

Regulating carbon markets: building capacity for the implementation of Article 6 of the Paris Agreement

14-16 May 2024
Victoria Falls and Online

Non Market Approaches

Mkhuthazi Steleki

16 May 2024



Article 6: co-operation towards NDCs

Cooperative approaches

Articles 6.2 and 6.3 and decision 1/CP.21, paragraph 36

Bilateral/multilateral cooperation between interested countries, involving transfers of the mitigation outcomes produced through such cooperation

The mechanism

Articles 6.4 to 6.7 and decision 1/CP.21, paragraphs 37 and 38

To be operated centrally (UNFCCC secretariat), credits emission reductions by public and private sector actors, allows for international transfer of those credits

Framework for non-market approaches

Articles 6.8 and 6.9 and decision 1/CP.21, paragraphs 39 and 40

Facilitates climate action through international cooperation focused on sustainable development and poverty eradication (and does not involve trading)

“The Framework for non-market approaches”

COUNTRY A

COUNTRY B

EG: Energy Efficiency Programme



SHARE BEST PRACTICE

EG: Energy Efficiency Programme



Countries are developing work programme

NMA work programme

Agreed on a **two-phased schedule** for implementing work programme activities

First phase (2023-2024)

- Identifying and framing activities referred to in para. 8 of the annex to decision 4/CMA.3
- Developing and operationalizing the UNFCCC web-based platform
- Undertake expedited and simple assessment of the first phase at GCNMA 6 (Nov 2024)

Second phase (2025-2026)

- Fully operationalizing activities referred to in para. 8 of the annex to decision 4/CMA.3
- Take into account recommendations of assessment of first phase
- Include any additional relevant mandates by the CMA
- Review of the work programme in accordance with decision 4/CMA.3

The work programme scope

Activities referred to in para. 8 of the annex to decision 4/CMA.3 include:

- **Identifying focus areas** of the work programme activities;
- **Identifying existing NMAs** under the framework;
- Identifying and evaluating experience of existing linkages, synergies, coordination and implementation in relation to NMAs;
- Identifying **measures for enhancing existing linkages**, creating synergies and facilitating coordination and **implementation of NMAs** in the local, subnational, national & global context;
- **Developing and implementing a UNFCCC web-based platform**;
- Identifying and **sharing information, best practices, lessons learned and case studies** in relation to developing and implementing NMAs;
- **Establishing linkages with UNFCCC bodies**, institutional arrangements and processes in relation to mitigation, adaptation, finance, technology development and transfer, and capacity-building;
- **Mapping initiatives, programmes and projects** at the local, subnational and national level

Work Programme under Article 6 para. 8 of the Paris Agreement

- Party participating in NMA may, with the concurrence of the other participating Parties, voluntarily **submit via its UNFCCC national focal point** information on NMAs to the secretariat for recording on the UNFCCC web-based platform;
- To be recorded in the UNFCCC web-based platform, NMA shall include information on how the NMAs addresses the **criteria referred to in para 2–3 of the annex to decision 4/CMA.3.**

Paragraph 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 participation of public and private sector and civil society organizations in the implementation of NDCs;
- 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 capacity-building, as appropriate;
- ii. Contribution to sustainable development and poverty eradication.

Paragraph 3

In addition, each NMA facilitated under the framework:

- a) Is identified by the participating Parties on a voluntary basis;
- b) Involves more than one participating Party;
- c) Does not involve the transfer of any mitigation outcomes;
- d) Facilitates the implementation of NDCs of host Parties and contributes to achieving the long-term temperature goal of the Paris Agreement;
- e) Is conducted in a manner that respects, promotes and considers respective obligations of Parties 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;
- f) Minimizes and, where possible, avoids negative environmental, economic and social impacts.

Full launch of the web-based platform

Requested the secretariat to **develop and operationalize a UNFCCC web-based platform** for non-market approaches

