

LMDC Submission on
Work programme under the framework for non-market approaches referred to
in Article 6, paragraph 8, of the Paris Agreement

1. Background

Decision 1/CP.21 paragraph 39 of the Paris Agreement gives way to the creation of mechanisms that: *“facilitate the use and coordination of Non-Market-Based Approaches (NMAs) in the implementation of Nationally Determined Contributions (NDC) at the national level of countries in the context of sustainable development and poverty eradication”*. Additionally, paragraph 6 of Decision - /CMA.3 *“Work Program in the Framework of Non-Market-Based Approaches referred to in Article 6, paragraph 8, of the Paris Agreement”* invites the Parties and observers to submit their proposals through the portal no later than February 28, 2022. This should lead to the creation of links and synergies for, inter alia, mitigation, adaptation, financing, development and technology transfer and local capacity building, while avoiding duplication of efforts under the Convention, the Kyoto Protocol and the Paris Agreement.

2. Existing relevant non-market approaches to be facilitated under the framework

Non-market approaches (NMA) under Article 6.8 of the Paris Agreement aim to facilitate the implementation of NDCs in the context of sustainable development and poverty eradication along with improving the livelihoods of local communities and indigenous peoples.

Art 6.8 can play an important role in recognising and facilitating opportunities of existing NMAs while contributing to other specific Articles of the Paris Agreement (specifically, Art 4, 5, 7, 9, 10, 11 and 13) through the broad nature of the work programme. It is crucial to understand that Art 6.8 is not meant to overlap with or duplicate any existing activities or programs. Rather it is meant to add value by creating, recognizing and enhancing linkages and synergies among the existing programs while facilitating the implementation of NDCs in countries where a country has identified a need for support. The successful implementation of the work programme is dependent on countries' support in recognizing the aforementioned synergies.

To be clear, the one element that is clearly missing at this point is the real incentive to have an existing or future mechanism registered under Art 6.8 - what practical benefits would be derived from getting it registered under Art 6.8?

It could be proposed that cooperation under Art 6.8 should be regarded as an important element in terms of counting the funding received under climate

finance contribution. Should that be the case, Parties will find it essential that different forms of cooperation be registered as an Art 6.8 activity.

The *Adaptation benefit mechanism* introduced by the African Development Bank is one such existing initiative that can be included as an existing non-market based mechanism since the benefits can only be cancelled and not transferred. The mechanism has no specific targets and can focus on scaling the African efforts. Pilot methodologies of the ABM demonstration projects could be shared on the web-based platform and serve as inputs for an ad-hoc technical expert group.

3. Examples of potential focus areas of non-market approaches to be facilitated under the framework (e.g. adaptation benefit mechanism)

The potential focus areas under Art 6.8 provide an opportunity for Parties to enable international cooperation or focus on enhancing the existing ones. In the CMA3 decision at COP26, the paragraph defines the initial focus areas as *Adaptation, resilience and sustainability; Mitigation measures to address climate change and contribute to sustainable development; and Development of clean energy sources*; along with reflection on the potential areas (social inclusivity, financial policies and measures, circular economy, blue carbon, just transition of the workforce, adaptation benefit mechanism).

Some of the potential non-market-based approaches that can be included within the initial focus areas have been summarised below:

- (a) Adaptation, resilience and sustainability: Climate Adaptation Notes, Voluntary adaptation contributions from individuals, Tropical Forest Alliance (TFA); Amazon Fund; Convention on Biological Diversity (CBD); FIP (Forest Investment Programme); Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan EU; Global Climate Change Alliance (GCCA); The *Adaptation benefit mechanism* introduced by the African Development Bank etc.
- (b) Mitigation measures to address climate change and foster sustainable development: Climate and Clean Air Coalition; GCF REDD+ Results-based Payments Pilot Programme; REDD+ SES (REDD+ Social and Environmental Standards); FCPF (Forest Carbon Partnership Facility), International Council for Local Environmental Initiatives (ICLEI) etc.
- (c) Joint Mitigation and Adaptation (JMA) measures: Alternative policy approaches, such as joint mitigation and adaptation approaches for the integral and sustainable management of forests as decision 16/CP.21 and article 5 of the Paris Agreement; NDC Partnership; Lowering Emissions by Accelerating Forest Finance (LEAF Coalition) etc.

