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In-session workshop under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

Report by the secretariat

Summary

This report summarizes the presentations and round-table discussion at the in-session workshop under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement held on 9 June 2023 as well as reflections by Parties on the workshop during the fifty-eighth session of the Subsidiary Body for Scientific and Technological Advice. The report 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 and in decision 4/CMA.3 with a view to a draft decision on this matter 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 fifth 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
GCNMA	Glasgow Committee on Non-market Approaches
LoCAL	Local Climate Adaptive Living Facility
NDC	nationally determined contribution
NMA	non-market approach
SBSTA	Subsidiary Body for Scientific and Technological Advice
UNCDF	United Nations Capital Development Fund

I. Introduction

A. Mandate

1. CMA 4 requested the secretariat, subject to the availability of resources, to facilitate opportunities for Parties participating in NMAs to identify, develop and implement NMAs by:¹

(a) Organizing an in-session workshop, including plenary presentations and round-table discussions, to be held in conjunction with each meeting of the GCNMA, to exchange information on NMAs, including best practices and lessons learned from identifying, developing and implementing them, as well as on NMAs that may require financial, technology and capacity-building support and the support available for them;

(b) Preparing a report on each workshop for consideration by the GCNMA at its subsequent meeting.

B. Scope of the report

2. This report describes the proceedings of the in-session workshop held in conjunction with the 3rd meeting of the GCNMA (see chap. II below) and summarizes the presentations (see chap. III below) and the round-table discussion (see chap. IV below) at the workshop, as well as providing some reflections from Parties thereon (see chap. V 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

3. The SBSTA may wish to take note of the information in this report in considering the implementation of the activities of the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement and in decision 4/CMA.3 with a view to recommending a draft decision on the matter for consideration and adoption at CMA 5.

II. Proceedings

4. The in-session workshop was held on 9 June 2023 in Bonn during SBSTA 58 with 135 participants.

5. The workshop was co-facilitated by the GCNMA Co-Chairs Kristin Qui (Trinidad and Tobago) and Jacqueline Ruesga (New Zealand), who opened the workshop by outlining the procedural background, including steps to be taken in the lead-up to SBSTA 59 and CMA 5.

6. The objective of the workshop was to enable participants to exchange information on NMAs, including best practices and lessons learned from identifying, developing and implementing them, as well as on NMAs that may require financial, technology and capacity-building support and the support available for them.

7. Having responded to the invitation to express their interest in presenting their NMAs at the workshop, representatives of the following Parties made presentations: Bolivia (Plurinational State of), India, Japan and New Zealand; as well as representatives of the following observers: African Development Bank, Comhar Group, Global Campaign to Demand Climate Justice, Global Forest Coalition and Climate Land Ambition and Rights Alliance, ICLEI – Local Governments for Sustainability, The Nature Conservancy, UNCDF

¹ Decision 8/CMA.4, para. 10.

and WWF (International).² Following each presentation was a brief question and answer session on the topics covered.

8. During the subsequent round-table discussion, participants who had not made presentations were encouraged to engage and provide their views.

III. Summary of plenary presentations and questions and answers

9. The Plurinational State of Bolivia introduced their NMA on joint mitigation and adaptation for the integral and sustainable management of forests. This NMA is aimed at enhancing sustainable forest management and forest conservation, in particular in the Amazon region. The expected road map for implementing the joint mitigation and adaptation approach and possible partnerships for implementation were discussed. One participant commented that the approach is interesting given the challenge of integrating adaptation and mitigation perspectives concurrently into NMAs, and another mentioned the need for the approach – as well as other NMAs included in the work programme under the framework for NMAs – to have standardized criteria for safeguarding social, environmental and human rights.

10. A brief video message recorded by a representative of the Ford Foundation was shown on non-market climate finance from the philanthropic sector.

11. A representative of Japan presented the key pillars of the Cleaner Energy Future Initiative for ASEAN as an example of an NMA, detailing several flagship projects under the Initiative as well as case studies and lessons learned from implementation. The response to a question on attracting the interest of financial institutions and banks in supporting the Initiative was that improving financial institutions' understanding of decarbonized technologies is key to their involvement, which in this case was facilitated through a series of workshops and a webinar.

12. A representative of India introduced their mission called Lifestyle for Environment, known as LiFE, elaborating on how it fits within the framework for NMAs and providing examples of activities in India from the Meri LiFE dashboard.

13. A representative of New Zealand provided an overview of the Global Research Alliance on Agricultural Greenhouse Gases, including partners, research groups and flagship projects.

14. A representative of the Global Forest Coalition and Climate Land Ambition and Rights Alliance emphasized in their presentation the importance of integrated, holistic and balanced NMAs being available to Parties to assist them in implementing their NDCs in the context of sustainable development and poverty eradication. They provided examples of NMAs that can also help to restore ecosystems and uphold the rights of Indigenous Peoples, women and local communities.

15. The presentation of ICLEI – Local Governments for Sustainability focused on sustainable urbanization as an NMA and on the financial, technology and capacity-building support needed for its implementation.

16. The Nature Conservancy's presentation focused on opportunities for NMAs within nature-based solutions, such as upfront funding for an NMA to unlock long-term climate finance, including market-based approaches, and sources of finance for NMAs that may never transition to market.

