

YOUNGO's Submission to UNFCCC Sessions from Glasgow
Work programme under the framework for non-market approaches referred to in Article
6.8 of the Paris Agreement

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Input:

1. Article 6.8 should be seen as a strong and multifaceted part of the Article 6 overall package. For this to occur it needs to tangibly add value to the UNFCCC process, and more broadly the overall international regimes that govern climate change law. Equally as important the opportunity to contribute to and engage with Article 6.8 should be open to all, hence the transparency and accessibility of the UNFCCC web-based platform is of critical importance.
2. Financial policies and measures are crucial additions that Article 6.8 can contribute. Unique contributions Article 6.8 can make relate to three distinct clusters: carbon pricing, financial flows and international trade policy.
3. Carbon pricing is an essential non-market approach that should be covered by Article 6.8. This is in accordance with the research of the International Monetary Fund who have explored how a global price floor on carbon should be agreed. Explicit consideration of carbon pricing under Article 6.8 offers the chance for parties to exchange advice on best practice carbon pricing techniques. This would improve the quality of pricing regimes as well as the overall cohesion of carbon prices in the global market. It would further reduce the risk of a lack of environmental integrity under Article 6, in this way supporting both the text and intent of this section of the Paris Agreement.
4. Aligning financial flows is core to the Paris Agreement, but more fundamentally to any prospect of keeping 1.5c alive. Integrating climate change into financial flows is an area that is fraught with the risk of greenwashing, including financial flows within Article 6.8 could help provide a backstop in this regard. It could review best practice examples of both public and private financial flows and importantly draw attention to the specific ways in which they can be improved.
5. Article 6.8 also has the opportunity to address a further 'elephant in the room' of carbon market policies- that is, how they align with the international trade law regime. Both countries and investors need certainty regarding the financial implications of climate change. However, fundamentally, they also need confidence that the system of international trade law and investor-state dispute resolution will not be a barrier to implementing meaningful carbon market reforms. In this way Article 6.8 could provide groundbreaking insights, and ensure that parallel discussions occurring within the World Trade Organization, particularly within the Trade and Environmental Sustainability Structured Discussions, reflect the reality of the systemic change needed to meet parties' obligations under the Paris Agreement.
6. To truly inspire the partnerships needed to implement such non-market mechanisms, the modalities of the Article 6.8 work programme should be made publicly available and live-streamed (where applicable).