(d) Development of clean energy sources: Initiative Sustainable Energy for All (SE4ALL); Clean Energy Transitions Programme (International Energy Agency (IEA)); International Partnership for Energy Efficiency; Berlin Energy Transition Dialogue; International Solar Alliance; Clean Energy Ministerial etc

Given that the criteria for identifying NMAs is extremely broad under Art 6.8, NMAs can be any form of international cooperation that exists as bilateral or multilateral area/sectoral efforts, programs or projects that aid Parties in enhancing existing linkages, creating synergies, and facilitating coordination in the implementation of NDCs. Considering the vast scope of potential areas that can be incorporated within the NMAs, it will be imperative to avoid duplication and burdens on Parties that may result in delay the implementation of the work programme.

There is a significant number of existing NMAs that currently operate in silos, mainly in the form of a variety of technical and financial international cooperation. In this case, priority should be given to the NMAs that enable full implementation and help meet country NDCs while fostering sustainable development and poverty eradication. Additionally, the NMAs should facilitate coordination between public-private sectors and civil societies and enhance recognition to strengthen international efforts.

Priority should also be given to the areas where market applicability is complex, but will result in significant progress towards emission reductions, removals or reforms such as increased deployment of sustainable energy technologies in power generation.

The distinction of the focus areas can be delineated within sectoral categories within the work programme and could include a defined form of international cooperation such as norms and regulations, fiscal measures, collective action, monitoring and control and others. These can also include:

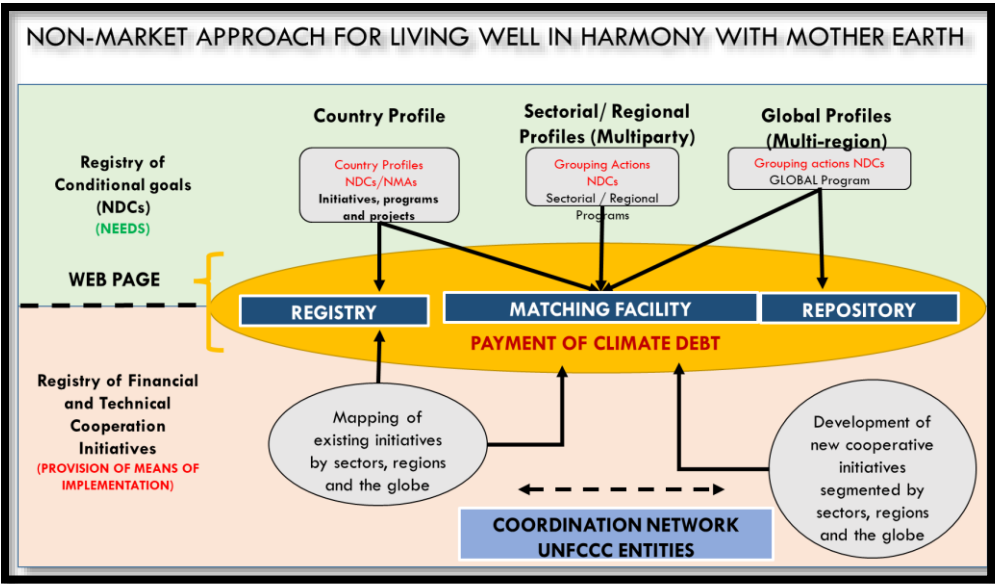
- Voluntary approaches (adaptation mechanism, Environmental product labelling etc);
- Reporting requirements;
- Active technology support (Examples: NER 300 programme funding innovative carbon capture and storage (CCS) and renewable energy demonstration projects. Renewable energy support scheme, such as quota obligations or feed-in tariffs belong to this category);
- Removal of green technological financial barriers;
- Information sharing and capacity building etc.

4. The scope of the Glasgow Committee on NMAs

The non-market-based approaches will support the countries, in particular in meeting their conditioned goals within the framework of their Nationally Determined Contributions-NDC, articulating the initiatives of non-market-based actions specified in national NDCs with the technical and financial cooperation, both public and private in nature, with existing initiatives throughout the world. All of this will be done by initially promoting focus areas of work, as mentioned previously, followed by mapping exercises which will then assemble country, regional and global initiatives, on the basis of the needs driven by national NDCs, and the possibility of further expanding the development of new initiatives under the leadership of the entities of the UNFCCC. In turn, the NDCs, through country and multi-country profiles, will lead towards greater ambition in the development of country, sector, regional and global programs, based on the grouping efforts of NDCs, which will then guide and forecast the technical and financial cooperation needed, all through the Glasgow Committee. This will ultimately lead towards greater transparency in the provision of technical and financial cooperation to countries, under the principle of leaving no one behind. Additionally, it is of the utmost importance that all activities (initiatives, programs and projects), promote and consider their respective obligations as Parties onto the rights of Indigenous Peoples and local communities, key populations in upholding the intergenerational continuity of the plurality of views and the construction of a new civilizational horizon of the “Living Well in harmony with Mother Earth”.

