

POLICY RECOMMENDATIONS FOR THE COP 25 UN CLIMATE CHANGE NEGOTIATIONS

Subsidiary Body on Implementation (SBI 51)
Subsidiary Body on Scientific and Technological Advice (SBSTA 51)
Conference of the Parties serving as the meeting of the Parties of the Paris Agreement (CMA 2)
Madrid, Spain
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At the UN climate negotiations in December 2018, countries finalized and adopted most of the rules, procedures, and guidelines to make the Paris Agreement fully operational. During the negotiations in Madrid at COP 25, countries need to finalize outstanding rules for market and non-market cooperation to achieve global climate goals, and advance important discussions related to agriculture and inclusive participation. The decisions on markets will complete the Paris Agreement “Rulebook,” which already includes implementation guidance for countries related to mitigation, adaptation, finance mechanisms, reporting, tracking progress, and capacity building.

2019 is an important year for countries to review and enhance the ambition of their nationally determined contributions (NDCs) before they begin implementation post-2020. Natural climate solutions—the mitigation and adaptation benefits that come from nature—are essential for achieving the agreed global goals on climate change and must be implemented as part of countries’ NDCs. ***Conservation International believes that harnessing the full potential of nature to mitigate and help people adapt to climate change is critical to the success of the Paris Agreement.***

Key Recommendations

Conservation International proposes the following specific policy recommendations for SBI/SBSTA 51 and CMA 2:

Increase efficiency for delivering climate goals and finance through market mechanisms

- Parties should facilitate the generation and robust accounting of emission reduction transfers across all sectors and enhance the potential for removals by sinks;
- Any emissions reductions transferred from sectors or gases that are not covered in the scope of a country’s NDC should demonstrate robust baselines, monitoring, reporting and verification, and be subject to a corresponding adjustment; and
- Parties should prepare guidance to facilitate the trading of internationally transferred mitigation outcomes by Party and non-Party actors (such as airlines under the CORSIA—International Civil Aviation Organization’s market-based measure) in a way that ensures the avoidance of double counting.

Ensure inclusive participation

- Ensure the full and inclusive participation of all relevant actors, such as smallholders, women, indigenous peoples and local communities in climate policy and action, whose involvement is key to achieving agreed global goals.

Consider critical issues under the Koronivia Joint Work on Agriculture

- Prioritize the inclusion of smallholder farmers in national planning efforts to incentivize the protection of forest cover and ensure food security through diversified, sustainable landscapes.

Harness the role of nature to deliver results for national and global climate action

- In their revised or enhanced NDCs, countries should incorporate both mitigation and adaptation efforts across all sectors, including natural climate solutions (e.g., REDD+, sustainable agriculture, ecosystem-based adaptation and coastal carbon management).

Voluntary Cooperation on NDCs through the Transfer of International Mitigation Outcomes

SBSTA, Agenda Item 12

CMA, Agenda Item 10

Relevant Documents: [Guidance on cooperative approaches \(6.2\)](#); [Rules, modalities and procedures for the mechanism \(6.4\)](#); [Work programme under the framework on non-market approaches \(6.8\)](#)

Article 6 of the Paris Agreement establishes a broad framework for voluntary cooperation among Parties in delivering climate action. It sets out three approaches through which Parties may interact: 1) bilateral or regional cooperative approaches via internationally transferred mitigation outcomes (ITMOs); 2) a centrally governed UNFCCC mechanism to contribute to mitigation and support sustainable development; and 3) non-market approaches.¹ Encouraging the transfer of high-quality emission reductions generated in all sectors, including the land sector, can drive needed flows of finance to climate actions addressing both sources and sinks, particularly in developing countries.

Guidance on Article 6.2 and 6.4 should ensure the environmental integrity of all internationally transferred emission reductions, while promoting flexibility and higher ambition for meeting global mitigation goals. To that end, all Article 6.4 units that are internationally transferred should be subject to Article 6.2 guidance.

