

DRAFT TEXT

on

SBSTA 49 agenda item 11(c)

Matters relating to Article 6 of the Paris Agreement:

Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

Version 2 of 8 December 10:00 hrs

Draft CMA decision containing the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

[The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling the objectives of the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement as referred to in decision 1/CP.21, paragraph 39,

Also recalling the eleventh preamble of the Paris Agreement,

Recognizing that the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement is to be implemented in the context of the Paris Agreement, including its preamble and its Article 2, Article 4, paragraphs 3, 7 and 15 and Article 6, paragraphs 1, 8 and 9.

1. *Adopts* the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement (hereinafter referred to as the work programme), as contained in the annex to this decision;
2. *Requests* the [Subsidiary Body for Scientific and Technological Advice (SBSTA)] [SBSTA and the Subsidiary Body for Implementation (SBI)] to undertake further work to develop and recommend a draft decision on the following elements of the work programme, on the basis of the annex, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (2019)/Xth session (20XX) as an integral part of the work programme: *{potential list below}*
 - (a) [Governance arrangements for the framework for non-market approaches referred to in Article 6, paragraph 9, of the Paris Agreement (hereinafter referred to as the framework) that may be required;]
 - (b) [Rules of procedure of the task force;]
 - (c) [Reporting arrangements for the framework that may be required;]
3. *Also requests* the governance of the framework referred to in section III (Governance of the framework) of the annex (hereinafter referred to as the A6.8 governance) to develop and recommend draft guidelines for the focus areas of the work programme activities [based on the draft indicative list of the focus areas below], for consideration and adoption by the CMA at its second session (2019)/third session (2020):
 - (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];
 - (g) [Mitigation];
 - (h) [Adaptation];

- (i) [Finance];
 - (j) [Technology transfer and development];
 - (k) [Capacity-building];
4. *Invites* Parties and observers to submit to the secretariat, by 30 March 2019, views and information on:
- (a) Focus areas of the work programme activities and existing activities in the focus areas that are considered to be non-market approaches (NMAs) referred to in paragraphs 13(a)(i)a and b of the annex, respectively;
 - (b) Tools referred to in paragraph 13(b)(i) of the annex, including how to operationalize them;
 - (c) Elements of the work programme referred to in paragraph 2 above;
 - (d) Examples of potential activities that are considered to be NMAs in accordance with provisions in section II (Non-market approaches under the framework) of the annex (e.g. Adaptation Benefit Mechanism and Environmental Balance Index)
5. *Requests* the secretariat to prepare a technical paper on the matters referred to in paragraph 4(a)–(d) above, for consideration by the [SBSTA] [SBSTA and SBI] at its fiftieth session and the A6.8 governance at its first session/meeting;
6. *Also requests* the secretariat to organize a workshop on the matters referred to in paragraph 4(a)–(d) above, to be held in conjunction with the fiftieth session of the [SBSTA] [SBSTA and SBI], subject to the availability of financial resources, and to prepare a report on the workshop for consideration by the [SBSTA] [SBSTA and SBI] at its fifty-first session and the A6.8 governance at its first session/meeting;
7. *Decides* to:
- (a) Review annual reports from the A6.8 governance and provide guidance to it, where appropriate;
 - (b) Undertake a review of the work programme at its seventh session (2024) to enhance the effectiveness of the work programme in implementing the framework, taking into account relevant inputs including from the A6.8 governance and the outcomes of the global stocktake, and adopt a decision on the outcome of the review at its seventh session (2024).

Annex

Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

I. Principles

1. In addition to Article 6, paragraphs 8 and 9, of the Paris Agreement¹, and decision 1/CP.21, paragraph 39, the following further principles guide the implementation of the framework for non-market approaches referred to in Article 6, paragraph 9 (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):

- (a) The framework provides enhanced support to developing countries Parties through finance, technology transfer and capacity-building for the implementation of NMAs;
- (b) NMAs under the framework:
 - (i) Are not reliant on market-based approaches but may provide incentives for domestic mitigation actions in the form of payments without transfer of units;
 - (ii) Provide a basis for collective action instead of transactional or quid pro quo arrangements.

