



WWF Submission on Matters relating to Article 6.8 of the Paris Agreement

Date: February 28, 2022

In response to the Call for Submissions under the item Matters Relating to Article 6 of the Paris Agreement – 6.8; WWF is pleased to submit the inputs below on:

- Existing relevant non-market approaches that may be facilitated under the framework in the initial focus areas of the work programme activities.
- Examples of potential additional focus areas of non-market approaches that may be facilitated under the framework and existing relevant non-market approaches that may be facilitated under the framework in the potential additional focus area

I - Summary

This submission proposes a *Matching Facility* under the Paris Agreement that would facilitate and enhance country to country climate cooperation to help address the ambition gap, including, but not limited to, the 1.5 Gt CO₂eq of potential emission reductions currently reflected in the conditional components of NDCs. The Matching Facility would be a *non-market approach* (NMA) under Article 6.8 that would build on various existing elements of the Paris Agreement.

The Matching Facility would involve the following steps:

- **Step 1: Countries specify opportunities for collaboration in NDCs, or supplementary documents if necessary.**
- **Step 2: Matchmaking takes place through a non-market pathway.**
- **Step 3: Countries report the match and corresponding financing and receive recognition for the financial contribution and mitigation achievement respectively.**
- **Step 4: The Matching Facility is reviewed in the Global Stocktake, with gaps and barriers identified and measures developed to overcome them.**

Steps 1-3 would be ongoing, with countries continually submitting and matching conditional, additional emissions reductions in NDCs with additional finance and other means of support. Where updates of NDCs are not possible the process could include actions and support that are not formally within NDCs but that are framed clearly in relation to them (i.e., an annual ambition platform as proposed by the Climate Vulnerable Forum). These efforts would then be included in the 5-yearly collective assessment of the Global Stocktake.

While the detailed proposal below focuses on mitigation, the approach could also easily be applied to enhance country collaboration to help close the adaptation gap as well.

II – Context

“...the global nature of climate change calls for the widest possible cooperation by all countries and their participation in an effective and appropriate international response, in accordance with their common but differentiated responsibilities and respective capabilities and their social and economic conditions” (UNFCCC Preamble, 1992).

The Paris Agreement represents a high point in multilateralism, uniting the world behind clear objectives to fight climate change. Yet the agreement provides limited practical opportunities for Parties to collaborate effectively to deliver climate action as fast and effectively as possible.

One way this can be addressed is by building on the ratchet mechanism under the Paris agreement through establishing a *Matching Facility*. Such a facility would be designed to connect potential climate actions that cannot currently be delivered due to lack of funding, with the support they require to become a reality.

This can be delivered largely through Article 6.8, but also involves several other provisions in different areas of the Paris Agreement.

A look at conditional elements of countries' NDCs

According to the latest UNFCCC Synthesis Report Update (October 2021): “10. Total global GHG emission level (without LULUCF), taking into account implementation of the latest NDCs of all Parties to the Paris Agreement, is estimated to be around 54.7 (52.7–56.7) Gt CO₂ eq in 2025 and 54.9 (51.5–58.3) Gt CO₂ eq in 2030.”

And further; “65. Most Parties' NDCs are unconditional, at least in part, with many including more ambitious conditional elements. (...) Total GHG emission levels resulting from implementation of the unconditional elements of the NDCs are estimated to be 55.5 (54.3–56.7) Gt CO₂ eq in 2025 and 56.4 (54.4–58.3) Gt CO₂ eq in 2030.” **Full implementation of the conditional components of current NDCs would therefore lower annual global GHG emission levels by around 1.5 Gt CO₂ eq in 2030.**

Also according to the Synthesis Report Update: “143. The total GHG emission level resulting from implementation of the unconditional elements of the NDCs is projected to be 7.5 (3.8–11.2) per cent higher in 2030 than in 2019; whereas the total GHG emission level resulting from implementation of the NDCs including conditional elements is projected to be only 2.0 per cent (–1.8 to +5.7) higher in 2030 than in 2019.”

