

Sustainable Development Initiative (SDI)

Promoting SD in the Implementation of Article 6 of the PA

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Sustainable Development

- reflections on SD provisions in the Katowice texts

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Outline

1. Reflections on SD in the Katowice texts
2. SDI text proposals - approach and recap
3. Links to Article 13 (ETF)
4. SDI work plan for 2019 - towards a decision at COP25

Reflections on SD in the draft Katowice text
(14 Dec, Draft Proposal by the President, not adopted for Art. 6)

Overall reflections

- SD did not feature prominently in the Article 6 draft Katowice text by the President (14 Dec).
- The text on Article 6 cooperative approaches included minimum SD provisions that do not reflect any significant change from the KP
- In spite of the PA Art. 6 'shall requirements' to promote SD, operationalising the SD provisions was not a priority for all Parties
- Yet, the Article 13 Enhanced Transparency Framework (ETF) of the PA after Katowice mandates all countries to provide information on how Article 6 cooperative approaches promote sustainable development, consistent with decisions adopted for Article 6

Article 6.2 SD provisions

- The Article 6.2 text mentions SD once, in context of reporting related to regular information, as follows:
- *'Each participating Party shall also submit the following information in relation to how the cooperative approaches in which it participates:*
 - (i) Are consistent with sustainable development in the host Party, noting national prerogatives;'*

Comment: This text provides only minimum information on how Parties (not the developer of the policy or action) see that cooperative approaches promote SD. For example, it does not enable the Supervisory Body to assist Parties, who need it, with tools and approaches to provide a structured comparable approach to assess ITMO's contribution to SD.

Article 6.4 SD provisions

- The Article 6.4 text mentions SD once, in context of the Activity Cycle of actions, specifying who is responsible for SD assessment as follows:
- *'Authorization by Party:*
 - *The confirmation that the activity fosters sustainable development in the host Party based on its consideration that is national prerogative;'*

Comment: This language does not demonstrate a progression from the KP, CDM. The procedure with a LoA by the DNA has been criticised for leading to a 'race to the bottom'. The text does not specify procedures for no-harm-done to avoid negative impacts. It also does not enable the Supervisory Body to provide a structured, comparable approach as known from the voluntary CDM SD tool, to assist Parties who need it with SD tools and approaches.

Article 6.8 SD provisions

The Article 6.8 text mentions SD three times, as follows:

- 1. Principles:** *'The framework facilitates the use and coordination of NMAs in the implementation of Parties' nationally determined contributions (NDCs), in the context of sustainable development and poverty eradication'...*
- 2. Non-market approaches under the framework:** Each NMA under the framework: *'Promotes sustainable development and poverty eradication of a participating Party in accordance with Article 6, paragraph 8;'*
- 3. Work programme activities:** Developing and implementing tools, including: *'(ii) Tools to address possible negative social and economic impacts of activities under Article 6; (iii) Tools to promote the contribution of NMAs to sustainable development and poverty eradication.'*

SDI text proposals for COP24

- approach and recap

Approach to SDI text proposals

Article 6.2: Focus on reporting

- Development of tools and approaches (for voluntary use) to support SD reporting and to avoid/mitigate negative impacts catering to various types of collaboration (project level, sectoral level, policy level);
- Ex-ante assessment of expected SD contributions of the collaboration;
- Periodic ex-post reporting of the SD contributions.

Article 6.4: Focus on roles and responsibilities

Facilitative role of the Supervisory Body, mandated to:

- Foster knowledge exchange and support development of tools and approaches for SD assessment to promote SD goals and priorities of host Parties that follow common best practice standards;
- Develop minimum SD requirements for activities for no-harm-done.

The rationale

There are four reasons, why operational SD provisions in Article 6 are important:

