



Subsidiary Body for Scientific and Technological Advice

Sixtieth session

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Item 13(c) of the provisional agenda

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 and in decision 4/CMA.3

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 discussions at the in-session workshop under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement, as well as Parties' reflections on the workshop, held on 4 December 2023 during the fifty-ninth session of the Subsidiary Body for Scientific and Technological Advice. The report has been prepared to assist in the implementation of the activities of the work programme under the framework for non-market.



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
GEF	Global Environment Facility
NDC	nationally determined contribution
NMA	non-market approach
SBSTA	Subsidiary Body for Scientific and Technological Advice

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, for exchange of information on NMAs, including best practices for 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.

2. SBSTA 58 requested the secretariat to organize the in-session workshop, including round-table discussions, as referred to in paragraph 1(a) above, to be held in conjunction with the 4th meeting of the GCNMA, on:²

(a) The matters referred to in paragraph 129 of document FCCC/SBSTA/2023/4, taking into consideration the submissions thereon³ and the synthesis report based on those submissions;⁴

(b) Creating opportunities for cooperation and engagement on, including, but not limited to, alternative approaches as referred to in Article 5 of the Paris Agreement and decision 16/CP.21, with a focus on, inter alia, the Amazon region and other forest ecosystems, encouraging broad participation of interested public and private sector stakeholders, including Indigenous Peoples and local communities, technical experts, businesses, civil society organizations and financial institutions as referred to in paragraph 7(b) of the annex to decision 4/CMA.3.

B. Scope of the report

3. This report describes the proceedings of the in-session workshop held in conjunction with the 4th meeting of the GCNMA (see chap. II below) and summarizes the presentations (see chap. III below) and the round-table discussions (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

4. 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 6.

¹ Decision 8/CMA.4, para. 10.

² FCCC/SBSTA/2023/4, para. 130(b).

³ Available at <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx> (in the search field, type “non-market approaches”).

⁴ FCCC/SBSTA/2023/6.

II. Proceedings

5. The in-session workshop, which had 140 participants, was held on 4 December 2023 in Dubai during SBSTA 59.
6. The workshop was opened by the SBSTA Chair, Harry Vreuls (Kingdom of the Netherlands), who outlined the crucial role of forests and related ecosystems in carbon stabilization. The GCNMA Co-Chairs, Kristin Qui (Samoa) and Jacqui Ruesga (New Zealand), who co-facilitated the workshop, then outlined the procedural background and way forward in relation to the workshop.
7. The objective of the workshop was to provide opportunities to the participants for cooperation and engagement on the theme of forest and its related ecosystems, and exchange of information on NMAs.
8. Having responded to the invitation to express interest in presenting their NMAs at the workshop, representatives of the following Parties made presentations: Bolivia (Plurinational State of), Ghana and Malaysia; as well as representatives of the following observers: Adaptation Fund, Climate Land Ambition and Rights Alliance, Ford Foundation Climate and Land Use Alliance, GEF, Green Climate Fund and World Bank.⁵ Questions were asked and answered on the topics covered, as necessary.
9. During the subsequent round-table discussions, participants who had not made presentations were encouraged to engage in the discussions and provide their views.

