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Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement and referred to in decision 4/CMA.3

In-session workshop under Article 6, paragraph 8, of the Paris Agreement

Report by the secretariat

Summary

This report summarizes the key discussion points and the presentations at the in-session workshop under Article 6, paragraph 8, of the Paris Agreement held on 7 June 2022 during the fifty-sixth session of the Subsidiary Body for Scientific and Technological Advice. It has been prepared to inform deliberations on the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement with a view to a draft decision being recommended for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session.



Abbreviations and acronyms

ASEAN	Association of Southeast Asian Nations
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
NDC	nationally determined contribution
NMA	non-market approach
REDD+	reducing emissions from deforestation; reducing emissions from forest degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)
SBSTA	Subsidiary Body for Scientific and Technological Advice

I. Introduction

A. Mandate

1. CMA 3 invited Parties and observers to submit views and information on:¹
 - (a) Existing relevant NMAs that may be facilitated under the framework for NMAs referred to in Article 6, paragraph 8, of the Paris Agreement in the initial focus areas referred to in paragraph 3 of decision 4/CMA.3 that are in accordance with the provisions in chapter II of the annex to that decision;
 - (b) Examples of potential additional focus areas of NMAs that may be facilitated under the framework (e.g. social inclusivity, financial policies and measures, circular economy, blue carbon, just transition of the workforce, adaptation benefit mechanism) and existing relevant NMAs that may be facilitated under the framework in the potential additional focus areas that are in accordance with the provisions in chapter II of the annex to decision 4/CMA.3;
 - (c) The UNFCCC web-based platform referred to in paragraph 8(b)(i) of the annex to decision 4/CMA.3, including how to operationalize it (e.g. functions, form, target users, information to be contained thereon, timeline for development and implementation, and lessons learned from existing relevant tools, including under the Convention and the Paris Agreement);
 - (d) The schedule for implementing the activities of the work programme under the framework for NMAs.²
2. CMA 3 requested the secretariat to organize an in-session workshop, with the broad participation of relevant experts, on the matters referred to in paragraph 1 above, taking into consideration the submissions received and the relevant synthesis report,³ to be held at SBSTA 56. It also requested the secretariat to prepare a report on the in-session workshop for consideration by the Glasgow Committee on Non-market Approaches at its 2nd meeting, to be held in November 2022.⁴

B. Scope of the report

3. This report describes the proceedings of the in-session workshop in chapter II below and summarizes the presentations made in chapter III below and the key issues discussed in chapter IV below. The report does not reflect the views of all Parties, as not all Parties were represented at the workshop.

C. Possible action by the Subsidiary Body for Scientific and Technological Advice

4. The SBSTA may wish to take note of the information in this report in considering implementation of the activities of the work programme under the framework for NMAs with a view to recommending a draft decision for consideration and adoption at CMA 4.

II. Proceedings

5. The in-session workshop was held on 7 June 2022 during SBSTA 56. Of the 261 participants, 260 attended in person and 1 observed via webcast.

¹ Decision 4/CMA.3, para. 6.

² Decision 4/CMA.3, annex. The activities are outlined in para. 8.

³ FCCC/SBSTA/2022/3.

⁴ Decision 4/CMA.3, para. 8.

6. The SBSTA Chair, Tosi Mpanu Mpanu (Democratic Republic of the Congo), opened the workshop by outlining the procedural background, including relevant steps to be taken in the lead-up to SBSTA 57 and CMA 4. At his own discretion, the SBSTA Chair invited Maria AlJishi (Saudi Arabia) and Giuliana Torta (Italy) to co-facilitate the workshop.

7. The objective of the workshop was to provide a forum for fruitful discussions with the aim of building capacity for and enhancing understanding of NMAs in relation to NDC implementation and facilitating collaboration on and participation in existing NMAs.

8. The Parties, groups of Parties and observers that responded to the call for submissions referred to in paragraph 1 above were invited to present their submissions at the workshop. Representatives of the following Parties or groups of Parties made presentations: European Union, Independent Association for Latin America and the Caribbean, Japan, Like-minded Developing Countries and South Africa. In terms of observers, representatives of the African Development Bank, the Climate Land Ambition and Rights Alliance, The Nature Conservancy, the United Nations Capital Development Fund and WWF International presented. A question and answer session on the topics covered by the presenters followed.

