

## DRAFT TEXT

on

### SBSTA 50 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 26 June 14:30 hrs (edited)

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### **Draft CMA decision on 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, as referred to in decision 1/CP.21, paragraph 39, of the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement,]*

*[Also recalling the Paris Agreement in its entirety, including its preamble,]*

*[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,]*

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;]*
2. *[Requests the Subsidiary Body for Scientific and Technological Advice 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 at its third session (November 2020) as an integral part of the work programme:*
  - (a) *[Permanent institutional 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); {see paragraph 4 of the annex}] [[Permanent] [Relevant] institutional arrangements for the framework; {see paragraph 7 of the annex}] [Rules of procedure of the task force for the framework; {see paragraph 9 of the annex}] [[Permanent] institutional arrangements for the framework; {see paragraph 13 of the annex}]*
  - (b) *Any required reporting arrangements for the framework;]*
3. *[Also requests the governance of the framework referred to in section III of the annex (governance of the framework) (hereinafter referred to as the A6.8 governance) to identify and recommend focus areas of the work programme activities, which may include, inter alia, the following, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its third session (November 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) *[Anthropogenic reduction of emissions by sources and removals [by sinks];]*
  - (e) *[Ecosystem-based adaptation;]*
  - (f) *Integrated water management;*
  - (g) *Energy-efficiency schemes;*

- (h) [Adaptation Benefit Mechanism];]
4. [Invites Parties and observer [organizations] to submit via the submission portal,<sup>1</sup> by 30 March 2020, views and information on:
- (a) [Permanent institutional arrangements for the framework, as referred to in paragraph 2(a) above, including their functions, membership and rules of procedure;] [[Permanent] [Relevant] institutional arrangements for the framework, as referred to in paragraph 2(a) above, including their functions, membership and rules of procedure;] [Rules of procedure of the task force for the framework, as referred to in paragraph 2(a) above;] [[Permanent] institutional arrangements for the framework, as referred to in paragraph 2(a) above, including their functions, membership and rules of procedure;]
  - (b) Any required reporting arrangements for the framework, as referred to in paragraph 2(b) above;
  - (c) Focus areas of the work programme activities, as referred to in paragraph [15(a)(i)] [15(c)(i)a] of the annex, and existing activities in those focus areas that are considered to be non-market approaches in accordance with the provisions of section II of the annex (non-market approaches under the framework);
  - (d) Examples of potential activities considered to be non-market approaches in accordance with the provisions of section II of the annex (non-market approaches under the framework) (e.g. [Adaptation Benefit Mechanism and ]Environmental Balance Index);
  - (e) The tools referred to in paragraph [15(b)] [15(d)(i)] of the annex, including how to operationalize them;]
5. [Requests the secretariat to prepare a technical paper on the matters referred to in paragraph 4(a)–(e) above for consideration by the Subsidiary Body for Scientific and Technological Advice at its fifty-second session (June 2020) [and the A6.8 governance at its first meeting];]
6. [Also requests the secretariat to:
- (a) Organize a workshop on the matters referred to in paragraph 4(a)–(b) above and a workshop on the matters referred to in paragraph 4(c)–(e) above in conjunction with the fifty-second session of the Subsidiary Body for Scientific and Technological Advice, ensuring broad participation of relevant experts, subject to the availability of financial resources;
  - (b) Prepare reports on the workshops for consideration by the Subsidiary Body for Scientific and Technological Advice at its fifty-third session (November 2020) [and the A6.8 governance at its second meeting];]
7. [Decides to:
- (a) Review the annual reports of the A6.8 governance and provide guidance to it, where appropriate;
  - (b) Undertake a review of the work programme at its seventh session (2024) with a view to enhancing the effectiveness of the work programme in implementing the framework, taking into account relevant inputs, including those of the A6.8 governance and the outcomes of the global stocktake, and to adopt a decision on the outcome of the review at the same session;]
8. [Takes note of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;]
9. [Requests that the actions called for in this decision be undertaken subject to the availability of financial resources.]

