

**Position paper by the  
Sustainable Development Initiative  
to inform COP26 negotiations on Article 6 of the Paris Agreement**

*This paper is intended for use by Parties and other stakeholders to inform negotiations on Article 6-related Decisions at COP26. Text recommendations from the Sustainable Development Initiative may be found on page 3.*

## **Background**

In 2015, the international community endorsed two historic agreements for the benefit of humankind and the natural world: the Paris Agreement and the 2030 Agenda for Sustainable Development.

These agreements and the goals contained within each are closely intertwined, as recognised in the preamble to the Paris Agreement, which emphasizes:

*The intrinsic relationship that climate change actions, responses and impacts have with equitable access to sustainable development and eradication of poverty.*

The dual objectives of taking climate action and fostering sustainable development are also reflected in Article 6 of the Paris Agreement, which recognizes that some Parties may choose to pursue voluntary cooperation in the implementation of their nationally determined contributions<sup>1</sup>:

*...to allow for higher ambition in their mitigation and adaptation actions and to promote sustainable development and environmental integrity.*

A similar objective is reflected in:

- Article 6, paragraph 2:  
*Parties shall, where engaging on a voluntary basis in cooperative approaches...promote sustainable development...*
- Article 6, paragraph 4:  
*A mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development is hereby established...*
- And Article 6, paragraphs 8 and 9:  
*A framework for non-market approaches to sustainable development is hereby defined to promote the non-market approaches referred to in paragraph 8 of this Article.*

The incorporation of sustainable development considerations within activities and approaches under Article 6 would enable benefits above and beyond emissions

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<sup>1</sup> All underlining has been added by the authors.

reductions or removals, and help ensure that activities have a lasting positive effect for affected communities and the natural environment.

For activities under Article 6, paragraph 2 and Article 6, paragraph 4, which will involve a transfer of mitigation outcomes from one Party to another Party or entity, the inclusion of sustainable development considerations takes on additional importance: the transferring country will not be able to account for the mitigation benefit of these activities but will retain and fully benefit from their sustainable development impacts. In this way, sustainable development is an important way to ensure that both the Party transferring and using mitigation outcomes benefit directly and significantly from cooperation under Article 6.

### **Status of sustainable development provisions in Article 6 negotiations**

Despite its recognition throughout Article 6 of the Paris Agreement, the role of sustainable development in subsequent draft Decisions related to Article 6 and in negotiations between Parties has to date been limited.

In the final proposals by the Chilean Presidency at COP25 (Version 3 of 15 December 2019), draft Decisions reflected sustainable development as follows:

- Article 6, paragraph 2 contained only one reference to sustainable development:
  - Parties must report in their Biennial Transparency Reports on how each cooperative approach *"is consistent with the sustainable development objectives of the host Party, noting national prerogatives"*
- Article 6, paragraph 4 contained two references to sustainable development:
  - Parties must, prior to participating in the Article 6.4 mechanism, indicate *"publicly how its participation in the mechanism contributes to sustainable development, while acknowledge that the consideration of sustainable development is a national prerogative"*, and
  - When approving activities prior to registration, the host Party shall *"confirm that and provide information on how the activity fosters sustainable development in the host Party"*
- Article 6, paragraph 8 contained two references to sustainable development:
  - That the framework *"facilitates the use and coordination of [non-market approaches] in the implementation of Parties' nationally determined contributions (NDCs) in the context of sustainable development and poverty eradication"*, and
  - That each non-market approach assists Parties in implementing their NDCs through, inter alia: *"Contribution to sustainable development and poverty eradication in participating Parties"*.

Meanwhile Decision 18/CMA.1 on 'Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement' states that each Party that participates in cooperative approaches under Article 6 shall provide, in their structured summary:

*Information on how each cooperative approach promotes sustainable development...consistent with decisions adopted by the CMA on Article 6.*

## Recommendations from the Sustainable Development Initiative

While the references included to date in adopted and draft CMA Decisions are welcome and should be preserved, the SDI recommends that final decisions go further, in particular by committing to undertake further work to develop tools and approaches to ensure the promotion of sustainable development can be rigorously and consistently monitored and reported. Doing so can help to ensure that the promotion of sustainable development is genuinely integrated into the design of activities and information is available for host countries and other stakeholders.

In this vein, the SDI therefore invites Parties to consider the following text proposals for inclusion in Article 6-related Decisions at COP26:

Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement
<p><b>Preamble</b></p> <p><i>The Conference of the Parties,</i></p> <p>(...) <i>Requests</i> 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 to assess and report information on how each cooperative approach promotes sustainable development;</p> <p><b>Regular information</b></p> <p>Is consistent with <b>and contributes to</b> the sustainable development objectives of the host Party, noting national prerogatives;</p>
Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4 of the Paris Agreement
<p><i>The Conference of the Parties,</i></p> <p>(...) <i>Requests</i> the Supervisory Body, established under Article 6, paragraph 4, of the Agreement, to develop voluntary tools and approaches to assess and report information on how the mechanism is fostering sustainable development;</p> <p>And/or:</p> <p>(...) <i>Requests</i> 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 to assess and report information about how each activity is fostering sustainable development;</p>
Work programme under the framework for non-market approaches referred to in Article 6, paragraph 8 of the Paris Agreement
<p><i>The Conference of the Parties,</i></p> <p>(...) <i>Requests</i> 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 promotion of sustainable development;</p>

## Tools and approaches to promote sustainable development in Article 6 activities

The inclusion of strong provisions for sustainable development in Article 6-related Decisions is important for the implementation of sustainable development-focused activities, but it is only the start. Looking beyond COP26, it is vital that cooperation under Article 6 is taken forward in a way that promotes sustainable development impacts of emission reduction and removal activities and avoids or mitigates negative impacts. This requires that sustainable development impacts of activities are assessed and reported for the benefit of host countries and other actors.

The SDI has since 2017 organised policy dialogues, public events and produced multiple knowledge products to promote and enable the incorporation of sustainable development into Article 6 cooperation, with more forthcoming. This includes:

- [Good Practice Guidance for the Preliminary Assessment of Sustainable Development in Article 6 Actions](#) (2020)
- [Assessment of Sustainable Development Approaches for Use in Article 6](#) (2019)
- Facilitating Higher Ambition in Sustainable Development under Article 6 Through Bilateral Agreements (forthcoming)
- Article 6 through a sustainable development lens: achieving holistic, shared benefits through cooperative approaches (forthcoming)

The SDI also works closely with like-minded partners and stakeholders to co-develop and share knowledge on key questions related to the promotion of high ambition in sustainable development across compliance, voluntary, domestic, regional and international carbon markets.

To find out more, please contact Hugh Salway ([Hugh.Salway@goldstandard.org](mailto:Hugh.Salway@goldstandard.org)) or Karen Olsen ([kaol@dtu.dk](mailto:kaol@dtu.dk)).

The Sustainable Development Initiative (SDI) for Art. 6 aims at promoting strong provisions on sustainable development for the rulebook of Art. 6. The initiative is a collaboration of UNEP DTU Partnership and the Gold Standard Foundation supported by Germany, Norway and Sweden 2021-22. Views stated are those of the authors and do not represent any consensus among the Parties involved.

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