9. Thereafter the matters referred to in paragraph 1 above were discussed, on the basis of the following guiding questions provided by the SBSTA Chair, as well as any other issues considered relevant:

- (a) How can facilitating NMAs assist Parties in implementing their NDCs?
- (b) How can including the proposed potential additional focus areas and their related NMAs enhance the work programme?
- (c) Which specific functions of the relevant UNFCCC web-based platform can aid Parties in identifying, developing and implementing NMAs?
- (d) Which time period should the work programme cover and what are the activities and expected outcomes for each activity therein?

III. Summary of presentations and question and answer session

10. The presentation by the Independent Association for Latin America and the Caribbean covered its views in response to the guiding questions.⁵

11. The European Union shared views on NMAs to international cooperation under Article 6 of the Paris Agreement, including recapping the overall objectives of NMAs, and on additional focus areas, the UNFCCC web-based platform and how best to schedule implementation of the work programme activities, and provided examples of existing relevant NMAs.⁶

12. The Plurinational State of Bolivia, presenting on behalf of the Like-minded Developing Countries, reiterated the importance of the work programme and its role in identifying and facilitating opportunities under existing NMAs and helping to achieve the goals of the Paris Agreement. It shared views on the scope of the Glasgow Committee and how the UNFCCC web-based platform can support the work of the Committee.⁷

13. Japan presented the key components of the Cleaner Energy Future Initiative for ASEAN as an example of an NMA, detailing several of the flagship projects undertaken to date. Through the Initiative, Japan provides technical support to ASEAN countries to assist them in developing road maps to carbon neutrality and providing financial support for decarbonization projects and related capacity-building programmes.⁸

14. In its presentation South Africa reiterated its proposed definition of NMAs and other aspects of its submission.⁹

⁵ The presentation is available at <https://unfccc.int/documents/509939>.

⁶ The presentation is available at <https://unfccc.int/documents/509941>.

⁷ The presentation is available at <https://unfccc.int/documents/509944>.

⁸ The presentation is available at <https://unfccc.int/documents/509946>.

⁹ The presentation is available at <https://unfccc.int/documents/509947>.

15. The presentation of The Nature Conservancy focused on nature-based solutions as NMAs, sharing views on using NMAs as a testing ground for any eventual market-based approaches and on sources of finance for NMAs that may never transition to market-based approaches.¹⁰ In response, one of the participants stated that using NMAs as a testing ground is an interesting concept that could be applied in the least developed countries, especially for incentivizing and scaling up small-scale projects requiring funding, facilitating learning-by-doing and building institutional and human capacity to participate in market-based approaches. Another participant advised against merging aspects of market approaches and NMAs given their different frameworks, while another noted that there is no scope for using NMAs as a testing ground as activities under such approaches should not result in generation of emission credits. In turn, the presenter clarified that The Nature Conservancy does not advocate the blurring of market approaches and NMAs, but wishes to acknowledge the important role of non-market-based finance for implementing innovative solutions and building capacity to unlock broader sources of investment in NMAs in the future.

16. The United Nations Capital Development Fund presented the objectives and structure of the Local Climate Adaptive Living Facility as an example of an existing NMA, including details on how the Facility framework compares with the framework for NMAs.¹¹ Several Parties that had previously participated in the Facility then shared their experience. According to one participant, the Facility promotes enhanced adaptation ambition and mitigation and adaptation co-benefits, contributing to the implementation of NDCs and national adaptation plans at the subnational level. Other participants considered the Facility to be relevant to implementing the framework for NMAs as it can facilitate climate action at the local level and provide resources to local governments, enabling them to play a key role in NDC implementation.

17. The African Development Bank presented aspects of its submission before reporting on its adaptation benefit mechanism as an example of an existing NMA.¹² One of the participants thanked the presenter for providing a clearer understanding of what can be considered good practice related to NMAs and providing an example of an NMA. Another participant that had previously participated in the mechanism was of the view that it could have a real impact on the ground on the population, especially on the local population.