Provided below is a chart that summarizes the work modality and the main instruments and tools of the Glasgow Committee.

Graph: Modalities of work and Instruments of the Glasgow Committee



Financial and technical cooperation encompasses all potential areas of the work program and is directly linked to supporting countries compliance with NDCs.

- Financial and technical/technological cooperation efforts make it possible to strengthen national and regional efforts in mitigation/adaptation/sustainable development/poverty eradication.
- Cooperation allows the coordination of public, private and civil society actors.
- Cooperation will facilitate coordination between instruments and institutional arrangements (financing, technology, capacity development).
- Allows countries to be assisted in the implementation of NDCs in a holistic, integrated and balanced manner, through the provision of financial cooperation, technical assistance and technology transfer.
- Cooperation is oriented towards obligations and fulfillment of rights and is oriented towards specific results: environmental, economic and social impacts.

First scenario: Within the NDC scope. It includes financial and technical cooperation efforts aimed at strengthening countries' compliance with the NDCs, within the framework of sustainable development and poverty eradication.

Second scenario: Outside the NDC scope. It includes financial and technical cooperation efforts in general, in different areas (social, economic, others) not linked to the NDCs of the countries within the framework of the Paris Agreement.

Identification of measures

The LMDC suggests the following specific measures to strengthen financial and technical cooperation (as a non-market-based approach and action) within the framework of the NDCs of the countries and their impacts on mitigation and adaptation to climate change.

- Registry of NDC actions based on NMA (financial cooperation, technical and technological assistance, and capacity building), considering the conditioned goals for the fulfillment of the commitments of the countries.
- Scaling-up (grouping of national NDC actions) through the development of country, sectoral, regional and global profiles (multi-country) that allow implementing goals and objectives embodied in the NDCs.
- Mapping and registration of financial and technical cooperation (public and private) at different levels (national, regional and global).
- Matching the needs of the NDCs with the provision of means of implementation of existing cooperative sources (both public and private) on the provision of financing, existing technical and technological assistance, whilst aiming to

generate new programs required to fulfill unsatisfied needs on the basis of the principle of leaving no one behind.

- Development and implementation of regional and global agreements/alliances for financial and technical cooperation to contribute to the conditioned part of the NDC with results in mitigation and adaptation to climate change.

Implementation of measures

For the implementation of the above measures, the LMDC suggests the development and application of the following tools, with the assistance of the Secretariat, and articulated to the web-based platform, as appropriate, for the participating Parties to identify, develop and implement NMAs.

Registry (Needs and provision of means of implementation)

- **Registry of non-market-based NDC actions** -conditional requirements- (**needs**) that require financing, capacity building, technology transfer and/or other means of implementation for compliance.
- **Mapping and registration of cooperative initiatives (provision of means of implementation)** (initiatives, programs and projects) inside and outside the UNFCCC, that seek to provide financial, technical and other means of implementation from the public or private sector.
- **Voluntary registration** of North-South or South-South climate cooperation agreements (bilateral, multilateral, or between countries and financing entities).

Development of profiles (Needs at the national, regional and global)

- Development of **country Profiles** with NDC actions not based on the market (identification of the goals conditioned to the provision of financing and technology), and the preparation of NATIONAL PROGRAMS.
- **Development of regional/global profiles** (multi-party) for the preparation of sectoral, regional and global programs based on the country profiles in related sectors and with similar needs for means of implementation (including sectoral, regional and global programs).

Matching facility (Between needs and provision of means of implementation)

- Process of articulation of the needs (conditional requirements NDCs) with the existing provision of means of implementation (financial, technical and capacity development cooperation) at national, sectoral, regional and global levels.
- Generation of new initiatives of support based on the specific support needs of the NDCs (based on the principle of leaving no one behind).

