

SUBMISSION BY FRANCE AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

Subject: Views and information on existing relevant Non-Market Approaches (NMAs), examples of potential additional focus areas of NMAs, the UNFCCC web-based platform functioning and the schedule for implementing the work programme activities, as requested by paragraph 6 of the CMA3 decision text on Article 6.8.

Paris, 15 March 2022

Introduction - The EU's view on non-market approaches (NMAs)

We welcome the opportunity to address provisions for the implementation of Article 6.8 of the Paris Agreement and express our views regarding the topics mentioned in paragraph 6 of the CMA 3 decision text on Article 6.8¹ (hereafter referred to as decision text). In this regard, and recalling our latest submissions on this subject, namely *Implementation of Article 6.8*², from 16/06/2021 and *Governance and timelines for the 6.8 framework*³, from 20/10/2021, we believe that NMAs have a high potential to contribute in a coordinated and effective manner to the implementation of NDCs. We also emphasize that cooperation through NMAs can deliver innovation and enable ambition, where such cooperation should be fostered and realized through a range of institutional arrangements and instruments, both inside and outside the UNFCCC. Thus, we are of the view, that the Work Programme (WP) under Article 6.8 represents an opportunity for Parties to explore cooperative approaches that have significant potential to promote mitigation and adaptation ambition, through integrated, holistic and balanced NMAs.

General remarks

The decision text stipulates that the WP will include, while not being limited to, the establishment of guidelines, procedures and safeguards to facilitate NMAs. In this respect, we view the development of safeguards as necessary, including in order to secure the delivery of the Sustainable Development Goals of the 2030 Agenda. When identifying and designing projects, safeguards allow to assess the potential social and environmental risks and impacts associated with development interventions. Safeguards should help define measures and processes to effectively manage risks and enhance

¹ https://unfccc.int/sites/default/files/resource/cma3_auv_12c_PA_6.8.pdf

² <https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202106161042---PT-06-16-2021%20EU%20Submission%20Article%206.8.pdf>

³ <https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202110201701---SI-10-20-2021%20EU%20submission%20on%20Article%206.8.pdf>

positive impacts. When taking action to address climate change, Parties should respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity, consistently with the eleventh preambular paragraph of the Paris Agreement [article 6, paragraph 8 (e)]. They shall also minimize and, where possible, avoid negative environmental, economic and social impacts [See paragraph 3(f) of the annex of the decision text].

Given the cross-cutting and overarching character of this framework, it would be truly important to ensure that the WP is complementary and facilitative, and to avoid duplication of work with other work streams.

We would also like to underscore, as we have been reiterating during negotiations, that the inclusion of an NMA under the Article 6.8 framework should not constitute a UNFCCC approval, i.e. does not confer any special status compared with NMAs that are not included under the framework. We also reiterate that that framework is not a funding mechanism or a financial instrument, meaning that this framework does not create any obligation for support.

Moreover, we welcome the agreement reached in Glasgow regarding the governance and institutional arrangements translated into the decision text. In this context, it is worth mentioning that any new discussion on governance (if needed) may only happen after the implementation of the WP (as part of the review), as also stated in section III (Governance of the framework) of the annex of the decision text.

A. Information on existing relevant NMAs

According to section V (Work Programme activities) of the annex of the decision text, the identification of existing NMAs under the framework - that are in accordance with the provisions referred to in section II of the annex of the same decision text - is referred to as one of the first activities foreseen within the implementation of the WP. Therefore, and following the above mentioned provisions we present in this chapter some examples of activities and approaches, including references to existing submissions and documents, and also some considerations, in order to provide substance for discussion and leverage the potential related to the framework for NMAs.

Bilateral and multilateral cooperation implemented by the EU and its Member States represents one of the main, far-reaching forms of NMAs between developed and developing countries. They are characterized by complex, inclusive policy dialogue processes whose priorities are translated into actions in the field through dedicated programmes and projects supported by sizeable financial resources. Bilateral and multilateral cooperation has the advantage of putting in place monitoring, reporting and verification mechanisms focusing both on results & performance and spending targets. The lessons learned from these processes can be used for further improving this type of NMA in itself and for stakeholders' empowerment.