Parties are encouraged to consider the following technical elements when developing Article 6.2 and 6.4 guidance:

¹ Paris Agreement, Article 6, Paragraphs 2, 4, and 8, respectively.

1. APPLYING A CORRESPONDING ADJUSTMENT FOR SECTORS AND GASES OUTSIDE OF A COUNTRY'S NDC

Any emissions reductions transferred from sectors or gases that are not covered in the scope of a country's NDC should demonstrate robust baselines, monitoring, reporting and verification, and be subject to the same corresponding adjustment as other transfers. The requirement to “apply robust accounting” and “ensure environmental integrity and transparency” supports the application of corresponding adjustments to out-of-NDC-scope ITMOs. Unless both sides of a transaction account for the transfer, a mismatch is created between the sum of the host and acquirer's inventory emissions and the sum of their accounted emissions. Such a mismatch is inconsistent with a straightforward interpretation of “robust accounting.” Applying special or differential treatment for mitigation originating outside of NDCs also risks creating a perverse incentive for countries to keep those sectors outside their NDCs. Rules should ensure comparable accounting treatment of all mitigation outcomes, regardless of where they originate or toward what commitment they are used.

2. APPLYING A CORRESPONDING ADJUSTMENT FOR ITMOS USED FOR MITIGATION PURPOSES OTHER THAN TOWARD A COUNTRY'S NDC TARGETS

Any effort a country makes to mitigate emissions—whether through activities and sectors covered in its NDC, mitigation in sectors that fall outside its NDC, or to assist mitigation in other sectors (e.g., international aviation)—is ultimately mitigation delivered toward the Paris Agreement goal of keeping the global temperature increase to well below 2°C and pursuing efforts toward 1.5°C, as well as the UNFCCC goal of avoiding dangerous anthropogenic interference in the climate system.

Parties must therefore prepare guidance and the necessary systems to facilitate the acquisition and reporting of internationally transferred mitigation outcomes by Party and non-Party actors (such as by airlines using offset credits towards the offsetting obligations under the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)) in a way that ensures the avoidance of double counting.

As agreed at COP 24 in December 2018, Paragraph 77(d) of the Transparency Framework applies high-level reporting requirements for internationally transferred mitigation outcomes used toward an NDC or “the use of mitigation outcomes for international mitigation purposes other than achievement of its NDC,” which would include transfers to international airlines under CORSIA. This language in Paragraph 77(d) is an important foundation for ensuring no double counting; however, Parties should reaffirm and strengthen this provision in the more detailed Article 6 guidance.

3. KEEPING ARTICLE 6 OPEN TO ALL SECTORS

Parties should facilitate the generation and robust accounting of emission reduction transfers across all sectors and enhance the potential for removals by sinks. While specific sectors (such as the land sector) do not need to be explicitly referenced in Article 6 guidance, the Draft Article 6 Texts include language that could limit or ban the international transfer of mitigation outcomes from forests and the land sector and these references must be removed or replaced. See explanations and locations for text recommendations in the box below.

Specific text recommendations to support Article 6 transfers across all sectors²

Remove references prohibiting activities from Article 5 (the “Forest Article”)

Under Article 6.4, remove “and shall not include actions referred to in Article 5.” Ambitious mitigation action is needed in all sectors in order to urgently address climate change. Prohibiting international cooperation in specific sectors that otherwise meet Article 6 guidance would be inconsistent with the Paris Agreement and undermine global efforts to limit temperature rise to safe levels.

Further, engaging in a sector-by-sector discussion in the context of Article 6 is harmful in securing optimal guidance for cooperative approaches that ensures consistency and high environmental integrity. Limiting the sectors from which a country may transfer could undermine their national prerogative to voluntarily engage in cooperative approaches for emission reductions that meet the criteria of Article 6 as well as their sovereign right to choose sectors for climate action.