Public
acceptance

Raising
ambition

Private
funding

Agenda 2030
alignment

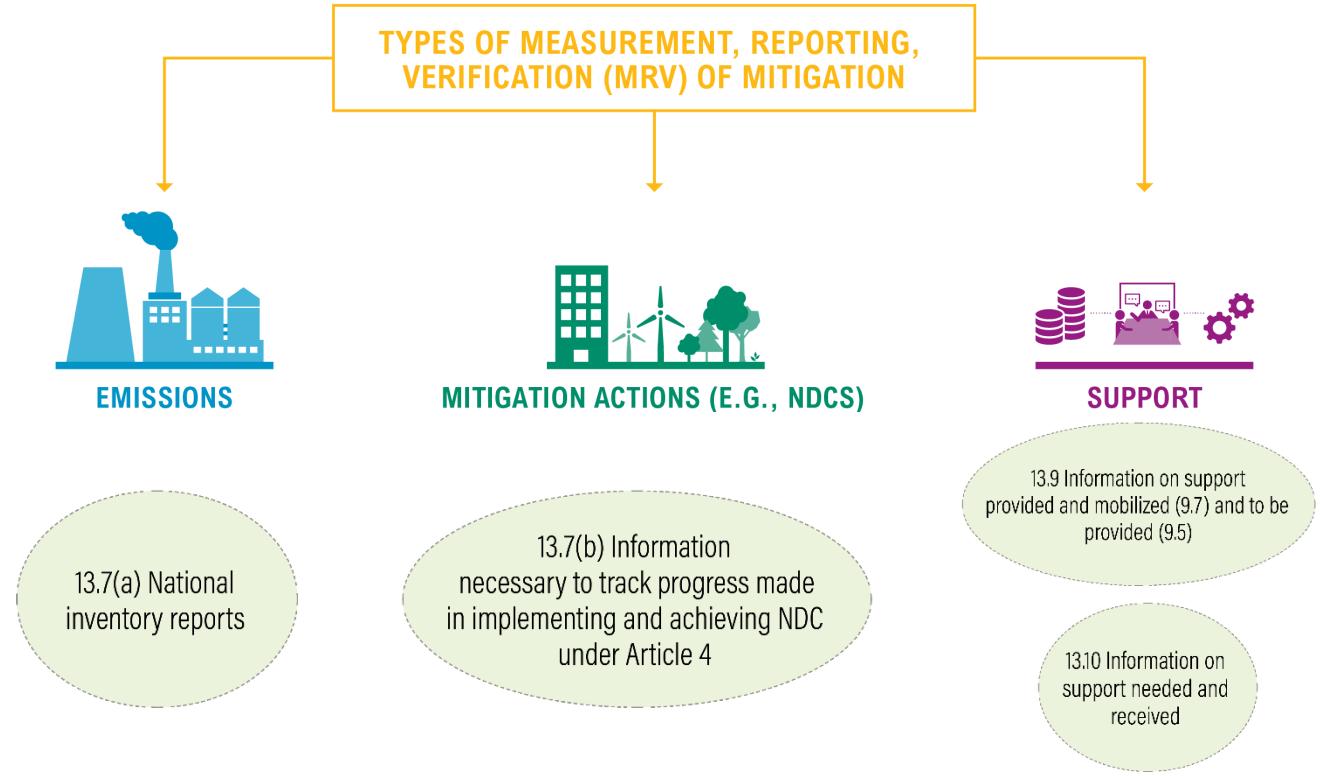
SDGs : Synergies and key facts



- 'Synergies for maximising SD co-benefits by linking implementation across the PA and the 2030 Agenda' ([UN Climate and SDG synergies conference, 1-3 April](#))
- 'Universal':
 - Adopted by 193 countries in Sept 2015
 - Developed and developing countries
- Global and National levels:
 - High Level political forum on Sustainable Development
 - Voluntary National Reviews (VNR)
- Globally accepted framework to track progress (17 goals, 169 targets, 232 indicators)