III. Summary of plenary presentations, and questions and answers

10. A representative of the Plurinational State of Bolivia pointed out the lack of financial resources available for implementing previous decisions relevant to joint mitigation and adaptation approaches and Article 5 of the Paris Agreement. He proposed two ways of expanding joint mitigation and adaptation approaches for the integral and sustainable management of forests to the entire Amazon region: developing a readiness programme to support the design and implementation of a regional Amazon mechanism, and establishing a round table under the GCNMA for matching needs and support among interested Amazon countries and donors. The main beneficiaries of the joint mitigation and adaptation approaches would be Indigenous Peoples and local communities.
11. A representative of Ghana provided an overview of the country's geographical landscape and climate change policies, such as use of the Local Climate Adaptive Living facility, the aim of which is to address climate change and sustainable development simultaneously at the subnational level. This small-scale policy was highlighted as a success, with the indication that it can be replicated, and the representative suggested the GCNMA should support and scale up resource mobilization for NMAs.
12. A representative of Malaysia presented the Forest Conservation Certificate, an innovative approach to financing NMAs operated by the Malaysia Forest Fund. It is a mechanism for matching landowners with donors, who receive a 10 per cent tax deduction as an incentive for engaging in the mechanism.
13. A representative of the GEF talked about the Facility's current four-year funding cycle, which started in July 2022, and its global-scale Amazon, Congo, and Critical Forest Biomes Integrated Program, highlighting the significant impact and socioeconomic dimension of the Program. In response to a comment on the GEF approach to NMAs, the representative explained that GEF projects are country driven, allowing countries to determine cooperation approaches and which countries to cooperate with among themselves, and reminded that the GEF is not providing results-based payments. In response to a question

⁵ The presentations are available at <https://unfccc.int/event/in-session-workshop-on-nmas-in-conjunction-with-the-4th-meeting-of-gcnma-mandated-event>.

on the capacity-building offered by the GEF, the representative explained the possibility of providing different types of capacity-building aligned with countries' needs.

14. The presentation by the World Bank provided an overview of the Scaling Climate Action by Lowering Emissions initiative, which provides results-based climate finance. A Party raised a concern that results-based payments could be considered a commodification of emission reductions. In response, the representative of the World Bank, while recognizing this possibility, noted that there are countries that are interested in market-based approaches and the World Bank uses many different instruments to create investment packages to respond to country needs. The arrangements for receiving results-based payments for emission reductions were then explained in response to a question thereon. In response to a comment on the need for robust tools for monitoring, measuring and reporting on the achievement of initiatives, the representative agreed with the importance of using high-integrity methodology as the process methodology development is country-owned and -led.

15. The Green Climate Fund's presentation featured statistics on the Fund's provision of finance as at August 2022, revealing that more than 60 per cent of its funds allocated for forest projects fell into the category of financing for joint mitigation and adaptation approaches for the integral and sustainable management of forests, which does not include results-based payments. The representative noted that diversity of financial instruments, including loans, enables the Fund to make more resources available.

16. A representative of the Adaptation Fund highlighted that the Fund supports projects in a diverse range of sectors, emphasizing that Parties can use the Fund for projects related to forests and related ecosystems if they bring about co-benefits for adaptation.

17. In its presentation, the Climate Land Ambition and Rights Alliance reaffirmed the importance of Article 6, paragraph 8, as the only Article that has operationalized the preamble of the Paris Agreement, in which the collective rights of Indigenous Peoples and local communities and the importance of gender equality are recognized. The representative of the Alliance shared its view that all stakeholders should be able to access the UNFCCC web-based platform for NMAs, and suggested that political declarations made at UNFCCC sessions but outside the UNFCCC outcomes could be brought into the process as NMAs.

18. The presentation by the Ford Foundation Climate and Land Use Alliance featured lessons learned from its pledges to support the tenure rights and forest guardianship of Indigenous Peoples and local communities, noting that the recognition of tenure rights can bring about co-benefits such as protection of public health. The representative shared the view that the pledges and philanthropy of the Foundation should be showcased in the context of Article 6, paragraph 8, to emphasize the need for a massive upscaling of climate finance and to help to direct funds to the innovative organizations and mechanisms that are delivering results of climate action on the ground.

19. One workshop participant commented that NMAs should enable transfer, but not trade, of mitigation outcomes, and be able to be used for achievement of NDCs of NMA host Parties in order to contribute to achieving the long-term temperature goal of the Paris Agreement.

20. Another participant emphasized that the purpose of NMAs is to facilitate and support the achievement of NDCs, and insisted that monitoring, verification and extensive reporting under NMAs, as well as discussion thereon, will delay, as well as increase the burden of, their implementation.

IV. Summary of round-table discussions

21. A representative of Japan shared information on the latest activities under the Cleaner Energy Future Initiative for ASEAN and introduced a new initiative for adaptation technologies focused on the local context, and shared lessons learned from implementing these initiatives.