Article 6.4:

- [Draft SBSTA Bonn Text, Article 6.4 Annex, Section VI, paragraph 39, bullet \(a\)](#)

Remove limits on sectors with “high uncertainty”

Remove language proposing limits on sectors with “high uncertainty.” In quantifying mitigation outcomes, all sectors encompass some level of uncertainty. As already outlined in the Definition section of the text, ITMOs must be measured in accordance with the methodologies and common metrics assessed by the IPCC which already include calculations and recommendations for addressing uncertainty across all sectors. Additionally, several measures inherent in ensuring environmental integrity (which are included in the text) can address uncertainty, such as conservative baselines, below BAU emissions projections, and procedures to address any material reversals. These tools are already sufficient to address uncertainties. Additional limits on sectors would be confusing, unnecessary and could reduce needed investment in sectors that could make a significant contribution to the achievement of the Paris Agreement’s mitigation goals.

Additional proposed limits could also potentially discriminate against countries with data limitations, even though they may be fully implementing IPCC-recommended guidance to manage any resulting uncertainty. This would go against the tenet of equitable implementation under Article 2 of the Paris Agreement. We cannot afford to ignore mitigation solutions that meet Article 6 criteria for high-environmental integrity if we are to deliver on the goals of the Paris Agreement.

Article 6.2:

- [Draft SBSTA Bonn Text, Article 6.2 Draft decision, paragraph 4, bullet \(l\), sub-bullet \(viii\)](#)
- [Draft SBSTA Bonn Text, Article 6.2 Draft Annex, Section XI, paragraph 60, bullet \(h\)](#)

Article 6.4:

- [Draft SBSTA Bonn Text, Article 6.4 Draft decision, paragraph 7 \(Option A\), bullet \(g\), sub-bullet \(ii\)](#)
- [Draft SBSTA Bonn Text, Article 6.4 Draft Annex, Section XI, paragraph 89, bullet \(b\)](#)

Adjust references to “permanence”

Mitigation outcomes from all sectors are vulnerable to risks that challenge the long-term sustainability of results, including political risks, project management risks, financial risks, market

² Current language locations are provided for the two sets of Article 6 texts that were identified in the COP 24 outcomes as the starting point for negotiations at COP 25. These texts will likely change rapidly or be replaced, which would likely render these current text locations inaccurate.

risks, as well as risks from both human actions and impacts beyond human control (e.g., natural disturbances). In delivering mitigation outcomes, there are existing guidance and approaches to both minimize and address any potential for reversals.

References in the text to “permanent” reductions should be replaced by language that is inclusive of all sectors, such as “address risk of reversals.” This simpler language captures the intent of the original text and is more precise because reversals can be detected, quantified, and addressed, and the *risks* of reversal can be quantitatively estimated, whereas “permanence” can never be measured or guaranteed.

This language should be included in Article 6 guidance, not the draft decision, because existing IPCC guidance already sufficiently explains how Parties can address reversals when they occur, so no further technical work is needed on this topic. Furthermore, many countries have undertaken instructive work to assess the risks that could trigger reversals, and Parties may find it helpful to consult this literature and consider what issues are relevant to their own particular national circumstances.

Article 6.2:

- [Draft SBSTA Bonn Text. Article 6.2 Draft decision, paragraph 4, bullet \(l\), sub-bullet \(viii\)](#)
- [Draft SBSTA Bonn Text. Article 6.2 Annex, Section I, paragraph 1, bullet \(a\), sub-bullet \(i\)](#)
- [Draft SBSTA Bonn Text. Article 6.2 Draft Annex, Section XI, paragraph 60, bullet \(h\)](#)

Article 6.4:

- [Draft SBSTA Bonn Text, Article 6.4 Annex, Section VI, paragraph 39, bullet \(e\), sub-bullet \(ii\)](#)

Adjust language on compensation for reversals

Adjust the reference to, “ensuring compensation of any material reversals.” “Ensuring compensation” is unclear in this context and should be replaced by “address risk of reversals.”

Article 6.2:

- [Draft SBSTA Bonn Text. Article 6.2 Annex, Section VII, paragraph 40, bullet \(b\)](#)

Keep references to “emission removals by sinks”

Where bracketed, keep all references to “emission removals,” as this language was already agreed in paragraph 36 of 1/CP.21.