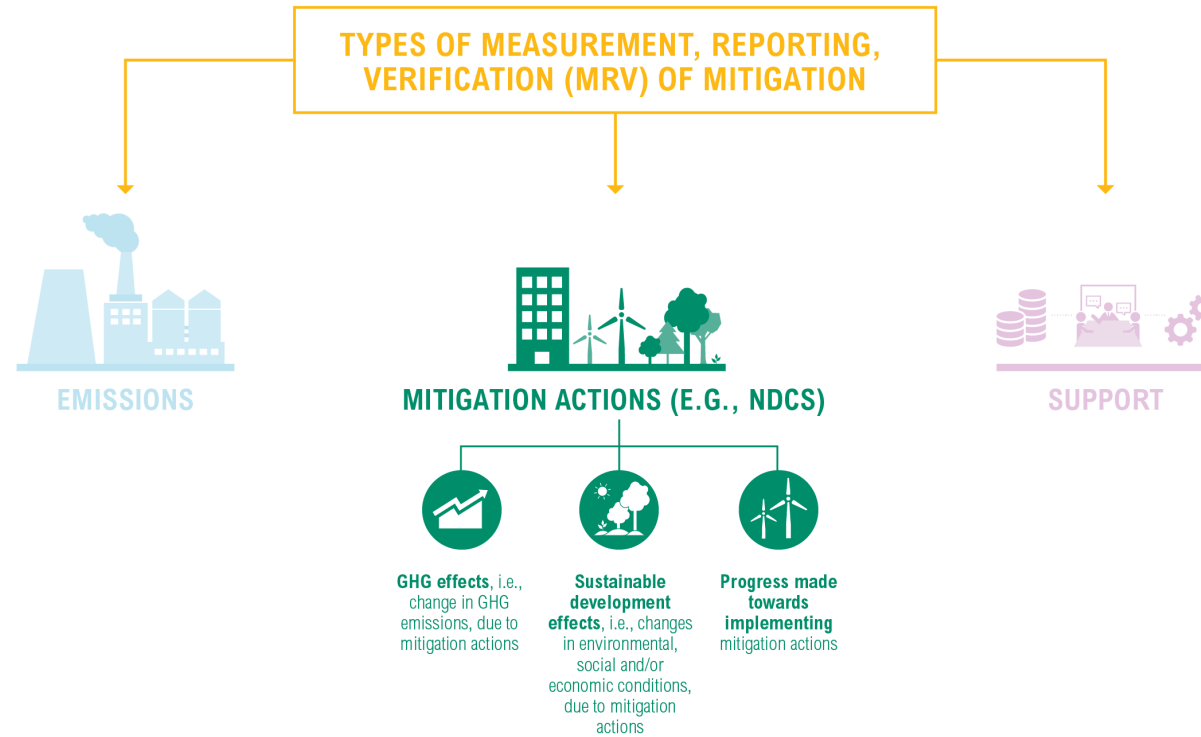
Links to Article 13 (ETF)

Types of reporting under the Paris Agreement Art. 13



Source: Singh, N., J. Finnegan, and K. Levin. 2016

Links between Art. 13 and Art. 6 reporting for SD



Source: Singh, N., J. Finnegan, and K. Levin. 2016

Article 13 after Katowice

- All countries to submit biennial transparency reports (BTRs) from 2024, applying common reporting formats
- Submission of information on sustainable development is mandatory to all (in the context of Art. 6 engagement)

§77: 'Each Party shall provide the information..... to track progress made in implementing and achieving its NDC under Article 4, including: (iv) Information on how each cooperative approach promotes sustainable development; and ensures environmental integrity and transparency, including in governance; and applies robust accounting to ensure inter alia the avoidance of double counting, consistent with decisions adopted by the CMA on Article 6.'

Article 13 - Risks and Opportunities for SD

It is not clear, whether SBSTA will agree on corresponding decisions on SD for Art. 6 or if SD in Art. 13 remains a “stand-alone” element of reporting.

RISK: If the objective of Art. 6.2 to promote SD is not further operationalized by SBSTA the SD reporting obligation from §77 may become **“just another”** biennial **reporting element** which depends on the sole discretion of the reporting Party.

Moreover, if no further SD elements are required from the SBSTA text, Parties that may wish to submit comprehensive information have to follow individual approaches using their own SD tools which may lead to **overlapping of work** and thus **inefficiencies**.

OPPORTUNITIES: Incorporation of proper SD provisions can assist Parties to delegate SD reporting obligations to developers and verifiers / auditors. Such provisions in the SBSTA text

- serve as orientation for all Parties and may be developed jointly over time, and
- need to be drafted in way that maintains flexibility in order to address national circumstances.

SDI work plan for 2019

GOAL: PROMOTE IMPLEMENTATION OF STRONG SD PROVISIONS IN ARTICLE 6 OF THE PA

WS 1 - Party
Driven
Dialogue

Roundtable discussions

Article 6 text recommendations

Knowledge sharing from testing & piloting (WS 2)

WS 2 - Piloting
of SD
approaches

Testing of SD approaches

Production of case studies and knowledge products

WS 3 -
Outreach to
relevant
carbon market
players

Dissemination of knowledge at relevant industry events

Partnerships building and regional groups to raise awareness

Thanks!

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