activities that should not form a part of the work programme activities;
  - (v) Tools to address possible negative social and economic impacts of activities under Article 6;
  - (vi) Tools to measure and monitor the implementation of NMAs in the context of sustainable development and poverty eradication;
- (b) Identifying and sharing relevant information, best practices, lessons learned and case studies for the development and implementation of NMAs, including on *{further potential list below}*:
- (i) Opportunities for replication of successful NMAs;
  - (ii) Enabling environments and policy frameworks for the development and implementation of NMAs;
  - (iii) Successful cross-cutting policy and regulatory approaches to developing and implementing NMAs;
  - (iv) Barriers to and incentives for:
    - a. Enhancing the engagement of and addressing the needs of the private sector, exposed and impacted sectors and communities in NMAs;
    - b. Achieving a just transition of the workforce;
  - (v) Measures related to education, training, public awareness, public participation and public access to information to promote greater mitigation and adaptation ambition;
  - (vi) Approaches to leveraging and generating mitigation and adaptation co-benefits;
- (c) ~~Developing and implementing specific activities including {further potential list below}:~~
- (i) ~~Developing and implementing~~ ~~the~~ Adaptation Benefit Mechanism;
  - (ii) ~~Developing and implementing~~ ~~the~~ work programme of the Committee for the Future, including arrangements for the environmental balance index.



## IX. Reporting

### **Option A {reporting by the A6.8 governance to the CMA}**

29. The A6.8 governance to report to each session of the CMA on the progress and outcomes of the work programme, including *{potential list below}*:

- (a) A summary of the best practices for developing and implementing NMAs;
- (b) A summary of the support available to Parties for developing and implementing NMAs;
- (c) Recommendations to the GCF and other financial institutions on how to enhance support to NMAs.

### **Option B {reporting by Parties on the implementation of NMAs under Article 13}**

30. A Party involved in implementing NMAs, to report on the implementation in accordance with Article 13, including, as relevant *{potential list below}*:

- (a) How the NMAs promoted mitigation and adaptation ambition in its NDC, enhanced public and private sector participation in the implementation and enabled opportunities for coordination across instruments and relevant institutional arrangements;
- (b) Confirmation that implementation of the NMAs did not involve any transfer of ITMOs;
- (c) How the NMAs contributed to sustainable development and poverty eradication;
- (d) Information on support provided, received and needed on finance, technology transfer and capacity-building for implementing the NMAs.

### **Option C {both Option A and B}**

*{see Options A and B above}*

### **Option D {decide reporting after decision on the work programme}**

31. The SBSTA to develop and recommend draft modalities for the reporting under the framework for consideration and adoption by CMA at its second session (November 2019) taking into account recommendations from the A6.8 governance.

### **Option E {use other relevant reporting modalities under the Paris Agreement}**

*{further development may be required for implementation}*

### **Option F {no reporting under the framework}**

*{no text}*

## X. Review

### A. Review of annual report

32. The CMA to review the report from the A6.8 governance referred to in section IX (Reporting) on an annual basis and provide guidance, where appropriate *{applies for Options A and C in section IX (Reporting)}*.

### B. Review of the work programme

33. The CMA to review this decision, including the work programme's objectives/purposes and governance/modalities/activities:

#### **Option A {provide recommendations to Parties after the periodic review}**

- (a) and provide guidance to the A6.8 governance every *X* years, beginning at its sixth session (November 2023), taking into account recommendations from the A6.8 governance and the outcomes of the global stocktake.

**Option B {review in 2023 in order to improve effectiveness with a view to adopting a decision on the outcome of the review}**

- (b) by no later than its sixth session (November 2023) with a view to adopting a decision on the outcome of the review by no later than at that session *{further development may be required for implementation}*.
-