



Climate Action Network Latin America

Submission: CAN Latin America on behalf of the Bolivian Civil Society Coalition, in reference to Article 6.8 of the Paris Agreement on Non-Market Approaches

September, 2023

CAN Latin America, on behalf of the Bolivian Civil Society Coalition is pleased to submit this proposal in response to the invitation of the Subsidiary Body for Scientific and Technological Advice to Parties and observers regarding their views and information on the main elements of the framework for non-market approaches referred to in Article 6.9 of the Paris Agreement.

The proposal focuses on the following three elements, as required in the document FCCC/SBSTA/2023/L.4:

- **Work programme activities listed in chapter V of the annex to decision 4/CMA3.**
- **The process for submission and registration of non-market approaches on the UNFCCC web platform taking into account the provisions contained in paragraphs 2 and 3 of the annex to decision 4/CMA.3.**
- **Possible topics to be addressed at the next in-session workshop, including discussions in the development of round tables and presentations on Non-Market Approaches.**

(a) The work program activities listed in chapter V of the annex to decision 4/CMA3;

The urgent need to reduce greenhouse gases emissions and build resilience to the effects of climate change in order to achieve the goal of not increasing the temperature to more than 1.5°C, obliges us to optimize time and effectively implement the activities established in the work program referred to in chapter V of the annex to decision 4/CMA3, within the two phases framework established between 2023-2026.

In this regard, it is important to continue implementing the activities of the work program from the first phase (2023 to 2024), which should focus on identifying and framing all relevant elements of the work program activities referred to in paragraph 8 of the annex to decision 4/CMA.3 and on making the UNFCCC web platform operational.

It is also necessary to implement the paragraph 10 of the decision 4/CMA3, where Parties request the Secretariat to provide opportunities for Non-Market Approaches to be defined, developed and applied through the organization of a workshop, including plenary presentations and roundtables,

which should be held in conjunction with each meeting of the Glasgow Committee on Non-Carbon Market Approaches, to share information on Non-Carbon Market Approaches, including best practices and lessons learned in the definition, development and implementation of Non-Carbon Market Approaches, as well as on Non-Carbon Market Approaches that may require financial, technology and capacity building support, and the support available to them;

In this sense, the development of the round tables approved within the Decision 4/CMA.3 work program (an activity of the work program that was not developed during the last meeting in June) is essential in order to connect the activities framed in approaches not related to the carbon market and the availability of financial, technological and capacity building support, and to have an open exchange that allows the articulation of cooperation opportunities.

(b) The process for submission and registration of non-market approaches on the UNFCCC web platform, taking into account the provisions contained in paragraphs 2 and 3 of the annex to the decision 4/CMA.3.

Among the criteria that we consider must be met for the proper registration of projects and actions within the Non-Carbon Market Approach, we propose to include the following:

- a) Prioritization of the participation of projects that respond to climate change in a holistic manner; that is, that contribute to the reduction of emissions and the strengthening of adaptation capacities, through the restoration and protection/conservation of key ecosystems and life systems. That is important to guarantee biodiversity, carbon storage and local sustainable development.
- b) They must have the full participation of indigenous and Afro-descendant communities and collective territories, especially when they live in the area of implementation of the action, including especially women in these processes.
- c) Promote the active involvement of communities and local population in the design and implementation of projects to be registered in the Non-Carbon Market Approach Web Platform through free, prior and informed consultation processes.
- d) Projects registered in the Non-Carbon Market Approach Web Platform may not be migrated to carbon market schemes and may not transfer their mitigation results to any formal or voluntary carbon trading scheme. Non-Carbon Market Approaches will not be able to generate transfers of emission reductions or emission offsets to avoid the risk of the tool being misused as a scheme to avoid resistance to existing carbon market and offset schemes in different regions.

For this purpose, a specific paragraph may be included in the registration page, and other documents to be signed between the Parties, committing the participating Parties that this transfer will not be carried out in the future.

- e) Technological sovereignty: Any tool for the implementation of traceability systems, biodiversity monitoring or others, should be under the control of the producer organizations themselves, local stakeholders or public/private partnerships. This aims at not promoting the creation of a technical elite that captures the resources available for climate action.
- f) Adequate and timely financing for the adaptation to these and all the new conditions of fair and sustainable trade within the framework of Climate Action.

- g) Training and capacity building of local human resources (communities, academia, local governments) for the management of compliance systems and monitoring of regulations.
- h) On-demand access to GIS technologies (geographic information systems) such as high resolution multispectral, meteorological and other satellite information required for monitoring, reporting and verification purposes.
- i) The actions included in the mechanism must avoid and prevent negative social, economic and cultural impacts on local populations.
- j) Even though it may be limited in size, the projects included in the portal should have a sensitive grievance management mechanism and mechanisms for the promotion of safeguard mechanisms. Communities should have access to mechanisms for mediation in the event that any kind of conflict may arise.

Likewise, the UNFCCC web platform, within the framework of paragraph 6 of Decision 4/CMA.3, establishes that the web platform must also register "those Parties and entities that have submitted information on available support"; to this end, the Secretariat is requested to send a formal invitation to all institutions that are part of the climate change financing architecture to submit information on available support, including financial institutions, international cooperation entities, philanthropic entities, among others.