Clearly, the fulfilment of conditional NDC elements is required to even get close to peaking global emissions in 2030. There is great potential to go beyond the 1.5 Gt through collaboration. Holz *et al* (2018)¹ make the case that “*countries would be more motivated to expand the considerable effort needed to plan for additional mitigation measures in conditional components of NDCs, and more able to do so, if they have reasonable expectations that support will flow at the required scale*”

However, the Paris Agreement is not set up to explore the opportunities for collaboration among Parties, as it stands now. The Green Climate Fund (GCF) is a key financial mechanism, but there is no specific process to consider opportunities for collaboration presented by the conditions in NDCs. Similarly, there is a Technology Mechanism, made up of the Technology Executive Committee (TEC) and Climate Technology Centre and Network (CTCN), but it is not designed to look at opportunities provided by the conditions in NDCs in a systematic manner. It does not mean those institutions neglect NDCs or collaboration opportunities, however, there is not yet a system to connect the dots between the NDCs' conditional elements and the relevant institutions under the UNFCCC and the

¹ Christian Holz & Sivan Kartha & Tom Athanasiou, 2018. "[Fairly sharing 1.5: national fair shares of a 1.5 °C-compliant global mitigation effort](#)," *International Environmental Agreements: Politics, Law and Economics*, Springer, vol. 18(1), pages 117-134, February.

Paris Agreement. This represents a missed opportunity so far to unlock latent climate ambition within countries that need support.

III - Operationalizing art. 6.8 through a “Matching Facility”

We propose that a Matching Facility should be established to support untapped mitigation potential in an effective manner at scale. We also believe this can be established as part of the Paris Agreement rulebook (or “implementation guidelines”).

The Matching Facility would involve the following steps:

- **Step 1:** Countries specify opportunities for collaboration in NDCs, or supplementary documents if necessary.
- **Step 2:** Matchmaking takes place through a non-market pathway.
- **Step 3:** Countries report the match and corresponding financing and receive recognition for the financial contribution and mitigation achievement respectively.
- **Step 4:** The Matching Facility is reviewed in the Global Stocktake, with gaps and barriers identified and measures developed to overcome them.

We elaborate on these steps and where in the Paris Agreement rulebook negotiations we believe they should be addressed below.

Step 1: Countries specify opportunities for collaboration in NDCs

Countries' Nationally Determined Contributions (NDCs) should be used as tools to communicate opportunities for further collaboration among Parties. Parties with low capability should indicate additional emission reductions they can achieve with support, as some already do in conditional components of current NDCs. Parties with high capability, and historic responsibility, should also indicate their willingness to provide additional support. Such support can be formulated as a financial commitment or a commitment to support the delivery of a quantified amount of emissions. Expressions of willingness to support other countries have to primarily come from developed countries, but developing countries are also encouraged to express willingness to support other countries, thus enhancing South-South cooperation.

Step 1a: Countries express needs for support in their NDCs

Many Parties communicated their “mitigation conditions” in their 2020/2021 NDCs. In some of them the conditional and unconditional components are not specific or do not provide enough detail to properly facilitate matching of needs with support. A Matching Facility could help address these concerns and help unlock additional action.

Parties should be encouraged to specify their needs for support for mitigation in future NDCs, and provide a sufficient level of detail that would unlock matches. Supplementary documents could be used in the short term in those cases where submission of an updated NDC is not feasible. For example, a country revising its NDC could more clearly communicate “*mitigation components to be supported*” as part of the information to facilitate clarity, transparency and understanding (ICTU).

For the purpose of clarity, transparency, and understanding, the guidance on what kind of information should be included in the mitigation component to be supported, should be part of the Paris rulebook. In their NDCs, Parties with low capability should be encouraged or requested to include information on:

- The additional amount of estimated emission reductions that can be achieved beyond their unconditional NDC mitigation target;
- Type of required support (finance, technology and/or capacity building);
- Scale of required support; and
- Sectors and specific activities that require support.

