

Sustainable Development Initiative on Implementation of Article 6 of the Paris Agreement under the UNFCCC process

POSITION PAPER FOR COP25

Introduction

Global goals for climate change and sustainable development (SD) are defined in two historical agreements 2015:

- Paris Agreement to limit global warming to well below 2°C aiming for 1,5°C
- United Nations 2030 Agenda to achieve 17 Sustainable Development Goals (SDGs)

The aspiration for a transformational change to low carbon and sustainable development is recognized in both agreements. The Sustainable Development Initiative (SDI)¹ supports this aspiration through a Party driven dialogue with the aim to help overcome knowledge and political barriers for Parties to promote sustainable development through cooperative approaches under Article 6. Since 2017, the SDI has explored Party and other stakeholder views on options to implement the SD provisions for Article 6, as mandated by the Paris Agreement. The recommendations put forward by the SDI draw from a continuous exchange with Article 6 negotiators and other relevant stakeholders. For more detailed information on key issues of SD in the context of Article 6 see the [6 Policy Briefs](#) published by the SDI.

Tools and approaches for promoting SD under Article 6

In 2019 the SDI examined existing tools and approaches for use in Article 6. The results are published in the report [“Assessment of Sustainable Development Approaches for use in Article 6”](#). The report provides insights to assist in selecting suitable sustainable development impact assessment tools and approaches for Article 6 activities. The report concludes that further research and testing of approaches is needed to drive the use of best practice tools and approaches and build knowledge and experience on benefits associated with credible SD impact assessment. This can enable a 'race to the top' where project proponents are incentivised to maximise synergies between climate and development outcomes, as opposed to a 'race to the bottom' from the CDM, where trade-offs between climate and development objectives often resulted in a 'climate-first' approach at the expense of promoting sustainable development.

The negotiations at COP25 aim to conclude the rulebook on Article 6. The rulebook is an important opportunity to establish a framework for the required knowledge sharing on tools and approaches to promote SD in Article 6.

The role of SD in Article 6 prior to the COP25 negotiations

The role of SD in negotiations of the Article 6 rulebook is still limited. The text proposal by the Presidency of COP24 on Article 6 is an example, of how the role of SD was almost marginalized down to a level, where it would have only been an empty shelf, very much like the respective SD provisions in the Kyoto Protocol. At the occasion of the last round of negotiations in Bonn from June 2019 it became again evident that SD, despite of several references in the Article 6 text, does not play a crucial role in

¹ The SDI is organized by UNEP DTU Partnership and the Gold Standard Foundation in close collaboration with the International Centre for Trade and Sustainable Development (ICTSD). The Initiative is supported in 2019 by contributions from Belgium, Finland, Germany, Norway and Sweden.

the rulebook discussions between negotiators. Meanwhile, negotiations under the Enhanced Transparency Framework (ETF) of Article 13 concluded that all countries engaged in cooperative approaches under Article 6.2 will have to provide information on, how these approaches promote sustainable development consistent with decisions adopted for Article 6. Noting the decision was taken ‘without prejudice’, hence the possibility for Article 6 rules to go beyond.

SDI recommendations

Against this backdrop and recognizing the need for further research and testing, as concluded by the SDI’s assessment of SD approaches for the use of Article 6, we recommend that Parties take advantage of the opportunity at COP25 to allow for the required knowledge sharing on tools and approaches to promote SD in an Article 6 context. To achieve this objective, the SDI recommends Parties to consider the following text proposals for the Article 6 rulebook:

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| Article 6.2, Cooperative Approaches |
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The Conference of the Parties,

(...) *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake a work programme under the guidance referred to under Article 6, paragraph 2, of the Agreement, with the objective to develop voluntary tools and approaches for measuring and monitoring the implementation of cooperative approaches in terms of their contribution to sustainable development;

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| Article 6.4, Mechanism |
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The Conference of the Parties,

(...) *Requests* the Supervisory Body, established under Article 6, paragraph 4, of the Agreement, to develop voluntary tools and approaches for measuring and monitoring the implementation of the mechanism in terms of its contribution to sustainable development;

Or alternatively,

(...) *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake a work programme under the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Agreement, with the objective to develop voluntary tools and approaches for measuring and monitoring the implementation of cooperative approaches in terms of their contribution to sustainable development;

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| Article 6.8, Non-Market Approaches |
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The Conference of the Parties,

(...) *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake a work programme under the framework for non-market approaches to sustainable development referred to in Article 6, paragraph 8, of the Agreement, with the objective to develop voluntary tools and approaches for measuring and monitoring the implementation of non-market approaches in terms of their contribution to sustainable development;