<sup>1</sup> <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>

## 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<sup>1</sup> 6, paragraphs 8 and 9, and decision 1/CP.21, paragraph 39, the following principles guide the implementation of the framework for non-market approaches (NMAs) referred to in Article 6, paragraph 9 (hereinafter referred to as the framework) and the work programme under the framework for NMAs referred to in decision 1/CP.21, paragraph 39 (hereinafter referred to as the work programme):

(a) The framework facilitates the use and coordination of NMAs in the implementation of Parties' nationally determined contributions (NDCs), in the context of sustainable development and poverty eradication, and identifies opportunities to enhance linkages and create synergies, inter alia, between mitigation, adaptation, finance, technology development and transfer, and capacity-building;

(b) NMAs under the framework:

(i) Are [voluntary and] not reliant on market-based approaches;

(ii) Do not include transactions or quid pro quo operations;

(iii) Provide a basis for collective action;

(iv) [Enhance a holistic approach for all related sectors;]

(v) Avoid duplication with the work of the subsidiary and constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement.

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

2. Each NMA under the framework:

(a) Aims to achieve the aims of NMAs referred to in Article 6, paragraph 8(a)-(c), in an integrated, holistic and balanced manner in the context of Article 6, paragraph 8;

(b) Assists participating Parties in implementing their NDCs;

(c) Involves more than one participating Party;

(d) Does not involve the creation, issuance and transfer of any internationally transferred mitigation outcomes referred to in the guidance on cooperative approaches referred to in Article 6, paragraph 2;

(e) Promotes sustainable development and poverty eradication in participating Parties in accordance with Article 6, paragraph 8;

(f) [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 the 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 used only by the host [developing country] Party of the cooperative approach or Article 6, paragraph 4, activity towards its NDC. The recognition of the support provided by the [developed country] Party is proportional

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<sup>1</sup> "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

to the mitigation outcomes retained by the host Party in its engagement in the cooperative approach or Article 6, paragraph 4, activity.] *{Some Parties identified a need for refinement for clarity}*

### III. Governance of the framework

#### Option A

3. The framework and the work programme will be implemented by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its first and second sessional period meeting each year, with its first meeting taking place at SBSTA 52 (June 2020).

4. The SBSTA will consider establishing permanent institutional arrangements for the framework for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at CMA 3 (November 2020).

#### Option B

5. An [open-ended working group] [forum for the framework (hereinafter referred to as the NMA forum)] is hereby established to implement the framework and the work programme.

6. The [open-ended working group] [NMA forum] will be convened by the SBSTA Chair and will operate in accordance with the procedures applicable to contact groups and under the guidance of the Chair of the SBSTA. It will meet in conjunction with the first and second sessional period meeting of the SBSTA each year, with its first meeting taking place in conjunction with SBSTA 52 (June 2020).

7. The SBSTA will make recommendations on the establishment of [permanent] [relevant] institutional arrangements for the framework for consideration and adoption at CMA 3 (November 2020).

#### Option C *{Text from 8 December SBSTA text, Option B, paragraphs 5-8}*

8. 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.

9. The task force will be convened by the Chair[s] of the [SBSTA] [SBSTA and the 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 first and second sessional period meeting of the [SBSTA] [SBSTA and the SBI] each year, with its first meeting taking place in conjunction with [SBSTA 54] [SB 54] (May-June 2021).

10. 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, the TEC and the PCCB.

11. 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 D**

12. The framework and the work programme will be implemented by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its first and second sessional period meeting each year, with its first meeting taking place at SBSTA 52 (June 2020).

13. The SBSTA will consider establishing [permanent] institutional arrangements for the framework for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at CMA 3 (November 2020).

