

RE: Ensuring rapid operationalization of Article 6

We thank the SBSTA Chair for inviting admitted observer organizations to make submissions in advance of the informal technical expert dialogue on ‘Ensuring rapid operationalization of Article 6’. Rainforest Foundation Norway, an observer organization of the UNFCCC and a convening member of the Climate, Land, Ambition, and Rights Alliance (CLARA), takes the opportunity to provide input on this topic, on behalf of CLARA.

Here we confine our remarks to operationalization of Article 6.8, which comparatively speaking has been neglected as a locus of climate action. This is a pity, in our view, because of the great potential of Article 6.8 for supporting mitigation and adaptation actions. It is time to take Article 6.8 out from under the shadows of the interminably-negotiated but still-inconclusive outcomes for Articles 6.2 and 6.4.

We submit ideas pertaining in particular to operationalization of Article 6.8 for AFOLU sectors. Whereas the clear intent of Article 6 overall is provide mechanisms for improving mitigation performance, Article 6.8 has been understood from the beginning as the setting in which joint mitigation-adaptation (JMA) approaches appropriate for use in the land sector can be developed.¹ The submission led by Bolivia and 17 other developing country Parties toward creation of a previous SBSTA workstream on non-market-based approaches (¶44-47 of decision 1/CP.18) further called for ‘direct compensation of net avoidance of emissions’, providing thereby a non-market basis for operationalizing REDD+.

Now, CLARA supports the call for a new SBSTA work programme to develop “institutional arrangements for the framework for non-market approaches,” as found in version 3 text (15 December 2019 00:20 hours) of the draft CMA decision on Article 6 from COP25. We believe that the work programme should examine opportunities to either create a new permanent body for administering new and additional finance through Article 6.8, ideas for which we will present in a subsequent (1 June) submission; and/or, to provide new and additional resources of climate finance to the Green Climate Fund.

¹ See ¶167 of decision 2/CP.17: “notes that non-market approaches, *such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as a non-market alternative* that supports and strengthens governance, the application of safeguards as referred to in decision 1/CP.16, appendix I, paragraph 2(c-3), and the multiple functions of forests, could be developed.”

We note some recent developments that contribute to our position:

- ✓ **UNFCCC decision 1.CP/25 paragraph 15** calls for integrated action to prevent biodiversity loss and climate change. A SBSTA work programme on Article 6.8 is well-placed to also consider operationalizing the mandate of ¶15. We refer again to negotiating history pertaining to proposals for the development of a Joint Mitigation and Adaptation Mechanism (JMAM), clearly aligned with the call found in ¶15. We refer to Section II of the Annex in the draft CMA decision (2019) mentioned earlier, which listed possible non-market approaches under the framework, *inter alia* ‘promot[ing] mitigation and adaptation ambition’, and ‘enabl[ing] opportunities for coordination across instruments’. We see here an important opportunity for integrated, synergistic climate and biodiversity action in the UNFCCC to be pursued through an Article 6.8 NMA mechanism.
- ✓ **A recent GCF review of REDD+ finance** found that no Least Developed Country (LDC) was able to access Results Based Payments in the GCF pilot programme, despite the fact that LDCs constituted 37% of the countries submitting Forest Reference Emission Levels to the UNFCCC.² As a consequence, REDD+ finance in the GCF pilot programme was highly unbalanced regionally, and not made relevant to LDCs. That pattern is replicated in overall REDD+ finance, where support is further concentrated in a very few countries. Those countries are now enjoying access to new market mechanisms, such as in the just-announced LEAF initiative.³ The GCF argues in its recent report that the “GCF REDD+ Results-based Payments Pilot Programme may be considered a ‘non-market’ approach – as no tradable carbon assets are created.”

We invite a SBSTA work programme that would build from this understanding, since Article 6.8 similarly was *not* designed to create tradable carbon assets. Such a mechanism under Article 6.8 could remedy the current funding imbalances and conceivably even become a source of support for fulfilling the ‘conditional’ levels of land-sector ambition in the NDC of qualifying countries.

We also note that the GCF is currently reviewing and adopting sector guidance pertaining to Forests and Land Use, with an eye toward enhancing mitigation while increasing country ownership. There are many congruences between what is proposed in the draft Sectoral Guidance and elements of a possible work programme focused on operationalizing Article 6.8, including alignment with the Local Communities and Indigenous Peoples Platform, and implementation of the Gender Action Plan.

Rainforest Foundation Norway and CLARA appreciate that the SBSTA Chair has also scheduled an informal technical expert dialogue on “Article 6 of the Paris Agreement: Enabling ambition in Article 6 instruments” for 11 June 2021 and has encouraged Parties and admitted observer organizations to make submissions on this topic by 1 June 2021. CLARA member organizations look forward to presenting then a submission that covers possible Article 6.8 program elements and also identifies new and additional sources of finance to support these proposed programs, in tandem with but also outside of existing requirements under Article 9.5 and 9.7.

² See “Options for the Continuation of REDD-plus Results-based Payments Under the GCF: Background and Discussion Document,” draft of 3 March 2021; see Table 6, page 8.

³ See <https://news.mongabay.com/2021/04/governments-companies-pledge-1-billion-for-tropical-forests/>