The EU supports the efforts of many developing countries to **preserve their forests** and to contribute to sustainable, inclusive development. The EU approach aims to encourage countries to broaden the scope of NDCs to include forests, and to enhance the transparency and quality of their monitoring, reporting and verification systems, including through bilateral forest partnerships and international partnerships such as the NDC Partnership, and the promotion of remote sensing tools such as the Copernicus programme⁴. The Land sector in general provides important services where adaptation and mitigation issues are highly interconnected and need to be addressed jointly. Many adaptation and

⁴ <https://www.copernicus.eu/en>

mitigation options are synergistic, can provide co-benefits and can reduce costs when implemented together.

In this prospect, **frameworks referred to in Article 5** can provide good example of potential NMAs. This is particularly the case regarding readiness activities for reducing emissions from deforestation and forest degradation, and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries including through NMAs.

More generally, potential NMAs can draw inspiration from cooperation programmes that tackle agriculture, land, food security, biodiversity and climate change along other SDGs, taken into account the initial focus areas a) and b), as referred to in paragraph 3 of the annex of the decision text. The EU submissions on the Koronivia Joint Work on Agriculture⁵ have provided some examples of implemented projects in third parties regarding agriculture and climate change.

The **National Adaptation Plans (NAPs)** have also a potential role as NMAs. Improving the NAP cycle (including by looking into indicators on country level) would scale up adaptation solutions, including with mitigation co-benefits, and provide a starting point to link planning to investment, inter alia GCF/GEF and other funds, but also MDBs, insurance companies and private sector. Projects that provide outcomes in line with NAPs could potentially be awarded a stamp or certificate of viability – which would make the projects more relevant to international investment. Additionally, this would reduce the risk of incoherent adaptation activities or even maladaptation. This process could also further stimulate the activities of international insurance companies in adaptation efforts, a trend currently visible in various states. Next to linking planning and investment, NAPs could stimulate other forms of NMA as well, including for example technology transfer and legal frameworks.

There is in fact a wide range of examples of cooperation initiatives implemented in many different areas such as capacity building, technology transfer, finance, and other types of international support on climate change adaptation, and others still to be implemented e.g. those that may become part of the WP on mitigation ambition and implementation to be established according to para 27 of Decision 1/CMA.3, whom can be considered as fitting within the criteria of a NMA (accordingly to section II of the annex of the decision text). In this context and given the nature of the possible examples of NMAs it could be suggested that the WP to coordinate with existing work streams dealing with these cooperation actions in order to avoid duplication or potential overlaps. This includes, but is not limited to, constituted bodies working on means of implementation, in particular the Paris Committee on Capacity Building (PCCB), whose mission is to identify capacity gaps and needs and potential solutions, including enhancing the coherence and coordination of capacity-building efforts related to climate change, and its recently established network which currently counts more than 280 members. The added value of the WP could be to organize a mapping of all existing activities under these work streams which could be identified as NMAs contributing to the implementation of NDCs, as referred to in section V (paragraph 8(b)(iii)(b)) of the annex of the decision text.

⁵ <https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201905061039---RO-05-06%20EU%20Submission%20KJWA.pdf>
[https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201909271344---FI-09-27%20EU%20submission%20on%20Koronivia%20\(d\).pdf](https://www4.unfccc.int/sites/SubmissionsStaging/Documents/201909271344---FI-09-27%20EU%20submission%20on%20Koronivia%20(d).pdf)
<https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202006081238---HR-08-05-2020%20EU%20Submission%20Koronivia.pdf>
<https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202110251720---SI-10-25-2021%20EU%20submission%20on%20KJWA.pdf>

B. Views on potential additional focus areas

Considering that the three initial focus areas, identified in paragraph 3 of the decision text, cover a wide spectrum of activities and approaches, a sufficient number of existing NMAs fitting within these areas should be found and proposed by Parties. Any discussion about new focus areas at this point in time may bear a risk of distraction and delay from the assessment of existing approaches, proposed by Parties. The EU therefore does not support discussing potential additional focus areas as listed in paragraph 6 (b) of the decision text at this point. We prefer to better gain experiences in the three agreed focus areas and consider extending the list of focus areas only in a potential second round of assessment. In addition, we do not see all elements listed in paragraph 6 (b) – e.g. the adaptation benefit mechanism – as being suitably facilitated by the framework.

