

# VIRTUAL SEMINAR: OPERATIONALIZING ARTICLE 6.8 & 6.9 OF THE PARIS AGREEMENT

A summary of key messages

## CONTEXT OF THE RESEARCH PROJECT AND OPENING REMARKS

**Karsten Karschunke, Thomas Forth and Axel Michaelowa**

On 8 December, a virtual seminar on the operationalization of Articles 6.8 and 6.9 of the Paris Agreement (PA), which form the framework for non-market approaches (NMAs), took place. The seminar was based on the results of a research project carried out by Perspectives Climate Research and supported by the German Environment Agency (UBA). The seminar also featured presentations by climate negotiators who shared their perspective on ongoing Article 6 negotiations as well as researchers and practitioners who laid out potential examples for NMAs to be discussed in a future NMA forum, thereby attracting over 70 participants.

The seminar was opened by **Thomas Forth** from the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and **Dr. Karsten Karschunke** (UBA). Both speakers emphasized that the seminar represents a good opportunity to pay more attention to non-market cooperation under the PA as negotiations on Article 6.8 are not in the spotlight of international discussions. Thomas also stressed that while there is currently no clear picture on the potential activities to be promoted under Article 6.8, there is a joint understanding that no duplication of work or financing systems should occur under the PA or with other Conventions. Therefore, the seminar and the research project in general can help to prepare negotiators by proposing concrete NMAs to be discussed under Article 6.

The seminar was moderated by **Dr. Axel Michaelowa**, Research Director of Perspectives Climate Research. He set the scene by outlining that the scope of Article 6.8 is very broad and can cover various fields including adaptation, mitigation, sustainable development, finance, capacity building, technology development and transfer. Hence, the underlying instruments can also be very different. In addition, NMAs would have been defined by what they are not, instead of what they could be.

## FROM COP21 TO THE COP25 PRESIDENCY PROPOSAL - A RECAP OF NEGOTIATIONS

**Aglaja Espelage**

In her presentation, **Aglaja Espelage**, Researcher at Perspectives Climate Research, provided a recap of negotiations on non-market cooperation. She noted that NMAs can look back at a 10-year history of negotiations with submissions of specific proposals throughout the years. She further explained that whereas **Article 6.8 recognizes the importance of integrated, holistic and balanced NMAs**, Article 6.9 establishes a framework for NMAs under which the Subsidiary Body on Scientific and Technological Advice was tasked to undertake a work programme to facilitate the implementation and coordination of NMAs. She concluded her presentation by summarizing the result of the COP25 Presidency proposal which comprises a definition of NMAs, lays out the modalities and activities to promote NMAs and establishes an NMA forum to govern the NMA framework and implement the work programme. However, as it is well known, no agreement on Article 6 rules and their operationalization could be achieved at COP25 and negotiations continue.

## REFLECTIONS ON THE STATUS OF ARTICLE 6.8 NEGOTIATIONS: PRIORITIES, KEY ISSUES FROM AN EU PERSPECTIVE

**Dimitar Nikov**

**Dimitar Nikov**, an official at France's Ministry for Ecological Transition shared the priorities and key issues from the perspective of an EU negotiator. He mentioned that the draft text is well-advanced and only minor changes were undertaken in the last two iterations. He stressed that the **structure of the agenda item needs to ensure that it has a clear function and avoids any duplication with other mitigation, technology and finance discussions**. For this purpose, it would be useful if the UNFCCC Secretariat could provide information on existing approaches and how these are positively interconnected. From an EU perspective, the priority is to produce an efficient outcome that is effective in the implementation of NDCs, also by creating more synergies and interlinkages between various measures. He further stressed that there remain some key issues regarding the negotiation text such as the inclusion of the term “avoidance of emissions”, the absent clarification of what falls under technology development and the lack of a common metric for adaptation performance and vulnerability assessment in the case of the Adaptation Benefits Mechanism (ABM) proposal.



## REFLECTIONS ON THE STATUS OF ARTICLE 6.8 NEGOTIATIONS: PRIORITIES, KEY ISSUES FROM AN AGN PERSPECTIVE

**Rachel Boti-Douayoua**

**Rachel Boti-Douayoua**, an official at the Ministry of Environment and Sustainable Development in Côte d'Ivoire, provided the African Group of Negotiators (AGN) perspective which considers Article 6.8 a framework to support the implementation of NDCs in the context of poverty eradication and sustainable development with the aim to **enhance both mitigation and adaptation ambition and to enhance public and private investments**. She further outlined that AGN calls for fair and balanced treatment for the whole Article 6 with the following priorities: Establishment of a permanent governance structure to identify problems in a continuous manner and to offer recommendations for the work programme activities; the preparation for technical papers, potentially by the UNFCCC Secretariat and the need to organize workshops that offer guidance, clarification and capacity building. She explained that whereas Article 6.2 and 6.4 are market-oriented, **Article 6.8 can be the tool to focus on people, wellbeing and preserving environmental integrity**. Besides, the implementation of Article 6.8 would benefit from giving more space to Article 6 pilot projects such as the ABM.

