DRAFT TEXT on

SBSTA 52–55 agenda sub-item 15(c) Matters relating to Article 6 of the Paris Agreement: Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, of the Paris Agreement

Version 1 of 2 November 01:30 hrs

Draft CMA decision on the work programme under the framework for nonmarket approaches referred to in Article 6, paragraph 8, of the Paris Agreement

[The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

[*Recalling* the framework for non-market approaches to sustainable development referred to in Article¹ 6, paragraph 9,]

Also recalling the objective, referred to in decision 1/CP.21, paragraph 39, of the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8,

Recognizing that the work programme is to be implemented in the context of the Paris Agreement in its entirety, including its preamble,

1. *Emphasizes* the importance of [integrated, holistic and balanced] non-market approaches to enable voluntary cooperation among Parties in implementing their nationally determined contributions to allow for higher ambition in their mitigation and adaptation actions;

2. *Adopts* the work programme under the framework for non-market approaches referred to in Article 6, paragraph 8, as contained in the annex;

3. *Requests* the [subsidiary bodies][Subsidiary Body for Scientific and Technological Advice] to undertake further work on the work programme with respect to [[the need for] institutional arrangements for the framework for non-market approaches referred to in Article 6, paragraph 9, referred to in paragraph [6][17] of the annex, [taking into account any decisions resulting from][as part of] the review of the work programme by the Conference of the Parties serving as the meeting of the Parties to the Partis Agreement, referred to in paragraph 11 below, with a view to making recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its [eighth][ninth] session (November [2026][2027])][the rules of procedure of the [task force][ad-hoc working group][Article 6.8 committee] referred to in paragraph [11][19] of the annex with a view to making recommendations for consideration and adoption by the Conference of the Parties Agreement at its fourth session (November 2022)];

4. [*Also requests* the [NMA forum][Subsidiary Body for Scientific and Technological Advice] to identify focus areas of the work programme activities as referred to in paragraph 24(a)(i)a. of the annex for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth] session (November 2022), which may include, inter alia][*Also requests* the Article 6.8 committee to identify focus areas of the work programme activities as referred to in paragraph 24(a)(i)a. of the annex for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November 2023), which may include, inter alia][*Decides* that non-market approaches focus on assisting Parties in achieving higher ambition in their mitigation and adaptation actions in their nationally determined contributions

¹ "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

in the context of sustainable development and poverty eradication through the provision of finance, technology transfer and capacity-building, including in the following areas]:

- (a) Joint mitigation and adaptation for the integral and sustainable management of forests;
- (b) Social-ecological resilience;
- (c) Reduction of emissions by sources and enhancement of removals;
- (d) Energy-efficiency schemes;
- (e) [Fossil fuel subsidy reform;]
- (f) [Financial and fiscal incentive schemes for renewable energy;]
- (g) [Production of hydrogen;]
- (h) [Carbon dioxide capture and storage;]
- (i) [Decommissioning of carbon-intensive technologies;]
- (j) [Avoidance of greenhouse gas emissions;]
- (k) [Ecosystem-based adaptation;]
- (l) [Integrated water management;]
- (m) [Mitigation measures to address climate change and foster sustainable development;]
- (n) [Adaptation benefit mechanism;]

Option A {*NMA forum, SBSTA and Article 6.8 committee*}

5. [Further requests the [NMA forum][Subsidiary Body for Scientific and Technological Advice] to develop and recommend a schedule for implementing the work programme activities referred to in chapter V of the annex (Work programme activities), which may contain the timeline and specific deliverables for each activity, [including specifications for the UNFCCC web-based platform referred to in paragraph 24(b)(i) of the annex such as its functions, form, target users and information to be contained thereon], with a view to supporting the effective implementation of the work programme, for consideration and adoption by the [subsidiary bodies at their fifty-seventh sessions][Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session] (November 2022)[Further requests the Article 6.8 committee to develop and recommend a schedule for implementing the work programme activities referred to in chapter V of the annex (Work programme activities), which may contain the timeline and specific deliverables for each activity, [including specifications for the UNFCCC web-based platform referred to in paragraph 24(b)(i) of the annex such as its functions, form, target users and information to be contained thereon], with a view to supporting the effective implementation of the work programme, for consideration and adoption by the subsidiary bodies at their fifty-ninth sessions (November 2023)];

6. *Encourages* Parties and public and private sector stakeholders to actively engage in the research, development and implementation of non-market approaches;

- 7. *Invites* Parties and observers to submit via the submission portal:²
- (a) Views and information, by [30 March][28 February][2022][2023], on:

(i) The focus areas of the work programme activities and existing relevant non-market approaches to be facilitated under the framework;

(ii) Examples of potential focus areas of non-market approaches to be facilitated under the framework (e.g. avoidance of greenhouse gas emissions, ecosystem-based adaptation, integrated water management);

(iii) The UNFCCC web-based platform referred to in paragraph 24(b)(i) of the annex, including how to operationalize it (e.g. functions, form, target users, information to be contained

² https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx.

thereon, timeline for development and implementation, and lessons learned from existing relevant tools, including under the Convention, the Kyoto Protocol and the Paris Agreement);

- (iv) The schedule for implementing the work programme activities;
- (b) Views and information, [by [30 March][28 February][2025][2027], on the [review of the work programme, including the] institutional arrangements for the framework, referred to in paragraph 3 above, including functions, membership and rules of procedure, as appropriate, [and reporting arrangements]][by [30 March][28 February] 2022, on the the rules of procedure of the Article 6.8 committee, referred to in paragraph 3 above];

8. *Requests* the secretariat to prepare a technical paper on the matters referred to in paragraph 7(a) above, taking into consideration the submissions on the matters, for consideration by the [NMA forum at its 1st meeting (June 2022)][Subsidiary Body for Scientific and Technological Advice at its fifty-sixth session (June 2022)][Article 6.8 committee at its 1st meeting (June 2023)];

- 9. *Also requests* the secretariat to:
- (a) Organize an in-session workshop, ensuring broad participation of relevant experts, on the matters referred to in paragraph 7(a) above, taking into consideration the submissions and technical paper on the matters, to be held in conjunction with the [[fifty-sixth][fifty-eighth] sessions of the subsidiary bodies ([June 2022][June 2023])][fifty-sixth sessions of the Subsidiary Body for Scientific and Technological Advice (June 2022)];
- (b) Prepare a report on that workshop for consideration by the [NMA forum at its 2nd meeting (November 2022)][Subsidiary Body for Scientific and Technological Advice at its fifty-seventh session (November 2022)][Article 6.8 committee at its 2nd meeting (November 2023)];

10. *Decides* to review the report of the [NMA forum][Subsidiary Body for Scientific and Technological Advice][Article 6.8 committee] and provide guidance on the framework and the work programme, as appropriate;

11. *Requests* the [subsidiary bodies][Subsidiary Body for Scientific and Technological Advice] to review the work programme, including its [institutional and] reporting arrangements, at [their][its] sixty-fourth (June 2026) and sixty-fifth (November 2026) sessions with a view to enhancing the effectiveness of the work programme in implementing the framework, taking into account relevant inputs, including [those of the [NMA forum][Article 6.8 committee] and]the outcomes of the global stocktake, and to make recommendations thereon for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement by no later than at its eighth session (November 2026);

Option B {*Task force and Ad-hoc working group*}

12. *Requests* the [task force][ad-hoc working group] to further develop and recommend all necessary arrangements for operationalizing the framework for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session (November 2023) as referred to in paragraph 9 of the annex;

13. *Also requests* the Chairs of the subsidiary bodies to provide joint support for the [task force][ad-hoc working group] in developing the arrangements referred to in paragraph 12 above;

14. *Invites* Parties and observers to submit via the submission portal³ by 20 January 2023 views on the work programme activities referred to in paragraph 26 of the annex in relation to, inter alia:

- (a) Rules and procedures of the NMA facilitative mechanism;
- (b) Scope of non-market approaches under Article 6;
- (c) Identification of non-market approaches;
- (d) Modalities and instruments to support non-market approaches;
- (e) Ways and means to improve coordination by the NMA network of coordination in the context of integrated support;

³ <u>https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx.</u>

15. *Requests* the secretariat to provide technical support for the [task force][ad-hoc working group] in implementing the work programme activities referred to in paragraph 26 of the annex, as appropriate;

{*end of Option B*}

16. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

17. *Requests* that the actions called for in this decision be undertaken subject to the availability of financial resources;

18. *Invites* Parties to make contributions to the Trust Fund for Supplementary Activities for implementing the work programme.