Step 1b: Countries express willingness to support other countries' needs in NDCs

It is also important to encourage Parties with high capability or responsibility to indicate their willingness to help unlock additional emission reductions through *providing* support. We suggest that those Parties willing to do so could set up a separate “mitigation support target” - an emissions reduction target that would be delivered through providing support for other countries. This would be **in addition** to a country’s own NDC and other domestic mitigation target(s), which should deliver the maximum amount of emission reductions possible domestically. Therefore, in their NDCs, Parties with high capability and/or responsibility should include information on:

- A mitigation support target;
- The type of support that the Party is willing to provide (finance, technology and/or capacity building);
- The scale of support that the Party is willing to provide;
- The time period that the Party is offering support for; and
- Specific sectors or areas that a Party is willing to provide support for (e.g. if a Party has expertise or technology for a certain type of demand management or wind and solar energy technology, then that Party may want to indicate their willingness to provide support specifically in that sector).

All the information should be listed as non-compulsory and indicative items parties can include as part of reporting under Article 13 of the Paris Agreement. This is negotiated under CMA agenda item 5 on methodological issues relating to the enhanced transparency framework for action and support.

Step 2: Matchmaking takes place through a non-market pathway

Currently, there is no process under the UNFCCC that allows countries to communicate in a consistent manner their interests in supporting emission reductions in other countries. The current conditional elements in NDCs are also mostly too vague to facilitate effective collaboration. An opportunity to address this shortcoming is provided under Article 6.8 of the Paris Agreement: “[a] framework for non-market approaches to sustainable development is hereby defined to promote the non-market approaches.”

One option in an [informal note on Article 6.8](#) from 2018 calls for “a public web-based platform that aims to match the needs of participating Parties and public and private sector participants for the development and implementation of [non-market approaches] with the support offered by other Parties and other public and private sector participants.”

Such a platform could draw on lessons learned from the Nationally Appropriate Mitigation Actions (NAMAs) process and the [NAMA registry](#).

Under the “framework for non-market approaches” set out in Article 6.8, modalities and procedures could be designed to facilitate a process whereby two or more Parties identify, shape and enter into climate collaboration arrangements. We propose that the decisions at COP27 under Article 6.8 could establish:

- A request to the UNFCCC Secretariat to prepare an overview report of “support needs” and any “willingness to support” expressed in NDCs;
- A process to develop the modalities and procedures for Parties to:
 - Provide necessary additional information on conditional NDCs and mitigation support available,
 - Establish a registry for conditional mitigation efforts in NDCs and for mitigation support pledges to facilitate collaboration and “matching”;
 - A procedure through which two or more Parties can declare and register a “collaboration”; and
 - A procedure to report on progress of the collaboration arrangement in the Transparency Framework and to recognise the financing or other support provided and the emission reductions it achieved.

While most of these modalities and procedures have to be addressed under the negotiations on Article 6.8, some components could be addressed under the agenda item concerning registry of NDCs. Further decisions under the Transparency Framework are required and will be discussed in the next step.

Finally the Matching Mechanism could potentially also have a link to the CDM registry for instances where Parties want to support emissions reductions through a non-market approach. Under this approach the credit would not be traded but instead be cancelled, and that emissions reduction would only be counted by the host country.

Step 3: Countries report the match and receive recognition for the achievement

In order to incentivize Parties to provide support, there needs to be a separate framework to recognize their contributions. This is necessary because the Matching Facility would be completely different from the market-based mechanisms that currently exist. For example, under the CDM, emission reduction credits are used to achieve developed countries' own emission reduction targets. In other words, the emission reduction (i.e. the mitigation outcome) can be transferred from a developing country to a developed country, counting towards the latter's target.