# WHAT ARE NMAS, WHAT IS THEIR ROLE IN THE UNFCCC CONTEXT AND WHAT IS THE ROLE OF THE WORK PROGRAMME?

**Anne-Kathrin Weber**

In her presentation, **Anne-Kathrin Weber**, Researcher at Perspectives Climate Research, pointed out potential NMAs to be discussed in the work programme. She explained that the research team proposes the use of four criteria to identify focus areas and concrete NMAs that fall under these focus areas. NMAs should thus be **non-duplicative, not implementable through market mechanisms, transformative and side-lined by international public climate finance**. Besides, the five focus areas identified in the negotiation text (e.g. joint mitigation and adaptation for the integral and sustainable management of forests) are considered too broad by the research team and should, therefore, be further broken down to guide the identification of concrete NMAs. She noted that deforestation-free supply chains could be a potential focus area with the NMA framework providing a venue to share lessons learned from the European Union's Forest Law Enforcement, Governance and Trade program. She further emphasized that a concrete NMA should be a specific form of international cooperation or a specific instrument available to Parties in international cooperation on finance or technological development and transfer and capacity building.



## PRESENTATION OF THE ADAPTATION BENEFITS MECHANISM

**Luc Gnacadja**

**Luc Gnacadja**, Co-Chair of the Executive Committee of the ABM, presented a concrete example of an NMA, the ABM. The **ABM is envisioned as a results-based financing mechanism** to scale up public and private investments in adaptation and resilience to climate change. Luc outlined that the mechanism introduces certified adaptation benefits (CABS), provides qualitative and quantitative information about social, economic and environmental benefits of adaptation activities or incremental costs and mobilises finance. He further noted that the validation of the certified adaptation benefits would be done in a verified manner and that CABS would thus provide valuable quantifiable information for transparency and reporting including on SDGs or the Global Compact. Both the host and the donor country would receive information for transparency and reporting on climate finance and adaptation. He explained the ABM project cycle which begins with the approval of the ABM methodology, followed by the development of the activity design document (ADD), the approval of the host country through a Letter of Approval, validation and registration of the adaptation activity. So far, the guidelines on the ABM methodologies, the guidelines on the process for proposing a new ABM methodology or methodological tool have been adopted.

## PRESENTATION OF THE EU FLEGT PROGRAMME

### Metodi Sotirov

Another example of an existing NMA in international cooperation was presented by **Dr. Metodi Sotirov**, Senior Researcher and Associate Professor at the Chair of Forest and Environmental Policy of the University of Freiburg, Germany. Metodi introduced the European Union's Forest Law Enforcement, Governance and Trade (EU FLEGT) program, **a unique policy framework that encourages the displacement of legally (and sustainably) sourced timber and timber products on the EU market**. Interested in tropical countries and interconnected international supply chain actors can choose from two policy responses to meet the EU FLEGT goals. Tropical countries can either negotiate bilateral legally binding trade agreements with the EU (called FLEGT VPAs) after meeting key conditions such as participation of state and non-state actors, robust legal definitions, assurance of timber legality, accountability, transparency and independent monitoring as well domestic forest sector policy reforms, in return for beneficial EU market access and capacity-building support. Or economic operators sourcing timber and timber products from tropical countries need to exercise due diligence of collecting information, assessing and mitigating risks of illegally sourced timber and timber products along global supply chains in order to meet the legally binding obligations of the EU Timber Regulation (EUTR) prohibiting the placement of illegal timber and timber products (from the tropical countries) on the EU market. He stressed that **in order to prevent global deforestation and forest degradation, both supply (like FLEGT VPAs) and demand-side (like EUTR) policy measures are needed. Effective international and EU climate-related action against global deforestation** (to mitigate up to 20% of global CO<sub>2</sub> emissions) will require a combination of both supply-side measures aimed at producer countries and economic operations and demand-side measures aimed at countries and companies importing to EU and other key markets (China, USA, Australia, Japan, etc.). He concluded that the EU FLEGT is exactly where discussions under the NMA work programme could help disseminate key lessons learned and good practices on both national flexibility and national legal obligations under international climate hard law (like the NDCs under the PA).

## CLOSING REMARKS AND OPEN DISCUSSION

In the seminar's final presentation, **Dr. Axel Michaelowa** outlined the Perspectives Climate Research team's proposal for an effective approach to the implementation of the work programme in the form of a rolling work plan for the NMA forum. He summarized that the institutional framework of the NMA forum should allow for the **flexible diffusion and upscaling of approaches**, thereby relying on a process with clear milestones and steps. The proposal for the implementation of the NMA work programme comprises four steps: Identification of focus areas, identification of NMAs based on submissions, promotion of NMAs and the sharing of results and lessons learned. He stressed that the submissions should ideally be specific submissions that relate to made experiences. Also, the need to set up a workstream for each of the selected NMAs is raised. Eventually, he emphasized that in order to prevent that the NMA forum becomes a mere "talk shop", it needs to be equipped with the necessary resources and support to implement the activities as foreseen in the work programme.

In the subsequent discussion, participants discussed the **need for private sector inclusion** in the NMA work programme and other potential examples for NMAs as well as innovative tools such as **blockchain technologies** for the implementation of concrete NMAs. In addition, the need for actors to mobilise funding for an NMA and innovative approaches to do so such as the ABM were discussed. Participants highlighted the importance of **leveraging innovative sources of finance to reduce the reliance on public finance** that also characterized early proposals on NMAs such as the Bolivian Joint Mitigation and Adaptation Mechanism.