22. A representative of the International Indigenous Peoples' Forum on Climate Change showcased as NMAs in agriculture and food production Indigenous methods for converting

and revitalizing contaminated land that can be used for adaptation and combating climate change.

23. One participant requested the representative of the Plurinational State of Bolivia to explain its interpretation of NMAs. The representative responded that NMAs are approaches that avoid the commodification of the environmental functions of Mother Earth, and that the Party considers there to be at least two interpretations of NMAs. The representative added that the spirit of NMAs under Article 6, paragraph 8, is to showcase a holistic and integrated approach to adapting to and addressing climate change, as part of action on the ground, including what Indigenous Peoples and local communities are doing in this regard. The representative concluded that a key issue to understand in relation to NMAs is that they do not involve the international transfer of mitigation outcomes.

24. One participant stated that financing is a key element of making NMAs work and mentioned the need for guidance on, and a procedure for, highlighting NMAs in need of financing as the implementation of Article 6, paragraph 8, has already started.

25. One participant stressed the importance of continuous communication among Parties and observers, including Indigenous Peoples, arguing that Indigenous Peoples need to be part of the discussion on NMAs to reflect their diverse realities.

26. In addition, one participant emphasized the importance of acknowledging the existence of ancient time-tested cultural practices and considering how they can be integrated with modern technologies and equitable approaches to land management.

27. An Indigenous youth participant, expressing his desire to continue his own practices and way of life, asked that the Indigenous youth perspective be taken into account in the discussions on NMAs in order to ensure that future generations of Indigenous young people can continue to practise NMAs.

28. One participant mentioned the need to clarify the text of Article 6 of the Paris Agreement and relevant CMA decisions in order to be able to move forward with implementation of Article 6, paragraph 8, as some presentations mentioned financial instruments that sound like biodiversity offsetting. He asked about the Plurinational State of Bolivia's view on the transfer of mitigation outcomes for achieving NDCs, and they agreed on Article 6, paragraph 8, being an instrument for raising ambition and achieving implementation of NDCs without international transfer of outcomes.

29. One participant asked whether the secretariat plans to assess Parties' motivation to scale up NMAs in the future, as existing NMA projects at the local level are very small and vulnerable. One of the GCNMA Co-Chairs indicated two ways to access resources in relation to NMAs: the UNFCCC web-based platform for NMAs, where Parties can find information on existing NMAs and opportunities for cooperation thereon; and United Nations climate change conferences, where Parties can engage thereon with other participants.

30. One participant argued that Indigenous Peoples could be key players in addressing the climate crisis, and that NMAs should focus on ecosystem restoration and management, and promoting low-carbon-intensity food systems, which Indigenous Peoples are already working on. By enabling holistic and balanced actions, NMAs could help to stabilize ecosystems and make a significant contribution to mitigation in the six years left for emissions to be reduced until 2030. The participant urged the other workshop participants to be inspired by such a vision and to recognize that such an approach could help to accelerate global climate mitigation.

V. Reflections on the workshop

31. The GCNMA Co-Chairs invited Parties to provide reflections on the in-session workshop in the second spin-off group of the 4th meeting of the GCNMA.

32. In general, Parties welcomed the fruitful outcomes of the workshop and its focus on forest and its related ecosystems.

A. Presentations

33. A group of Parties noted that the in-session workshop was useful for understanding NMAs in the context of forest and its related ecosystems under Article 6, paragraph 8.

34. Another group of Parties expressed gratitude for the interesting and informative presentations, which helped them to understand others' thoughts about NMAs. They pointed out that more focused preparations would be possible if Parties were clearly informed of the theme of the workshop in advance.

B. Round-table discussions

35. A group of Parties suggested adjusting the interpretation of the round-table discussions to take more advantage of the engagement of Parties and other stakeholders. They also proposed reflecting the issues raised during the workshop in the draft decision on the work programme for non-market approaches to be adopted at CMA 5 that was under negotiation at the time.