Annex

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

I. Principles

1. [The following principles, in addition to the elements reflected in Article¹ 6, paragraphs 8–9, and decision 1/CP.21, paragraph 39, guide the implementation of the framework for non-market approaches (NMAs) referred to in Article 6, paragraph 9, and the work programme under the framework referred to in decision 1/CP.21, paragraph 39:

(a) The framework:

(i) Facilitates the use and coordination of NMAs in the implementation of Parties' nationally determined contributions (NDCs) in the context of sustainable development and poverty eradication;

(ii) Enhances linkages and creates synergies between, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building, while avoiding duplication [of the efforts under the framework] with the work of the subsidiary and constituted bodies under the Convention, the Kyoto Protocol and the Paris Agreement;

(b) NMAs facilitated under the framework provide a basis for:

(i) Voluntary collective actions that are not reliant on market-based approaches and that do not include transactions or quid pro quo operations;

(ii) [Integrated, innovative and transformational actions that have significant potential to deliver higher mitigation and adaptation ambitions;]

(c) The work programme aims to identify measures to facilitate NMAs and enhance linkages and create synergies as referred to in paragraph 1(a) above.]

II. Non-market approaches under the framework

- 2. [Each NMA facilitated under the framework, in the context of Article 6, paragraph 8:
 - (a) Aims to:
 - (i) Promote mitigation and adaptation ambition;
 - (ii) Enhance public and private sector participation in the implementation of NDCs; [and]

(iii) Enable opportunities for coordination across instruments and relevant institutional arrangements;

(b) Assists participating Parties in implementing their NDCs in an integrated, holistic and balanced manner, including through, inter alia:

(i) Mitigation, adaptation, finance, technology development and transfer, and capacitybuilding, as appropriate;

- (ii) Contribution to sustainable development and poverty eradication.
- 3. In addition, each NMA facilitated under the framework:
 - (a) Is identified by the participating Parties;

¹ "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

- (b) Involves more than one participating Party;
- (c) Does not involve the transfer of any mitigation outcomes.]

III. Governance of the framework

Option A {*NMA forum*}

4. The NMA forum is hereby established to implement the framework and the work programme.

5. The NMA forum will be convened by the Chairs of the subsidiary bodies and operate in accordance with the procedures applicable to contact groups and under the guidance of the Chairs. It will meet in conjunction with the first and second sessional period meeting of the subsidiary bodies each year, with its 1st meeting to take place in conjunction with SB 56 (June 2022).

6. The subsidiary bodies will consider [whether institutional arrangements for the framework that will supersede the NMA forum are needed][establishing institutional arrangements for the framework that will supersede the NMA forum] and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at CMA [8][9] ([2026][2027]).

Option B {*Two-tier governance arrangements: NMA facilitative mechanism/ NMA network of coordination and Task force*}

7. The NMA facilitative mechanism is hereby established for facilitating coordination and implementation of non-market approaches by:

- (a) Providing Parties with opportunities for non-market-based cooperation to address mitigation and adaptation of the nationally determined contributions of developing country Parties;
- (b) Enhancing existing linkages and creating synergies for implementing non-market approaches included in nationally determined contributions;
- (c) Enhancing access to means of implementation, including finance, technology development and transfer, and capacity-building, for supporting non-market approaches included in the nationally determined contributions of developing country Parties;
- (d) Facilitating the matching of needs for non-market approaches included in the nationally determined contributions of developing country Parties with means of implementation;
- (e) Developing methodologies, modalities and instruments for non-market approaches to support implementation of nationally determined contributions;
- (f) Supporting the monitoring and evaluation of mitigation and adaptation outcomes of non-market approaches;
- (g) Developing guidelines for and supporting operationalization of the NMA network of coordination with other bodies, institutional arrangements and processes, as necessary.
- (h) Systematizing relevant lessons learned from existing tools for enhancing non-market approaches;
- (i) Promoting the sharing of experience in relation to non-market approaches;

8. The NMA network of coordination is hereby established for developing linkages and creating synergies between mitigation, adaptation, finance, technology development and transfer, and capacity-building to meet the needs of developing country Parties for non-market approaches, by:

- (a) Considering the existing work of bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to mitigation, adaptation and means of implementation;
- (b) Coordinating and cooperating with bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement, including the Green Climate Fund, the Adaptation Fund Board, the Standing Committee on Finance, the Technology Executive

Committee, the Climate Technology Centre and Network, the Paris Committee on Capacitybuilding, and the Local Communities and Indigenous Peoples Platform.

9. The task force is hereby established to undertake the work programme for developing and recommending all necessary additional arrangements for operationalization of the framework for non-market approaches (NMAs) referred to in Article² 6, paragraph 9, with support from the Chairs of the subsidiary bodies, with a view to making recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at CMA5 (November 2023).

10. The work programme will be undertaken by the task force on the basis of the existing work and inputs of relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building.

11. [The task force will operate in accordance with its rules of procedure set out in relevant decisions of the CMA.] The task force will meet in person on a bimonthly basis, with its 1st meeting to take place in the second week of January 2023.