When considering the inclusion of additional focus areas, we see the need for an assessment of the resource efficiency, as such mechanisms could require a significant amount of human and institutional resources to be set up and run, taking into account the existence of metrics-related challenges, and the need to avoid transactional approaches in order to remain under the framework of NMAs.

C. Views regarding the UNFCCC web-based platform

As referred to in paragraph 8(b)(i) of the annex of the decision text, the UNFCCC web-based platform will aim to ensure recording and exchanging of information on NMAs, including information identified through the WP, and supporting the identification of opportunities for participating Parties to identify, develop and implement NMAs. Based on **lessons learned from existing relevant tools**, we would suggest linking this platform with existing information available on the UNFCCC website regarding cooperation approaches under the ADCOM registry, and also information on the RM and KCI website.

In this regard, it is important to note that there are several other web platforms for sharing information on specific activities available on the UNFCCC web site, such as:

- Global Climate Action Portal / NAZCA
<https://climateaction.unfccc.int/>
- NAMA Registry
<https://unfccc.int/topics/mitigation/workstreams/nationally-appropriate-mitigation-actions/nama-registry>
- UNFCCC Climate Finance Data Portal
<https://unfccc.int/climatefinance?home>
- TT:Clear: Climate Technology Project Pipeline
<https://unfccc.int/ttclear/projects>
- CDM Bazaar
https://cdm.unfccc.int/public_inputs/bazaar/index.html
- Capacity Building Portal
<https://unfccc.int/topics/capacity-building/workstreams/capacity-building-portal>

Other initiatives outside the UNFCCC may also be taken into account in this context, such as the NDC partnership initiative, or others, with which the UNFCCC has an assistance role.

Thus, before starting with the design and development of a new tool, an evaluation of the web platforms mentioned above should be undertaken, including an assessment of the existing features against the features described in the mandate (para 8 (b)(i) of the annex of the decision text).

Moreover, as stressed above in the General Remarks chapter, and taking into account the principles defined in the Section I of the annex of the decision text, it is important to stress that potential duplication with existing instruments should be avoided, including with those that specifically aim to provide support for NMAs, such as GCF, GEF, LDCF, SCCF, AF, CTCN, MDBs, and possible others. In this context, we do not support the implementation of any function to “match” needs and opportunities of NMAs in the UNFCCC web-based platform.

D. The schedule for implementing the WP activities

The WP activities mandated by paragraph 8 of the annex of the decision text should be initiated in 2022, and for its successful implementation we believe it is necessary to maintain the same level of understanding and flexibility found at the end of the COP 26 negotiations.

With this in mind, we believe that the first part of the WP activities – *Identification of measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs* (point 8.a of the annex of the decision text) could be concluded in November this year at the latest, depending on the developments of the discussion to be taken at the 1st and 2nd meeting of the Glasgow Committee on Non-market Approaches, to be held in June and November 2022 in conjunction with SBSTA 56 and 57, respectively, whose developments/progress is mandated to be reported at each session of the CMA, according to section VI (Reporting) of the annex of the decision text. The second part of the WP activities – *Implementing measures*, including the development of the UNFCCC web-based platform, could start in parallel or right after an agreement is reached on the first step.

Thus, we believe that the first assessment cycle under the WP may be concluded by the end of 2023, which may allow the start of the 2nd assessment cycle in 2024 (to be concluded in 2025), reflecting the experience made in the 1st round, and considering any new focus areas proposed and agreed by Parties in between.

This indicative schedule allows for two assessment cycles for NMAs, and can produce a sound basis for the review of the WP as mandated by the above-mentioned section V of the annex of the decision text, for SBSTA 64 in 2026.