#### **IV. Modalities of the work programme**

14. The modalities of the work programme may include, as appropriate:

(a) Workshops;

(b) Regular meetings with public and private sector participants, including technical experts, businesses, civil society organizations and financial institutions, and the subsequent publication of the outcomes of the meetings;

(c) Submissions from Parties, observer organizations and public and private sector participants;

(d) Technical papers and synthesis reports prepared by the secretariat;

(e) The coordination, where needed, of the governance of the framework referred to in section III above (governance of the framework) (hereinafter referred to as the A6.8 governance) and relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building[, including, 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] *{Text based on 8 December SBSTA text, paragraph 12(e)}*;

(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.] *{Text from 8 December SBSTA text, paragraph 12(f)}*

#### **V. Work programme activities**

15. The work programme comprises, inter alia, the following activities, which will be implemented from 2020:

**Option A**

(a) [Identifying] [Matching needs of and] opportunities for NMAs, in accordance with Article 6, paragraph 8, and the provisions of section II above (non-market approaches under the framework), including on:

(i) Focus areas of the work programme activities for consideration and adoption by the CMA;

(ii) Examples, lessons learned and case studies to promote NMAs;

(iii) Replicating successful NMAs, including in the local, subnational, national and global context;

(iv) Enhancing existing linkages, creating synergies and facilitating the coordination and implementation of NMAs, including in the local, subnational, national and global context;

(v) Leveraging and generating mitigation and adaptation co-benefits that assist in the implementation of NDCs; *{Some Parties identified a need for refinement for clarity}*

(vi) [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;] *{Some Parties identified a need for refinement for clarity}*

(b) Developing and implementing tools, including:

(i) A UNFCCC web-based platform for registering and exchanging information on NMAs and supporting the [identification of] [matching of needs of and] opportunities for participating Parties to develop and implement NMAs, including in relation to finance, technology development and transfer, and capacity-building;

(ii) [Tools for addressing possible negative social and economic impacts of activities under Article 6;]

(iii) Tools for promoting the contribution of NMAs to sustainable development and poverty eradication.

**Option B** *{Text from 8 December SBSTA text, paragraphs 13(a)-(b), without referring to streams and steps}*

(c) 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) Identification of NMAs:

a. Identifying focus areas of the work programme activities for consideration and adoption by the CMA at CMA [3/4] [(November 2020/2021)];

b. Identifying existing activities in the focus areas that are considered to be NMAs in accordance with the provisions in section II (non-market approaches under the framework) above;

(ii) 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 for enhancing the existing linkages, creating synergies[, and facilitating coordination and implementation of the NMAs], including in the local, sub-national, national and global context;

(iii) Recommendations to the CMA of conclusions on the opportunities:

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 CMA [5 (November 2022)];

(d) Activities for implementing the opportunities:

(i) Developing and implementing tools, including:

a. A UNFCCC web-based platform that registers, officially recognizes, and 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 for addressing possible negative social and economic impacts of activities under Article 6;

- c. Tools for measuring and monitoring 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 replicating successful NMAs, including in the local, sub-national, national and global context;
  - b. [Enabling environments and successful policy frameworks and regulatory approaches for developing and implementing NMAs;]
  - c. [Barriers to and incentives for: enhancing the engagement in NMAs of and addressing the needs of the private sector, and vulnerable and impacted sectors and communities; 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

16. The progress and outcomes of the work programme will be reported on the basis of information resulting from, inter alia, the modalities of the work programme and the work programme activities referred to in section IV (modalities of the work programme) and V (work programme activities) above, respectively, by the A6.8 governance at each session of the CMA, including, as relevant:

- (a) Recommendations for conclusions on opportunities to enhance NMAs, including on:
  - (i) The results of the activities referred to in paragraph [15(a) and (b)] [15(c) and (d)] above;
  - (ii) How to enhance existing linkages and create synergies and how to facilitate coordination and implementation of NMAs for consideration and adoption by the CMA;
- (b) Recommendations on how to enhance support for NMAs with respect to possible activities of relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building;
- (c) Recommendations on enhancing the effectiveness of the work programme in implementing the framework.

17. Where the SBSTA concludes that there is a need for new reporting arrangements for the framework, it will make recommendations on such reporting for consideration and adoption at CMA 3 (November 2020).]