REPOSITORY

- Regarding the objective functions and information that should appear on the Web Portal, we propose that the website should function as a **repository** that makes it possible to publicize the **needs** (initiatives, programs and projects) from the countries that communicated their NDCs to the secretariat, and that in the framework of non-market-based actions and approaches, may be the object of pursuing financial, capacity building, technology transfer and/or other means of implementation through the mapping of projects and connections to the **provision of means of implementation**, such as financial, technical, capacity building and/or other cooperative initiatives of a private or public nature.
- A repository of tools for the exchange of information and opportunities for country parties (free software, technological applications and others for distribution via the portal) that help identify, develop and implement non-market-based approaches.
- Systematization of information on NMA and NDCs and its transparency.
- The **repository** will allow the collection of information on the achievement of objectives and the transparency of implementation flows for future recommendations in the reporting phase.

WORK GROUPS OF LEARNING AND BEST PRACTICES

- Exchange of information related to implementation and challenges of regional and global programs.
- Policies and regulatory frameworks conducive to increasing the ambition of NDCs.
- Participation of the private sector and civil society, organizations and vulnerable sectors and communities.
- Homogeneous means of reporting that allow to assess the impacts of NMAs on mitigation and adaptation, sustainable development and poverty eradication.
- Effective implementation of procedures and safeguards in NMA.

In order to share information, best practices, lessons learned and case studies in relation to the development and implementation of NMAs, the establishment of Working Groups and Best Practices is suggested in different areas: i) within the framework of sectoral, regional and global programs; and ii) in the sectoral area of financial and technical cooperation

These work groups of learning and best practices may also reflect on:

- Promote the replicability of successful NMAs, at the local, subnational, national and/or global level;
- Promote regulatory frameworks and policies conducive to the development of NMAs;
- Enhance participation in NMAs of the private sector, civil society, vulnerable communities and impacted organizations;
- Promote successful experiences that generate mitigation co-benefits resulting from adaptation, actions and/or economic diversification plans that help the implementation of the NDCs;
- Promote cooperation on NMAs between Parties that support the implementation of ambitious NDCs that contribute to the achievement of the long-term temperature goals of the Paris Agreement, including in relation to the development of NMAs;
- Information to facilitate the reporting of NMA impacts on mitigation and adaptation.
- Establish guidelines, procedures and safeguards to facilitate NMAs.

5. UNFCCC web-based platform referred to in paragraph 10 (b) (i) of the annex, including how to operationalize it (e.g. functions, form, target users, information to be contained thereon, timeline for development and implementation, and lessons learned from existing relevant tools, including under the Convention, the Kyoto Protocol and the Paris Agreement)

UNFCCC has proposed the development of a web-based platform for recording and exchanging information on NMAs, supporting the identification of opportunities for participating Parties to develop and implement NMAs, including in relation to finance, technology development and transfer and capacity-building, and matching the NMAs and the opportunities for their application.

Based on prior experience, UNFCCC has devised portals for specific themes including Adaptation and resilience (Adaptation Knowledge Portal, NAP Central Portal), Capacity building (Capacity building Portal database), Climate Finance (Climate Finance Portal), Technology (Technology Clean), Gender, Local communities and Indigenous People, Mitigation.

Apart from UNFCCC, a systematic representation for pooling information and experts across sectors is demonstrated via the SDG Knowledge Management hub. The platform shall be inclusive of crucial sector/theme information that would facilitate active engagement of Parties and non-Parties without repetition of activities/information and timely submission regarding timeline mandates for public as well as private sectors. Additionally, Parties are encouraged to engage in designing appropriate institutional or formal arrangements and policy support which can further be enhanced through portal training and management workshops and information dissemination, as well as consolidating other

cooperative approaches which promote improved national institutional capacities.

The UNFCCC web-based platform should allow for the following:

- (a) Registry of Needs through the voluntary creation of national profiles that identify NMA based NDC actions -conditional requirements- that require financing, capacity building, technology transfer and/or other means of implementation for compliance.
- (b) Registry of Resources through the voluntary creation of profiles from the public and private sectors that identify initiatives, programs and/or projects inside and outside the UNFCCC that seek to provide financing, capacity building, technology transfer and/or other means of implementation for compliance.
- (c) Identifying similar sectoral/regional Needs.
- (d) Ability to filter and group the identified NMA based NDC actions by country, region and sector to allow for the identification of similar needs and efficient allocation of resources by providing support for the implementation of national, sectoral, or regional programs.
- (e) Matching the registered national, sectoral or regional Needs with the available registered Resources.
- (f) Collection of information regarding the achievement of objectives and providing transparency of implementation flows for future recommendations and lessons learned.