To strengthen funding addressed towards activities on non-market approaches that support the implementation of each country's NDCs, we propose to open a specific window on Non-Market Approaches in the Green Climate Fund.

(c) Possible topics for the next in-session workshop, including roundtable discussions and presentations on non-market approaches, as referred to in paragraph 9(b) below.

Actions included under the Non-Market Approaches, as established in Decision 4/CMA.3, should be framed within the NDCs of each country and promote mainly the implementation of the conditional targets identified in these contributions.

For developing countries in Latin America, Africa or Asia, where a large part of national emissions and also of their vulnerability to climate change comes from the conversion of ecosystems and land use change, there is a high potential to develop mitigation and adaptation activities in an integral and holistic manner, considering that it is vital in these ecosystems to reverse these degradation processes and the conversion from unsustainable production systems that today form an important portion of their economies to sustainable activities and in harmony with Mother Earth.

In addition, many of these Parties have important productive potentials associated with their primary ecosystems, whether in aquatic ecosystems or terrestrial ecosystems such as forests, wetlands, grasslands and others. **Due to these characteristics, the area of restoration and sustainable management of biodiversity resources are spheres that should be considered of special importance for the identification of projects and programs within the Non-Carbon Market Approach.**

In addition to the conservation of ecosystems and carbon and biodiversity reserves, from the perspective of civil society, including the visions of indigenous peoples and peasants in Bolivia and Latin America, **we propose that the area of Sustainable and Productive Management of Key Ecosystems be a sphere that should be prioritized in the framework of the Non Carbon Market Approach** through investment in ecosystem restoration efforts on the one hand, but also dedicating actions for the development of tools and technologies for the sustainable use of a diverse number of biodiversity resources in forest, wetland and grassland ecosystems, generating economic income that should provide sustainability to biodiversity conservation actions and sustainable management of important ecosystems in carbon fixation and storage.

In order to make this viable at a global level and enhance its sustainability over time, we propose, within the Non-Carbon Market Approach framework, a **Joint Climate Ambition Partnership** scheme that includes actions for:

- a) Protection and Restoration of key ecosystems and life systems, with the secure participation of local, indigenous and peasant populations. Restoration efforts will be made within regional ecological characteristics, favoring local species and guaranteeing the ecosystem functions of local and regional climate regulation (water, thermal) and ecological integrity. Eligible actions must include adaptation and mitigation efforts.
- b) Development of local and regional systems and capacities for sustainable management of biodiversity ecosystem resources and national Monitoring, Reporting and Verification tools in a manner compatible with mitigation efforts, biodiversity conservation and sustainable local economic development.

In the case of Bolivia and each country, there are some tools that should be adjusted and included in the development of Non-Carbon Market projects and actions, such as the Participatory Guarantee System (PGS), which in practice is a participatory control system that allows greater technological and procedural sovereignty.

The development of national capacities for sustainable management should aim at facilitating the direct participation of local indigenous and peasant producers in the design and implementation of monitoring, reporting and verification tools within the Non-Carbon Markets framework.

In order to provide greater security to the MRV system, we propose the implementation of measures that allow the geo-referencing of the areas that will participate in the Non-Carbon Markets framework and the development of national traceability systems for products coming from the sustainable management of ecosystems and forests.

- c) Establishment of bilateral/multilateral trade agreements for biodiversity products associated with the protection, restoration and management of productive ecosystems to be offered among the Parties participating in a given project within the framework of the Non-Carbon Market Approach.

In addition to international efforts to improve the socio-environmental performance of fair and sustainable global trade carried out by some Parties (such as the European Union or the United States), the implementation of actions and systems to ensure compliance with social, climate and biodiversity criteria is proposed within the framework of bilateral and multilateral agreements of Joint Climate Ambition Partnerships.

The actions developed within the framework of the **Joint Climate Ambition Alliance**, from the supply side, will produce mitigation and adaptation results, but also a portfolio of products originated from ecosystem and biodiversity management including food (wild cocoa, almonds and wild fruit pulp, animal proteins), oils, fibers, pigments, woods, gums, medicinal products and other goods from restored and conserved forests, grasslands, wetlands and other ecosystems around the world. The offer of these product portfolios at preferential prices to Parties that choose to support restoration, conservation and sustainable ecosystem management projects has the potential to contribute to a dimension of economic sustainability over time to projects included in the Non-Carbon Market Approach, promoting local development, considering that the benefits will go directly to the people who participate in the restoration and management of the projects and actions.

On the other hand, from the demand side, the actions developed within the framework of the **Joint Climate Ambition Alliance** could support efforts to change consumption habits in the Parties that choose to invest in such projects.

In this way, a win-win relationship could be established for all Parties.

Regarding dialogue topics for the next session, we propose the presentation of a model outline of a **Joint Climate Ambition Partnership** that includes a description of how this outline would work, including the dimension of agreements for supply chains and supply of food and low-carbon goods from the sustainable management of biodiversity resources in ecosystems and projects with the potential to do so.

Taking into account the need for sufficient time to present, explain and dialogue with the parties on these proposed schemes, we request the scheduling of sufficient time for the development of the dialogue with the designation of 3-hour sessions during workshops and round tables.