17. A representative of the African Development Bank presented on its Adaptation Benefit Mechanism, including best practices and lessons learned. A participant who was involved in the pilot phase expressed support for the mechanism and the view that it would provide many benefits by mobilizing public and private sector finance for adaptation and other sources of funding to support implementation of adaptation projects.

² The presentations are available at <https://unfccc.int/event/in-session-workshop-art-68>.

18. A representative of UNCDF introduced LoCAL and explained how the Facility meets criteria for NMAs³ under the framework for such approaches. Information was provided on the financial, technology and capacity-building support needed to identify, develop and implement LoCAL as an NMA. The response to a question about the expectations of UNCDF in relation to the UNFCCC web-based platform for NMAs⁴ was that it envisages that the platform will highlight to Parties participating in NMAs the various support modalities that are offered by support providers through programmes such as LoCAL.

19. A representative of WWF (International) presented the contribution approach as an example of an NMA and the principles of climate-effective nature-based solutions.

20. A representative of the Comhar Group presented examples of and opportunities and future directions for NMAs. Opportunities include facilitating certification or verification of investments and resources for NMAs; applying lessons learned from public-private partnerships with respect to private sector involvement in NMAs; and providing practical anchor points for holistic nature-positive activities that are not well suited to market-based approaches.

21. The presentation of the Global Campaign to Demand Climate Justice reiterated the need to enhance climate action and ambition and described how NMAs can not only contribute to enhancing climate action but also enable wider social movements.

22. Lastly, a representative of the United Kingdom of Great Britain and Northern Ireland made a brief intervention on the NDC Partnership and some of its initiatives, including the Climate Toolbox and the NDC Partnership Action Fund.

IV. Summary of the round-table discussion

A. Additional criteria for non-market approaches

23. One participant questioned whether there is a need for clearly defined criteria for NMAs before they can be recorded on the UNFCCC web-based platform and, if so, how it can be ensured that they meet the criteria.

24. In response, another participant recalled from previous meetings of the GCNMA that recording NMAs on the UNFCCC web-based platform does not constitute any kind of approval but noted that it would be helpful to have a process to follow in this regard, which could be a topic for discussion at a future workshop or by a spin-off group.

25. One participant expressed agreement with having criteria to demonstrate that an NMA is transparent, credible and sustainable and to enable its peer review. NMAs should assist in achieving benefits beyond those related to carbon, including benefits to society and biodiversity. The UNFCCC web-based platform could assist in this regard. However, the participant noted that, while having additional criteria for NMAs is useful, the operationalization of the work programme under the framework for NMAs should be simple and not incur additional costs.

26. Some participants were hesitant to add criteria for NMAs as the process for recording NMAs on the UNFCCC web-based platform should be clear and simple. One participant stated that additional criteria would add many process components that are applied to the market approaches and, in the case of carbon markets, would result in additional transactional costs through intermediaries. Another participant stated that the UNFCCC web-based platform should enable swift action and clarify the process for recording NMAs on the platform.

27. Other participants expressed the view that there should be no additional criteria for NMAs as such criteria already exist. One participant also expressed the view that the work

³ As set out in decision 4/CMA.3, annex, paras. 2–3.

⁴ As referred to in decision 4/CMA.3, annex, para. 8(b)(i).

programme under the framework for NMAs should be implemented through a learning-by-doing approach and introducing additional criteria at this stage could be a hindrance.

B. Cooperation through non-market approaches

28. One participant stressed the importance of activities and coordination and encouraged Parties and observer organizations to consider cooperating with one another to incentivize the deployment of successful NMAs. In the view of the participant, which was echoed by another participant, rather than investors, the cooperation of organizations and Parties should be boosted, when applicable, through joint efforts.

V. Reflections on the workshop

29. In the third session of the 3rd meeting of the GCNMA, its Co-chairs invited Parties to provide their reflections on the in-session workshop.

30. In general, Parties were of the view that the in-session workshop had positive outcomes. It provided the opportunity for Parties participating in NMAs to connect in order to identify and exchange information on NMAs, including best practices and lessons learned.

A. Reflections on the plenary presentation

31. Parties expressed appreciation for the plenary presentations and thanked the representatives for providing useful examples that enhanced their understanding of NMAs in various regional contexts.

32. One Party noted that the presentations of non-Party stakeholders were particularly helpful in terms of reflecting on the practicalities of engaging with the public and private sectors when implementing NMAs. The Party also noted the importance of the capacity-building programme and how it can assist Parties in simplifying NMA implementation.

B. Reflections on the round-table discussions

33. Some Parties expressed appreciation for the round-table discussion and how it flowed on from the plenary presentations. However, it was noted that the format of the round-table discussion could be improved to allow for a more open and dynamic exchange of views; better engagement by participants; and, regarding specific proposals for or ideas related to NMAs, articulation of opportunities for cooperation between Parties and interested stakeholders, including other Parties, non-Party stakeholders, finance providers and international corporations.

34. A group of Parties suggested that several round-table discussions could be organized, each with a specific thematic focus and each focusing on specific NMAs that require support. The group provided the example of the investment-focused event organized under the Sharm el-Sheikh mitigation ambition and implementation work programme, which donors were invited to attend.