12. The task force will comprise members as follows, with equal representation of developing and developed country Parties:

- (a) One member from each of the five United Nations regional groups;
- (b) Two members from developed country Parties;
- (c) Two members from developing country Parties;
- (d) One member from the least developed country Parties;
- (e) One member from small island developing States;
- (f) One member from each of the Boards of the Green Climate Fund, the Technology Executive Committee, and the Paris Committee on Capacity-building;
- (g) Two members from the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform.

13. Two co-chairs of the task force will be appointed, with one being a member from a developing country Party and the other from a developed country Party.

14. Rrepresentatives of relevant observer organizations will be invited to participate in the meetings of the task force.

15. The task force will be dissolved after the CMA adopts the recommendations referred to in paragraph 9 above.

Option C {*Ad-hoc working group*}

{Option B without paragraphs 7 and 8 above}

Option D {*SBSTA*}

16. The Subsidiary Body for Scientific and Technological Advice (SBSTA) will implement the framework and the work programme. Parties will meet at the first and second sessional period meeting of the SBSTA each year, starting from SBSTA 56 (June 2022).

17. [The SBSTA will consider whether institutional arrangements for the framework that will supersede the SBSTA in relation to the implementation of the framework and the work programme are needed and make recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at CMA [8][9] ([2026][2027]).]

Option E {*Article 6.8 committee*}

² "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

18. The Article 6.8 committee is hereby established to oversee the implementation of the framework and the work programme, under the authority and guidance of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), including by:

(a) Coordinating and collaborating with relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement, including the Green Climate Fund;

(b) Engaging with and drawing on the expertise of relevant institutions and organizations outside the Convention, the Kyoto Protocol and the Paris Agreement, including at the intergovernmental, regional, national and subnational levels, as appropriate;

(c) Deciding on its annual focus area related to enhanced technical exchange on implementation of NMAs with the purpose of maintaining up-to-date knowledge on the successes and challenges in implementing NMAs in a particular area.

19. [The Article 6.8 committee will operate in accordance with its rules of procedure set out in relevant decisions of the CMA.] The Article 6.8 committee will meet twice per year in conjunction with the first and second sessional period meeting of the Subsidiary Body for Scientific and Technological Advice (SBSTA) each year as well as at other times, as appropriate, with its 1st meeting to take place in conjunction with SBSTA 58 (June 2023).

20. The Article 6.8 committee will comprise 12 members, who will serve in their personal capacity, with equal representation of developing and developed country Parties, as follows:

- (a) Two members from each of the five United Nations regional groups;
- (b) One member from the least developed country Parties;
- (c) One member from small island developing States.

21. Six representatives of bodies established under the Convention, the Kyoto Protocol and the Paris Agreement, and of the operating entities of the Financial Mechanism, [including the Green Climate Fund,] will be invited to participate in all meetings of the Article 6.8 committee in line with its annual focus area.

22. The Article 6.8 committee will annually elect two co-chairs from among its members identified in paragraph 20 above to serve for a term of one year each. The members will serve for a term of two years and be eligible to serve a maximum of two consecutive terms of office. Representatives identified in paragraph 21 above will be invited to serve for a term of one year.

IV. Modalities of the work programme

23. The modalities of the work programme may include, as appropriate:

Option A {*NMA forum*, *SBSTA and Article 6.8 committee*}

(a) Workshops;

(b) Meetings with public and private sector stakeholders, including technical experts, businesses, civil society organizations and financial institutions, and publication of the outcomes of such meetings;

- (c) Submissions from Parties, observers and public and private sector stakeholders;
- (d) Technical papers and synthesis reports prepared by the secretariat;

(e) The coordination [and collaboration], where needed, of the [NMA forum][SBSTA][Article 6.8 committee] with relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to, inter alia, mitigation, adaptation, finance, technology development and transfer, capacity-building and the impact of the implementation of response measures.

Option B {*Task force and Ad-hoc working group*}

(f) Instruments "joint climate ambition alliances", which:

(i) Facilitate and enhance support from developed to developing country Parties for implementing non-market approaches included in their nationally determined contributions;

(ii) Are established and registered with the following modalities:

a. The instruments are established by Parties bilaterally or multilaterally with direct support from the NMA facilitative mechanism with the aim of ensuring equal and balanced opportunities of developing country Parties for implementing their nationally determined contributions and contributing to the global goals of the Paris Agreement referred to in its Article 2, paragraph 1;

- b. The instruments are registered in the NMA registry and information hub;
- (iii) Include:

a. Access of developing country Parties to financial support, inter alia, from the Green Climate Fund;

b. Access to technology transfer for mitigation and adaptation;

c. Preferential access to products in developed country Parties that contribute to sustainable production practices and resilience to climate change.

