CADWALADER



UNFCCC Introduces Framework for Assessing Non-State Parties' Net-Zero Progress

August 8, 2023



By Jason Halper Partner and Co-Chair | Global Litigation



By Timbre Shriver Associate | Global Litigation

The United Nations Framework Convention on Climate Change (UNFCCC) has introduced the **Recognition and Accountability Framework** to recognize voluntary climate change pledges by non-state actors and ensure greater transparency and accountability regarding those commitments. The UNFCCC presented the Framework at the June 2023 **Climate Change Conference** in Bonn, Germany. The Framework has been designed as a means for holding organizations accountable for their commitments to the Paris Agreement rather than for purposes of monitoring or sanctioning.

The Framework sets out "specific objectives, deliverables and timelines to enhance the recognition and accountability of climate action pledges, plans, and reporting" for non-state parties via the **UNFCCC's Global Climate Action Portal (GCAP)**. How the Framework addresses the recognition and accountability of individual non-state actors will be addressed in individual company implementation plans. Generally, it sets out a number of principles related to commitments, governance and data management.

The principles set out in the Framework have been designed to integrate with other UNFCCC initiatives focused on practical implementation. At COP26, the UN announced the convening of a High-Level Expert Group (HLEG) on Net Zero Emissions Commitments of Non-State Entities, which sought to improve the credibility of net zero commitments. HLEG subsequently made ten recommendations in its **Integrity Matters** report at COP27 setting out how stakeholders can improve the quality, integrity and credibility of net zero commitments, transition plans and monitor progress. Following this, the UNFCCC has developed a **Draft Implementation Plan**, outlining how stakeholders can operationalize HLEG's recommendations. According to the

Draft Implementation Plan, the plans of non-state parties must incorporate the Framework's principles to provide assurance to parties and the public regarding:

- the integrity of voluntary commitments and their contribution to the aim of the Paris Agreement;
- credibility, leadership and recognition of progress toward commitments made by non-party stakeholders;
- identification of systemic barriers faced by non-party stakeholders in undertaking climate action; and
- transparency regarding the systemic impact of those that have not taken or are not delivering on their voluntary climate commitments.

Among various deadlines, recommendations on the consistency of third-party verified emissions data — and approaches to accreditation of verifiers themselves — are due in November 2023. Further details are expected to be announced at the Conference of the Parties of the UNFCCC, known as COP28, in late November 2023.

Taking the Temperature: The UNFCCC's Framework builds on last year's COP27 Integrity Matters report. The proposed Framework pushes Integrity Matters further by focusing on the data management aspect of non-parties' voluntary commitments, with an eye towards ensuring they are aligned with parties' Paris Agreement commitments. The Framework suggests that an important area of discussions at COP28 will focus on authentication protocols, accuracy checks, comparability requirements, secure infrastructure, and open data.

The accuracy of data and the assessment of that data are areas of focus in the Framework. Voluntary pledges by non-party stakeholders will be recognized "on the UNFCCC Global Climate Action Portal (GCAP) as the United Nation's data access point for all non-Party stakeholder voluntary climate action commitments." However, the UNFCCC is taking steps to "ensure that data and information received or disseminated by GCAP" will be the result of "processes and systems" that, among other things, seek to ensure that data is: (i) authentic; (ii) validated "by data providers directly;" (iii) comparable, with "an aim for interoperability and harmonization, comparable datasets sent by data providers or directly to GCAP are recommended;" (iv) secure, where collaborations "on digital infrastructure should enable ease of data sharing with GCAP" and promote data security; and (v) accessible and searchable through visual dashboards or downloads. In this way, the Framework apparently is seeking to address the existing situation, whereby, as we have reported, there is broad regulatory and industry consensus regarding the lack of quality, consistent, and reliable climate-related data.