II. Non-market approaches under the framework

2. Each non-market approach (NMA) under the framework:

Option A

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

Option B

- (b) Aims to achieve at least one of the aims of NMAs referred to in Article 6, paragraph 8(a), (b) and (c);
{end of Option B}
- (c) Assists in the implementation of nationally determined contributions (NDCs) of participating Parties;
- (d) Involves more than one participating Party;
- (e) Does not involve the creation, issue and transfer of any internationally transferred mitigation outcomes referred to in the guidance on cooperative approaches referred to in Article 6, paragraph 2;
- (f) Covers more than one of each of the following areas: mitigation, adaptation, finance, technology development and transfer and capacity-building;
- (g) Avoids duplication with the work of subsidiary and constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement [and other multilateral forums];
- (h) Promotes sustainable development and poverty eradication of a participating Party in accordance with Article 6, paragraph 8;
- (i) Involves a developed country Party engaging in a cooperative approach referred to in Article 6, paragraph 2 (hereinafter referred to as a cooperative approach), or an Article 6, paragraph 4, activity referred to in rules, modalities and procedures for the mechanism established by Article 6, paragraph 4 (hereinafter referred to as an Article 6, paragraph 4, activity), being recognized for the finance, technology transfer and/or capacity-building support it contributes in the course of the cooperative approach or Article 6, paragraph 4, activity, if the mitigation outcomes are not transferred and only used by the host developing country Party of the cooperative approach or Article 6, paragraph 4, activity towards its NDC. The

¹ References to “Article” are to articles of the Paris Agreement, unless otherwise specified.

recognition of the support provided by the developed country Party is proportional to the mitigation outcomes retained by the host Party in its engagement in the cooperative approach or Article 6, paragraph 4, activity.

III. Governance of the framework

Option A

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

4. The NMA forum will be convened by the Chair[s] of the [Subsidiary Body for Scientific and Technological Advice (SBSTA)] [SBSTA and the Subsidiary Body for Implementation (SBI)] and will operate in accordance with the procedures applicable to contact groups and under the guidance of the Chair(s) of the [SBSTA] [SBSTA and SBI]. The NMA forum will meet in conjunction with the first and second sessional period meeting of the [SBSTA] [SBSTA and SBI] each year with its first meeting taking place in conjunction with the fifty-first session of the [SBSTA] [SBSTA and SBI]. Where the [SBSTA] [SBSTA and SBI] conclude[s] that there is a need for new governance arrangements for the framework, [it] [they] will make recommendations for such governance for consideration and adoption by the CMA at its second session (2019).

Option B

5. A task force for the framework (hereinafter referred to as the task force) is hereby established to maintain and operationalize the broader nature of NMAs, including:

- (a) Addressing linkages between mitigation and adaptation, and matching them to the finance, technology development and transfer and capacity-building needs of developing country Parties by building on existing processes and institutional arrangements, such as the Standing Committee on Finance (SCF), the Technology Executive Committee (TEC), the Climate Technology Centre and Network (CTCN), the Paris Committee on Capacity-building (PCCB) and the Local Communities and Indigenous Peoples Platform;
- (b) Providing alternative opportunities for the voluntary cooperation of Parties other than cooperative approaches and Article 6, paragraph 4, activities.

6. The task force will be convened by the Chair[s] of the [SBSTA] [SBSTA and SBI] and will operate in accordance with the rules of procedure of the task force to be set out in decisions of the CMA related to the work programme. The task force will meet twice a year in conjunction with the sessions of the [SBSTA] [SBSTA and SBI], with its first meeting taking place in conjunction with the fifty-second session of the [SBSTA] [SBSTA and SBI].

7. The task force comprises [X] members with equal representation of developing country Parties and developed country Parties as follows:

- (a) [X] member from each of the five United Nations regional groups;
- (b) [X] member from developed country Parties;
- (c) [X] member from developing country Parties;
- (d) [X] member from least developed country Parties;
- (e) [X] member from small island developing States;
- (f) [X] members from social organizations nominated by Parties;
- (g) [X] member from the Board of the Green Climate Fund (GCF), the TEC and the PCCB.

8. Two co-chairs of the task force will be appointed, with one being a member from a developing country Party and the other one from a developed country Party.

Option C

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

10. The NMA forum will be convened by the Chair[s] of the [Subsidiary Body for Scientific and Technological Advice (SBSTA)] [SBSTA and SBI] and will operate in accordance with the procedures applicable to contact groups and under the guidance of the Chair(s) of the [SBSTA] [SBSTA and SBI]. The

NMA forum will meet in conjunction with the first and second sessional period meeting of the [SBSTA] [SBSTA and SBI] each year with its first meeting taking place in conjunction with the fifty-first session of the [SBSTA] [SBSTA and SBI].

11. The [SBSTA][SBSTA and SBI], drawing on the experience gained through the implementation of the framework and work programme by the NMA forum, will consider the need to establish permanent institutional arrangements for the framework that would supersede the NMA forum, for consideration and adoption by the CMA at its Xth session (20XX).