Option C {Ad-hoc working group}

{Option B without text "with direct support from the NMA facilitative mechanism" in paragraph 23(f)(ii)a above }

V. Work programme activities

Option A {NMA forum, SBSTA and Article 6.8 committee}

24. The work programme will be initiated in [2022][2023] and include, but not be limited to, the following activities:

(a) Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs:

- (i) Identification of NMAs:
 - a. Identifying focus areas of the work programme activities;

b. Identifying existing NMAs under the framework that are in accordance with the provisions referred to in chapter II above (Non-market approaches under the framework);

(ii) Identification of measures:

a. Identifying and evaluating positive and other experience of existing linkages, synergies, coordination and implementation in relation to NMAs;

b. Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs, including in the local, subnational, national and global context;

(b) Implementing measures:

(i) Developing and implementing tools, including a UNFCCC 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 supporting the matching of NMAs with opportunities];

(i) Identifying and sharing information, best practices, lessons learned and case studies in relation to developing and implementing NMAs, including on how to:

a. Replicate successful NMAs, including in the local, subnational, national and global context;

b. Facilitate enabling environments and successful policy frameworks and regulatory approaches;

c. Enhance the engagement in NMAs of the private sector, and vulnerable and impacted sectors and communities;

d. Leverage and generate mitigation co-benefits [resulting from adaptation actions and /or economic diversification plans] that assist the implementation of NDCs;

(ii) [Developing recommendations on the arrangements for Parties to report on implementation of NMAs, including in their biennial transparency reports, as input to the review of the work programme referred to in paragraph 27 below].

Option B {*Task force*}

- 25. NMA registry and information hub is hereby established for:
- (a) Registering non-market approaches included in nationally determined contributions to assist Parties in scaling them up at the national, regional and global level;
- (b) Following up on the joint climate ambition alliances referred to in paragraph 23(f) above to enhance cooperation for implementing nationally determined contributions;
- (c) Informing on the progress of operationalization of non-market approaches and their impacts on mitigation and adaptation in the context of the enhanced transparency framework;

26. The following activities of the work programme will be implemented, with the support of the secretariat, starting after CMA4 (November 2022) and ending before CMA5 (November 2023):

- (a) Developing rules, procedures and functions for implementing the institutional arrangements for the framework with a view to making recommendations for consideration and adoption by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at SBSTA58 (June 2023) and electing the members of the institutional arrangements by CMA5;
- (b) Establishing the NMA registry and information hub by 30 June 2023 and following up on the operationalization thereof;
- (c) Developing ways and means of the work of the NMA network of coordination by 30 June, 2023 and following up on the implementation thereof;
- (d) Developing methodologies, modalities and instruments to enhance NMAs under the framework, and exploring NMAs under cooperative approaches referred to in Article 6, paragraph 2, and the mechanism established by Article 6, paragraph 4, as appropriate, by August 2023 and following up on the implementation thereof;
- (e) Recommending initiatives for exchanging views on the implementation of the framework;
- (f) Further developing the activities of the work programme;
- (g) Developing and recommending draft decisions for strengthening operationalization of the framework for consideration and adoption at CMA5.

Option C {*Ad-hoc working group*}

{*Option B without paragraph 26(c) above*}

VI. Reporting

27. [The progress and outcomes of the work programme will be reported at SB 58 (June 2023) and 59 (November 2023), on the basis of information resulting from implementation of the work programme activities by the [task force][ad-hoc working group], with a view to making recommendations for consideration and adoption at CMA5 as referred to in paragraph 9 above.][The progress and outcomes of

the work programme will be reported at each session of the CMA, as appropriate, on the basis of information resulting from implementation of the work programme activities by the [NMA forum][SBSTA][Article 6.8 committee], including as inputs to the review of the work programme at CMA 7 (November 2025), with the report to include the following, as relevant:

(a) Results of the implementation of the work programme activities;

(b) Recommendations on how to enhance existing linkages and create synergies and how to facilitate coordination and implementation of NMAs;

(c) Recommendations on how to enhance support for NMAs, including through engagement with relevant bodies, institutional arrangements and processes under the Convention, the Kyoto Protocol and the Paris Agreement related to, inter alia, mitigation, adaptation, finance, technology development and transfer, and capacity-building;

(d) Recommendations on enhancing the effectiveness of the work programme in implementing the framework, including its [institutional and] reporting arrangements.]