

## **Submission by the Government of Cote d'Ivoire to SBSTA 47 in response to the call for input on the Framework for Non-Market Approaches described in Articles 6.8 and 6.9 of the Paris Agreement**

The Government of Cote d'Ivoire wishes respond to SBSTA's invitation to Parties to submit their views, *inter alia*, on the content of the draft decision on the framework for non-market approaches to sustainable development, including the structure and areas, issues and elements to be addressed, including those raised by Parties at SBSTA 46.

We note the proposal to SBSTA 46 from the Government of Uganda to establish an Adaptation Benefit Mechanism and the proposal to SBSTA 45 from the African Development Bank on the same topic. We also note Decision 7/CP.22, paragraph 7 (c), which invites Parties and relevant institutions to consider that "the role of the private sector in adaptation finance needs to be further enhanced". So far, this proposal to establish the Adaptation Benefit Mechanism is the only means to this end to have been brought forward and as such, the Government of Cote d'Ivoire believes that it requires consideration.

We join with the Government of Uganda and we request that Parties consider the establishment of an Adaptation Benefit Mechanism as a component of the Framework for Non-Market Approaches (NMA) on the grounds that it will allow some Parties to choose to pursue voluntary cooperation in the implementation of their nationally determined contributions, to allow for higher ambition in their mitigation and adaptation actions.

We note that we envisage the NMA framework being dynamic and flexible to cover a range of other non-market approaches and mechanisms to promote and support adaptation, mitigation and joint adaptation and mitigation actions, which could evolve overtime. We note further that the Adaptation Benefit Mechanism has the potential to also promote environmental integrity, finance, technology transfer, capacity-building, sustainable development and poverty alleviation, as well as other development goals as prioritized by the host country.

We would like to see the establishment of the Adaptation Benefit Mechanism and launching of a pre-2020 pilot stage reflected in the elements for a draft decision on this agenda item at SBSTA 47. We believe that operating the Adaptation Benefit Mechanism under the UNFCCC will leverage more public and private finance for adaptation than if it is developed outside the UNFCCC.

### **Overarching issues, principles, considerations, context, criteria for elements of the NMA Framework**

The Government of Cote d'Ivoire proposes that the NMA Framework, while recognizing the importance of integrated, holistic and balanced non-market approaches, may be constructed to be flexible to the adoption of new elements, as agreed by Parties, such as to:

- a) Promote mitigation and adaptation ambition;
- b) Enhance public and private sector participation in the implementation of nationally determined contributions; and
- c) Enable opportunities for coordination across instruments and relevant institutional arrangements.

The Adaptation Benefit Mechanism fulfils these criteria on the basis that:

- d) It supports adaptation to climate change whilst generating mitigation co-benefits which host Parties may account for in their National Inventories, hence helping to achieve national mitigation targets and facilitating the raising of ambition;
- e) It encourages public and private sector participation in the implementation of NDCs by allowing (i) *inter alia* public and private climate finance sources, corporate social responsibility actors, foundations, funds and philanthropists to provide financial support for a wide range of unique adaptation outputs and outcomes and (ii) encouraging both public and private sector project developers to use the financial support to overcome the barriers to the development of, and additional investment in adaptation actions; and
- f) It provides a funding mechanism to enable coordination across instruments to implement adaptation actions listed in NDCs and NAPs / NAPAs, TNAs, TAPs and Adaptation Communications and which may also be consistent with domestic development strategies and national Sustainable Development Goals.

### **Non-Market Approaches under the framework**

The Government of Cote d'Ivoire proposes that the NMA Framework promotes non-transferrable and / or non-tradable outcomes with no commoditization of outputs.

The Adaptation Benefit Mechanism is a non-market mechanism because it utilizes non-fungible instruments for which no market exists. Under the current proposals, the instruments are issued into a registry for cancellation only. Under this proposal there would be no means of transferring the units. There is no market for the units because there is no compliance target for them. Parties and private sector actors use the ABM as a credible and transparent tool to demonstrate the adaptation impacts of financing commitments and instruments and hence use the mechanism to help fulfil their commitment to match adaptation and mitigation finance. The mechanism further contributes to understanding climate adaptation impacts by generating metrics which distinguish adaptation finance from traditional development finance.

Further details are provided in the Annex to this submission.

### **Governance of the framework**

The Government of Cote d'Ivoire envisages the NMA Framework to be under the guidance and authority of the CMA.

The Adaptation Benefit Mechanism can operate under new or existing institutional arrangements, which are under the guidance and authority of the CMA, as agreed by Parties.

### **Functions of the framework**

The Government of Cote d'Ivoire foresees that the NMA Framework will help Parties to transparently account and credibly transfer financial support for at least one of the following actions: mitigation, adaptation, technology transfer and capacity-building. The NMA Framework

will also enhance public and private sector participation, promote mitigation and adaptation ambition and enable opportunities for coordination across instruments and relevant institutional arrangements.

The Adaptation Benefit Mechanism will provide credible and transparent support for adaptation with mitigation co-benefits most likely combined with technology transfer and capacity building. It will also enhance public and private sector participation in adaptation actions and promote opportunities for coordination across instruments *inter alia* NDCs, NAPs, NAPAs, NAMAs and Sustainable Development Goals.

### **Work programme activities**

The Government of Cote d'Ivoire proposes that the work programme for the NMA Framework includes the establishment and operationalization of the Adaptation Benefit Mechanism with a prompt start facility to help bridge the gap between CoP24 and the implementation of NDCs.

### **Modalities of work programme**

The Government of Cote d'Ivoire proposes that the CMA invites multilateral development banks and interested Parties to elaborate the concept and initiate pilots of the Adaptation Benefit Mechanism in a learning-by-doing approach under a prompt start provision, with a view to consolidating findings and establishing the ABM under the NMA Framework by 2020.

### **Annex**

The Adaptation Benefit Mechanism is a non-market approach because it quantifies its outputs in non-fungible units for which no market exists. The units are quantified using project or technology specific approved methodologies and once verified and issued, the units are placed in a registry where they can only be cancelled. There is no transfer of units out of the registry and no compliance obligation to be fulfilled. Parties who purchase the cancellation codes and ultimately cancel the units, declare their expenditure on verified adaptation actions against their commitments to provide financial support to developing countries. Buyers of the cancellation codes choose which projects they wish to support based on the adaptation needs of the host country or other preferences, and disburse as much financial support as they wish. Third party verifiers audit the cost of adaptation benefits and transparent reporting of costs ensures that purchasers of the cancellation codes get good value for money.

More information on the ABM is available at this [link](#).