Article 6.2:

- [Draft SBSTA Bonn Text. Article 6.2 Annex, paragraph 1, bullet \(a\), sub-bullet \(ii\)](#)
- [Draft SBSTA Bonn Text. Article 6.2 Annex, paragraph 1, bullet \(a\), sub-bullet \(vii\)](#)

Article 6.4:

- [Draft SBSTA Bonn Text, Article 6.4 Annex, Section VI, paragraph 39, bullet \(a\)](#)
- [Draft SBSTA Bonn Text, Article 6.4 Annex, Section VI, paragraph 40, bullet \(c\)](#)

See Joint Article 6 Analysis for COP 25: Recommended Options and Textual Edits in the June 2019 Article 6 Text³ for detailed proposed language modifications for the relevant text locations identified above.

³ Joint Analysis prepared by Conservation International, Environmental Defense Fund, International Emissions Trading Association, Land Use and Climate Knowledge Initiative, The Nature Conservancy, and Climate Advisers and is available at <http://conservation.org/joint-article-6-COP25>.

Koronivia Joint Work on Agriculture

SBSTA, Agenda Item 6

SBI, Agenda Item 8

Relevant Documents: [FCCC/CP/2017/11/Add.1](#); [FCCC/SBSTA/2018/4](#); [FCCC/SBSTA/2019/L.2](#)

Under the Koronivia Joint Work on Agriculture (KJWA), countries are working to address issues of agriculture and climate change. The KJWA is jointly implemented by the SBSTA and the SBI, with the goal to move from technical knowledge towards the implementation of common strategies, arrangements and transformations needed to address climate change throughout the agricultural sector. These discussions on implementation are essential to ensure agriculture does not drive emissions from deforestation or other land use change, and to equip farmers with the tools and support needed to increase resilience to climate impacts while ensuring food security.

To advance the negotiations at COP 25 under the KJWA and build momentum towards further work on the topic of agriculture, we encourage Parties to:

- **Link the KJWA workshop discussions with national-level policies and interventions that may be integrated into countries' NDC revisions, including an explanation of the technical and financial support needed.** National institutions, processes, and plans are necessary to integrate land use planning, sustainable landscapes, farming communities, and food security safeguards into a resilient food system in the context of climate change.
- Advance consideration of safeguards as a future topic for discussion, in particular, to prioritize and ensure the full and inclusive involvement of key actors, such as smallholder farmers and indigenous peoples and local communities, who are crucial to protecting forest cover and ensuring food security in a changing climate.

Local Communities and Indigenous Peoples' Platform

SBSTA, Agenda Item 8

Meeting of the Facilitative Working Group

Relevant Documents: [FCCC/SBSTA/2017/L.29](#); [FCCC/CP/2017/11/Add.1](#); [FCCC/CP/2018/10/Add.1](#); [Informal dialogue between representatives of constituted bodies on the three functions of the Local Communities and Indigenous Peoples Platform](#)

The Paris Agreement explicitly recognizes the rights of indigenous peoples and local communities in the context of climate action. Parties agreed to develop a knowledge platform with local communities and indigenous peoples (LCIP) as a first step to formally recognizing their contributions to addressing climate change. Under the UNFCCC, countries agreed on the structure of a Facilitative Working Group to undertake the work of the LCIP Platform with representation from countries, indigenous peoples and representatives of local communities, upon recognition of the local communities' constituency.

At COP 25, countries will need to finalize and approve the initial two-year work plan for implementing the functions of the LCIP Platform. In finalizing the 2020-2021 work plan, the **LCIP Platform should ensure the full and effective participation of local communities and indigenous peoples.**

The Platform should be accompanied by an effective program to build the capacities of its constituencies at different levels. One ultimate aim of this work is to ensure that LCIPs' are able to fully participate in climate-related processes at the international and national levels, such as the update of NDCs and National Adaptation Plans (NAPs).