The platform shall also be seen as a means of implementation for the Parties to engage and collaborate to accelerate the implementation of NMA and as means of implementation and coordination among the different entities of and related to the Convention such as the Green Climate Fund, the Adaptation Fund, the Global Environment Facility, the Standing Committee on Finance, the Technology Executive Committee, the Climate Technology Centre and Network, the Paris Committee on Capacity Building and the local communities and indigenous peoples platform. Additionally, it would address linkages between mitigation and adaptation, and match them to the finance, technology transfer and capacity building needs of developing country Parties by building on existing processes and institutional arrangements.

The Glasgow committee on NMA is meant to assist countries in accessing the web-based platform, assessing the inputs, templates, active engagement areas and methodologies for replication in other countries then overseeing the utilization of the platform to identify possible future improvements.

6. Schedule for implementing the work programme activities

Considering the unanimous support of the G77 for the creation of the Glasgow Committee, it is of the utmost importance to maintain the participatory spirit of the entire spectrum of countries, and in particular the developing countries that see the Glasgow Committee as an institutional mechanism of great importance in motivating and assuring greater ambition and operability to the NDCs.

To this end, the Work Plan must be developed under the principles of decision, while honoring the spirit of the agreement made /CMA.3, seeking to insure:

- a) Voluntary cooperative actions that do not rely on market-based approaches and do not include quid pro quo transactions or operations;
- b) Integrated, innovative and transformative actions that have significant potential to achieve higher mitigation and adaptation ambitions;
- c) Actions that support the implementation of the NDCs of the Parties that host the NMAs (hereinafter referred to as host Parties) and contribute to achieving the temperature objective of the Paris Agreement;
- d) Promotes the CBDR principle and the notion of Debt and Climate Justice.

A structured approach in line with the Decision may be followed by Parties in order to implement the NMA work programme (selection of focus areas, identification of measures, refinement of approach and henceforth, sharing of knowledge and expertise, and ultimately the implementation of measures). Standard templates can serve as inputs to develop profiles, establish comparisons and linkages between countries based on needs, foster resource guides to ease access to information and implementation for Parties, particularly those that lack sufficient resources, institutional capacities and manpower. The templates may include information pertaining to nature and coverage, quantitative and qualitative goals, progress indicators, associated methodologies and assumptions, the progress of implementation, and results achieved. Scoping the criteria and mandates for the cooperation and themes can be useful. Clear and transparent mechanisms, methodologies and monitoring instruments must follow once funding has been received.

The main scope of the Glasgow Committee is to strengthen non-market-based approaches for the implementation of the actions of the NDCs, articulated to this approach, fundamentally in what refers to the conditioned part of the scope of the goals, promoting compliance of the mitigation and adaptation goals foreseen in the NDCs, with a focus on strengthening cooperation at the national, regional and global levels.

The Glasgow Committee may be able to work in two scenarios: within and outside the scope of the NDC; however, the priority is to keep its work within the scope of the NDC. The NMAs will support Parties, particularly in meeting the conditioned

goals that were submitted as part of their NDCs by matching the NMAs specified in NDCs with new or existing public/private technical and financial cooperation around the world.

This will be done by initially promoting sector driven areas of work (Ex. energy, forests, transport, agriculture, etc.) followed by mapping exercises which will assemble sectoral, regional and global initiatives, on the basis of the NDC needs, and the possibility of further expanding the development of new initiatives under the leadership of various entities under the UNFCCC.

The NMAs support in achievement of NDCs, through country and multi-country profiles, will allow greater ambition in the development of national, sectoral, regional and global programs, based on the grouping efforts of NDCs, which will then guide and forecast the technical and financial cooperation needed, all through the Glasgow Committee. This will ultimately lead towards greater transparency in the provision of technical and financial cooperation to countries, under the principle of leaving no one behind.

The LMDC suggests that the Glasgow Committee begin its work guided by section V "*Work programme activities*" in the annex of Decision /CMA.3 for the next three years, on the basis of which an annual work agenda should be drawn up.

7. Preparation of reports

The progress and results of the work program will be reported at each session of the CMA, or as appropriate, based on the information resulting from the implementation of the activities of the work program (section VI), and in particular those related to:

- Progress in the registration and formulation of national, sectoral, regional and global programs.
- Mapping of initiatives and positive outcomes towards national, sectoral, regional and global NDC needs.
- Specific solutions for unsatisfied needs of NDCs to "Leave No One Behind"
- Volume of financial and technical efforts mobilized through NDCs.
- Potential impacts of agreements/alliances on climate change mitigation and adaptation.

In summary

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