18. The Climate Land Ambition and Rights Alliance emphasized the importance of international cooperation under Article 6, paragraph 8, of the Paris Agreement and expressed support for using joint mitigation and adaptation approaches for the integral and sustainable management of forests in structuring activities under Article 6, paragraph 8, with a particular focus on social processes.¹³

19. WWF International presented views on how mechanisms for matching needs with provided support could be implemented under Article 6, paragraph 8.¹⁴

IV. Summary of discussions

A. Existing non-market approaches

1. Creating linkages and enhancing synergies

20. Many of the participants shared their views on how the work programme could help in linking mitigation and adaptation efforts. One participant supported the advancement of NMAs that have significant mitigation and adaptation co-benefits, while another provided examples of projects supporting procurement of solar and other renewable energy and adaptation programmes with co-benefits related to climate observation and monitoring, and climate resilience, water infrastructure projects, climate-smart health projects and agricultural products. Another participant commented that resilient forests can support

¹⁰ The presentation is available at <https://unfccc.int/documents/509952>.

¹¹ The presentation is available at <https://unfccc.int/documents/509958>.

¹² The presentation is available at <https://unfccc.int/documents/509960>.

¹³ The presentation is available at <https://unfccc.int/documents/509959>.

¹⁴ The presentation is available at <https://unfccc.int/documents/509963>.

mitigation efforts, while another shared an example of a joint mitigation and adaptation programme implemented at the village level, involving climate education and building the capacity of the villagers to understand climate-related issues related to mitigation and adaptation action.

21. Some of the participants discussed how the implementation measures under the Warsaw Framework for REDD+ could be integrated into the framework for NMAs. One participant suggested that the well-established rules, modalities and procedures under the Warsaw Framework could be applied to innovative NMAs, with past experience used to boost investment capacity and a focus on how to ensure payment flows to countries. Other participants found this to be an interesting approach and expressed their openness to discussing ways of incorporating lessons learned from the Warsaw Framework into the framework for NMAs.

22. One of the participants noted that NMAs could benefit efforts to support adaptation and address loss and damage, while another stated that the framework for NMAs should facilitate discussions on economic and financial instruments that are conducive to pursuing decarbonization and long-term resilience in a way that would complement the establishment of the new collective quantified goal on climate finance. Some were of the view that the framework should promote the involvement of the public and private sector, consistently with decision 4/CMA.3.

2. Facilitating coordinated and effective implementation of nationally determined contributions

23. Some of the participants noted that the aim of NMAs is to raise ambition of NDCs, especially through national adaptation plans, with participants further noting that this is because NMAs are adaptation- rather than mitigation-focused. One participant elaborated that NMAs could focus on mitigation by facilitating coordinated and effective NDC implementation, while another added that vulnerable communities should be considered in NDC implementation.

24. Some of the participants commented that NMAs promote cooperation on NDC implementation by enhancing access to finance, capacity-building and technology transfer, thus facilitating development of projects or initiatives that are conducive to NDC implementation, providing opportunities for sharing experience and increasing predictability in planning national climate action.

3. Criteria for including non-market approaches

25. One of the participants stated that, to achieve the overall objective of the framework for NMAs and increase its efficiency, clear criteria for including initiatives in the framework need to be defined. This was supported by another participant.

4. Indigenous peoples and local communities

26. One of the participants asked the others how they see the role of indigenous peoples in relation to the framework for NMAs, especially with regard to transfer of indigenous knowledge. One participant noted that it is important to involve government and other actors, including indigenous peoples and local communities, as they have an important role to play in implementing NMAs. Another participant responded that indigenous peoples and local communities must have the opportunity to engage in all aspects of implementing Article 6 of the Paris Agreement. The Local Communities and Indigenous Peoples Platform provides capacity-building support in this regard, including through global and regional workshops, which could be an appropriate entry point for enhancing understanding of market approaches and NMAs and building capacity for participation. Lastly, one participant shared an example of the participation of indigenous peoples and local communities and using their knowledge from the Local Climate Adaptive Living Facility.

B. Potential additional focus areas

27. Some of the participants discussed whether additional focus areas should be included in the work programme. One of the participants shared the view that the focus areas need to be narrowed down, with baselines identified for relevant existing NMAs, especially in the mitigation and adaptation focus areas.

28. One of the participants stated that, given the broad scope of the current focus areas, which would cover a wide range of possible NMAs, their country was not keen to spend more time discussing additional focus areas instead of working to advance implementation of NMAs in the initial focus areas. The participant proposed that any focus areas added should be of interest to a significant number of Parties and relevant to discussions under the Glasgow Committee, the work programme activities and organizing information on the UNFCCC web-based platform.

29. One of the participants stated that including additional focus areas would facilitate implementation of more activities and more rapid achievement of NDCs, with another participant opining that it would provide clarity and predictability of discussions. Lastly, one participant was open to including additional focus areas to reflect all views, provided that duplication of work is avoided and other processes under the UNFCCC are not negatively affected as a result.