However, under the Matching Facility, a donor country's *emission reduction through a target of provision of support* (hereafter "mitigation support target") would be separate from its domestic emission reduction targets, as indicated in Step 1 above, and can be claimed only by the recipient country towards their national emissions reductions target. In other words, emission reductions delivered through support will not be internationally transferred from host Parties to donor Parties, but will remain an emission reduction by the host. However, the emission reductions that are achieved due to support received should be reported as such in host Parties' reports to the UNFCCC. If the contribution is properly recognized, donor countries can count these reductions towards **delivery of their support target** only. This requires that countries provide the following items under the Transparency Framework:

- For countries with high capability and/or responsibility that set a mitigation support target: A report on the progress towards the country's mitigation support target (i.e. a report item in the Biennial Report that indicates to what extent the country has provided support, which parties have received that support, and what the emission reduction due to that support is);
- For countries with limited capability and conditional emission reduction targets: A report outlining how much support has been received through the Matching Facility to fulfill specific needs (i.e. a report item in the Biennial Update Report that indicates to what extent the country has received support, which parties have provided that support, and what the emission reduction due to that support is).

Step 4: The Matching Facility is reviewed in the Global Stocktake (gaps identified and measures developed to fill them)

The Global Stocktake should include an assessment of the Matching Facility and facilitate improved collaboration in future. To this end the Global Stocktake must include in its review:

- The aggregate level of mitigation presented in the "mitigation components to be supported" by sector;
- The aggregate level of mitigation presented in countries' "mitigation support targets;" and
- The gaps between these two aggregate levels in terms of the amount of emissions covered per sector (e.g. X tons of shortage in forest sector for support) and types of means of implementation (e.g. X tons of willingness in technology support while Y tons of shortage in support to implement emissions reductions in the forest sector), as well as any barriers preventing the achievement of such mitigation.

Based on this review and Parties' technical and political discussions, the Global Stocktake should produce a set of recommendations on how to fill major gaps between needs and provided support in at least the following elements:

- Means of implementation (MOI) being provided (e.g. are finance, technology, capacity building all being provided sufficiently?);

- Geographic distribution of support (e.g. which geographic regions in need are not receiving support?); and
- Sectoral coverage of support (e.g. which economic sectors need more support?).

Such information can then inform Parties' update of current NDCs and preparation of subsequent NDCs, within which they specify the information described in Step 1.

A Matching Facility for Adaptation

While this working paper focuses on enhancing countries' means of implementation by matching them with support for mitigation, the basic structure could apply to adaptation as well. Willingness to provide support should be expressed in areas and sectors of vulnerabilities that the Party is willing to provide support for. For example, if the country has specific technologies for early warning systems in the field of flood warning, the Party should indicate that it is willing to provide support in this field in its NDC.

On the side of the recipient/host Party, the needs should be expressed in the field of vulnerabilities that the Party has identified through a vulnerability assessment. Alternatively, if a Party has not yet done a vulnerability assessment, it can indicate its need for support in the vulnerability assessment it intends to conduct.

A Matching Facility for Nature-Based Solutions (NbS)

The concept of NbS has not yet been fully included in the UNFCCC negotiations. However, many countries have included NbS in their NDCs², and the importance of natural systems and their contribution for climate change mitigation and adaptation is widely recognized by science. The recently launched report of the IPCC WGII highlights the need to protect and restore 30 to 50% of all ecosystems to maintain the resilience of biodiversity and ecosystems services at a global scale.

The Matching Facility could provide a funding opportunity for such approaches, building on lessons learned and challenges experienced by initiatives such as the [Amazon Fund](#) from Brazil, the [LEAF Coalition](#) launched last year, [the Forest Carbon Partnership Facility](#) of the World Bank and the [REDD Early Movers \(REM\)](#) program by Germany.

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² According to a report by [WWF – NDCs: A force for Nature?](#) - 105 out of 114 (92%) of enhanced NDCs include NbS: 96 in the context of mitigation measures, 91 in the context of adaptation plans, with an overlap of 82 in both mitigation and adaptation.