

## **SUBMISSION BY THE REPUBLIC OF SENEGAL ON BEHALF OF THE LEAST DEVELOPED COUNTRIES GROUP ON NON-MARKET APPROACHES UNDER ARTICLE 6.8 OF THE PARIS AGREEMENT**

The group of the Least Developed Countries (LDCs) welcomes the opportunity to submit views and information, pursuant to the paragraph 6(a) – (d) of the Decision 4/CMA.3, on the Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement.

Firstly, the LDCs would like to draw attention to the very wide scope of this framework, and at the same time its potential to make a real impact and leverage the mitigation and adaptation efforts of the Least Developed Countries. Therefore, such work programme will require much more discussions and elaboration, as well as a flexible approach and capacity building for LDCs to engage.

Indeed, it seems that options in terms of non-market mechanisms are still some very cross-sectoral, complex and sophisticated instruments, mostly used by private actors and financial institutions, yet to be tested in the context of the UNFCCC. Consideration of the possible repercussions of using such instruments to promote the objectives of the Paris Agreement, including whether they will be able to promote the Paris objectives and to make sure they will not lead to other undesired environmental and economic externalities, requires technical capacity and coordination internal to the Group.

Due to its capacity constraints, the LDC Group may need more flexibility in terms of time and resources to engage deeply in the process for designing the work programme under article 6.8. At the same time, our full participation in this process is crucial for designing a mechanism that is both accessible and effective, and thus can deliver on promoting more ambition in terms of climate mitigation and adaptation.

Therefore, we underline that the below responses are not exhaustive of the contributions that the LDCs intend to submit to this process, and we trust that the LDCs' special circumstances will be fully considered and flexibilities will continue to be accorded to LDCs to enable their full engagement in this process.

***1) Existing relevant non-market approaches that may be facilitated under the framework in the initial focus areas of the work programme activities.***

***2) Examples of potential additional focus areas of non-market approaches that may be facilitated under the framework (e.g. social inclusivity, financial policies and measures, circular economy, blue carbon, just transition of the workforce, adaptation benefit mechanism) and existing relevant non-market approaches that may be facilitated under the framework in the potential additional focus areas***

We are addressing both questions altogether since both the “initial” and the “additional” focus areas are part of a single continuum of efforts.

Furthermore, as already explained above, our response to the questions is not aimed at fulfilling their scope in its entirety, but at proposing general reflections on the elements and possible types of approaches and focus areas to be considered in the design of the work programme, and more specific contributions may follow as the negotiating process matures.

**Climate finance approaches:** We understand there are instruments currently used to promote climate finance in the private and public sector, inside and outside the UNFCCC, that may provide a starting point in the design of the non-market approaches that should be eligible under article 6.8. But first we understand it would be important to have a harmonized definition of what does such current concept of “climate/sustainable finance” entail, and to create principles and guidelines for its specific application under article 6.8, to make sure it is fit for the purpose of article 6.8 and the Paris Agreement.

In terms of working on the basis of these existing approaches, we believe this could include instruments such as:

- Results-based finance for mitigation and adaptation, including where it can be associated with biodiversity conservation, water security and other environmental results; and
- Climate bonds, loans and grants for mitigation actions.

**Sectoral areas:** We understand focus areas should include the sectors and types of mitigation and adaptation outcomes that are being promoted under each non-market approach. Examples could include:

- Clean electrical and infrastructure grid enhancement (energy transition)
- Climate and biodiversity smart and regenerative agriculture
- Green construction, in the context of both policy and technology
- Circular economy, including specifically around the waste sector

**Guiding principles:** We understand elements such as *just transition of the workforce, social inclusivity, water security and disaster risk reduction* should be considered among the principles to be promoted in the mechanisms, in line with section II of the Annex of Decision 4/CMA.3.

**3) The UNFCCC web-based platform referred to in paragraph 8 (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)**

We understand first we need to have a shared view and agreement on the previous topics – what are the focus areas and the approaches that will be accepted under article 6.8 and the concepts and principles that will be considered in the eligibility of projects and functioning of the mechanism.

***4) The schedule for implementing the work programme activities***

We understand, as explained above, that first it is critical to have a thorough debate on the identification of the NMAs that are acceptable under article 6.8 and further elaborate on the criteria and measures to identify and enhance existing NMAs to be fit for the article 6.8 mechanism. To that extent, we believe the technical workshop to be held at the SB 56 will be helpful, but other such technical discussions may be required along the year.

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