30. Some of the participants suggested specific additional focus areas that could be included in the work programme:

- (a) Blue carbon;
- (b) Blue economy;
- (c) Circular economy;
- (d) Climate-smart agriculture;
- (e) Cooperation between Parties and non-Party stakeholders, including innovative forms of international cooperation;
- (f) Energy transition;
- (g) Engagement of youth, gender and indigenous peoples;
- (h) Financial policies and measures;
- (i) Innovative climate, financial and economic mechanisms;
- (j) Just transition of the workforce;
- (k) Lifestyle for the Environment;
- (l) Nature-based solutions;
- (m) Payments for ecosystem services;
- (n) REDD+ activities;
- (o) Resource efficiency;
- (p) Results-based payments outside of the land-based sector;
- (q) Social inclusion.

C. UNFCCC web-based platform

1. Recording information

31. One of the participants stated that the platform should function as an online registry with public access to information on initiatives, programmes and projects aimed at improving access to finance and capacity-building and enhancing technology transfer. Another participant, who supported this idea, noted that information on NMAs and potential partner entities could contribute to an enabling environment for effective participation in

implementing NMAs. One participant was of the view that a centralized registry and matching mechanism would go beyond the scope of the mandate.

32. Some of the participants agreed that the platform should not only record figures, but also provide a space for learning more about NMAs, including how they work and their conditions of implementation.

33. One of the participants mentioned that NMAs facilitated under the framework need to involve more than one participating party and be identified by the participating parties on a voluntary basis. Several participants noted that the platform should feature active and operational or existing NMAs rather than serving as a repository for possible or proposed approaches.

2. Linking to related websites

34. Some of the participants stated a desire for the platform to contain links to relevant websites, such as those detailing existing cooperation arrangements, within and outside the UNFCCC process, so as to facilitate access to this information, enable identification of synergies and co-benefits and avoid duplication of information. One participant commented that neither the Glasgow Committee nor the secretariat should implement or coordinate NMAs directly; therefore, including links to the websites of relevant bodies, institutions, programmes and initiatives would be critical.

3. Exchanging information on non-market approaches

35. To maximize the benefits of the platform, one of the participants suggested that it include examples of new, ongoing and previous cooperation, highlighting best practices and lessons learned, as well as open invitations to create, join or contribute to NMAs. Another participant suggested that the platform should include the contact information of consenting Parties engaged in NMAs so as to facilitate coordination on NMAs and enable Parties to contact one another directly.

4. Matching function

36. Some of the participants discussed whether the platform should have a matching function, with some participants expressing that the function is crucial to matching Parties' needs in relation to their NDCs with the provision of means of implementation. However, other participants stated that focusing on a matchmaking mechanism would not reflect the true value and capacity of the work programme under the framework in terms of supporting Parties in implementing NMAs. Another participant added that such matching can be self-directed by Parties on the basis of information captured on the platform and provided via workshops and other modalities under the work programme activities, including requests for expertise in capacity-building, technical support, finance or technology.

5. Form

37. Some of the participants highlighted potential elements of the platform, including:

- (a) A keyword search function;
- (b) The ability to filter by participants;
- (c) A user-friendly website and interface;
- (d) Availability in all six official United Nations languages;
- (e) Easy accessibility to users from mobile devices, including in the case of slow Internet connection;
- (f) Content that is updated regularly as opportunities for cooperation are identified or newly developed.

6. Other

38. One of the participants suggested that many groups of countries may be interested in different areas of actions related to non-market approaches, and they could use the platform to showcase the different initiatives.

D. Schedule for implementing work programme activities

39. Some of the participants stated that the work programme activities should commence as soon as possible, noting that the work programme was mandated to begin in 2022.¹⁵

40. Some of the participants provided suggestions on the period of the schedule for implementing the activities, suggesting that the work programme could:

(a) Run until the end of 2022, with the possibility of then being renewed depending on progress of implementation as reported at COP 27;

(b) Run until the end of 2025, with a review at CMA 8, as agreed in decision 4/CMA.3;

(c) Run until the end of 2027, with a two-phased approach implemented (i.e. identification and implementation).

(d) Start when the COP or the CMA decides to adopt the schedule for the work programme.

¹⁵ Para. 8 of the annex to decision 4/CMA.3.