IV. Modalities of the work programme

12. The modalities of the work programme may include, where appropriate:
- (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) Submissions from Parties, observer organizations and public and private sector participants;
 - (d) Technical papers and synthesis reports prepared by the secretariat;
 - (e) Coordination, where needed, between the governance of the framework referred to in section III (Governance of the framework) above (hereinafter referred to as the A6.8 governance) and relevant bodies and institutional arrangements under the Convention and related legal instruments, inter alia, the SCF, the operating entities of the Financial Mechanism, the TEC, the CTCN, the PCCB and the forum on the impact of the implementation of response measures;
 - (f) Consideration of the outputs of 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.

V. Work programme activities

13. The work programme comprises two streams, each with activities that will be implemented [in the period 2019/2020–2024], avoiding duplication of its activities with those under the subsidiary and constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement, [and other multilateral forums]:

- (a) [Stream 1:] Activities for identifying opportunities to enhance the existing linkages, create synergies, and facilitate coordination and implementation of NMAs, and making recommendations to the CMA:
 - (i) [Step 1:] Identification of NMAs
 - a. Identifying areas of focus of the work programme activities for consideration and adoption by the CMA [at its second session (2019)/third session (2020)];
 - b. Identifying existing activities in the areas of focus that are considered to be NMAs in accordance with the provisions in section II (Non-market approaches under the framework) above;
 - (ii) [Step 2:] Identification of the opportunities
 - a. Identifying existing linkages, synergies, coordination and implementation in relation to the NMAs referred to in subparagraph (a)(i)b above;
 - b. Identifying and evaluating the positive and other experience from the NMAs;
 - c. Identifying opportunities to enhance the existing linkages, create synergies[, and facilitate coordination and implementation of the NMAs], including in the local, sub-national, national and global context;
 - (iii) [Step 3:] Recommendations of conclusions on the opportunities to the CMA
 - a. Assessing the results of the activities referred to in subparagraphs (a)(i) and (ii) above;
 - b. Developing and recommending conclusions on how to enhance existing linkages and create synergies [and how to facilitate coordination and implementation of the NMAs] for consideration and adoption by the CMA [at its fifth session (2022)];

- (b) [Stream 2:] Activities for implementing the opportunities:
 - (i) Developing and implementing tools, including:
 - a. A UNFCCC web-based platform that registers, officially recognizes, exchanges information on NMAs, [and aims to match the needs] of participating Parties and public and private sector participants for the development and implementation of NMAs, including finance, technology development and transfer and capacity-building, with the support offered by other Parties and other public and private sector participants;
 - b. Tools to address possible negative social and economic impacts of activities under Article 6;
 - c. Tools to measure and monitor the implementation of NMAs in terms of their contribution to sustainable development and poverty eradication;
 - (ii) Identifying and sharing relevant information, best practices, lessons learned and case studies for the development and implementation of NMAs, including on:
 - a. Opportunities for replication of successful NMAs, including in the local, sub-national, national and global context;
 - b. [Enabling environments and successful policy frameworks and regulatory approaches for the development and implementation of NMAs;]
 - c. [Barriers to and incentives for: enhancing the engagement of and addressing the needs of the private sector, and vulnerable and impacted sectors and communities in NMAs; and achieving a just transition of the workforce;]
 - d. Opportunities for leveraging and generating mitigation and adaptation co-benefits;
 - e. Approaches to incorporating the mitigation co-benefits from adaptation actions and/or economic diversification as outcomes of cooperative approaches and/or Article 6, paragraph 4, activities, that may be used towards NDCs.

VI. Reporting

14. The progress and outcomes of the work programme will be reported, based on information including from the work programme activities and modalities of the work programme referred to in section IV (Modalities of the work programme) and V (Work programme activities) above, respectively, by the A6.8 governance to each session of the CMA, including, as relevant:

- (a) A summary of:
 - (i) Implementation of work programme activities;
 - (ii) [Actions taken and support provided and received on the finance, technology development and transfer and capacity-building for developing and implementing NMAs;]
 - (iii) [Support available and needed on the finance, technology development and transfer and capacity-building for developing and implementing NMAs;]
 - (iv) Best practices for developing and implementing NMAs;
- (b) [Recommendations in respect of [the TEC, the SCF, the PCCB,] the GCF and other operating entities of the Financial Mechanism on how to enhance support to NMAs;]
- (c) Recommendations to enhance the effectiveness of the work programme in implementing the framework;

15. Where the [SBSTA] [SBSTA and SBI] conclude[s] that there is a need for new reporting arrangements for the framework, [including biennial transparency reports in accordance with relevant sections of the modalities, procedures and guidelines adopted by the CMA pursuant to Article 13, paragraph 13,] [it][they] will make recommendations for such reporting for consideration and adoption by the CMA at its second session (2019).]