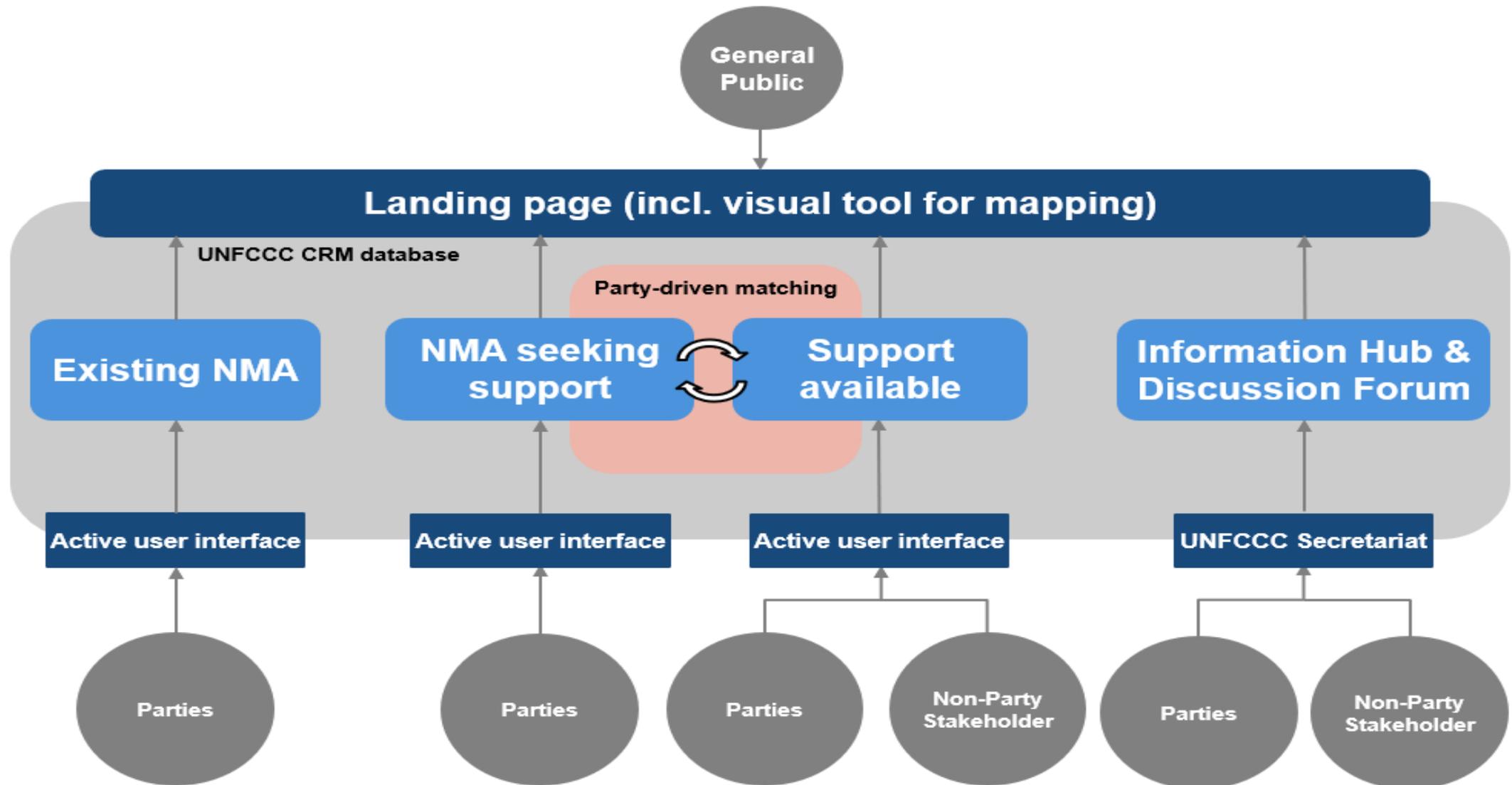
Key functions

- Record and exchange information on NMAs, NMAs seeking support, and information on support available for NMAs
- Facilitate opportunities, by connecting Parties, to identify, develop, and implement NMAs

Other functions of the web-based platform

- **Information hub** on available resources and tools on NMAs, incl. links to relevant websites and news
- **Visualization tool for mapping** NMAs
- **Discussion forum** for Parties and non-Party Stakeholders to facilitate networking among active users

Summary of functionality of the UNFCCC web-based platform



Outcomes from COP 28

- Submissions on views and information on:
 - (a) themes for spin-off groups;
 - (b) existing NMA under the initial focus areas of the WP activities.
- Synthesis report based on submissions received to be considered at GCNMA 5
- Report of the in-session workshop to be considered at GCNMA 5
- In-session workshop will be held at SBSTA 60, focusing on:
 - (a) the submissions;
 - (b) engagement of relevant stakeholders, for fostering the open exchange of information and articulating cooperation opportunities on specific NMA proposed by interested Parties, and
 - (c) reflecting on previously presented NMA with a view to strengthening collaboration and support needed.
- In-session SBSTA Chair meeting focused exchange of views on **FTC** support available or provided for identifying and developing NMA, including on enhancing access to various types of support and identifying investment opportunities and actionable solutions that support the achievement of NDC.



**THANK
YOU!**

Ideas
to
Action

Governance, focus areas, modalities and activities for GCNMA

Topic	Key details
Governance	<ul style="list-style-type: none">• Glasgow Committee on non-market approaches convened and guided by the SBSTA Chair, operating in-session and open to all Parties (as per contact group procedures)• Committee to develop a schedule for implementation by 2022• The SBSTA will recommend, the need of a new institutional arrangements that supersede the GC in 2027.
Focus areas	<ul style="list-style-type: none">• Initial areas established: mitigation, adaptation, clean energy
Modalities	<ul style="list-style-type: none">• Workshops, technical papers, other engagement opportunities
Activities	<ul style="list-style-type: none">• Identifying measures for enhancing existing linkages, creating synergies and facilitating coordination and implementation of NMAs• Implementing the identified measures