



Carbon Market Watch inputs to the Article 6.4 Supervisory Body ahead of its 21st meeting: Sustainable Development Tool

Dear Members and Alternate Members of the Article 6.4 Supervisory Body,

In light of the first review of the Sustainable Development Tool at SBM021, Carbon Market Watch would like to offer recommendations.

Based on a comprehensive geospatial assessment, a benchmarking analysis, and a systematic review of case study evidence, as part of the report "[Trading carbon credits for human rights: Does Article 6.4 of the Paris Agreement protect indigenous peoples and local communities?](#)" published on 30 April 2026 by Carbon Market Watch and the Land Matrix Initiative, we warn that the SD Tool in its current state does not provide sufficiently robust safeguards for communities affected by land-intensive projects, thereby increasing the risk of infringements on the land rights of Indigenous Peoples and local communities. You'll find the report as an annex to this submission.

We urge the Supervisory Body to address these systemic shortcomings, as well as several other key barriers to an effective SD Tool, by incorporating the following recommendations during a full revision of the Tool. It's important to note that our recommendations are deliberately not framed as direct text suggestions for the current Tool, as they will require a more fundamental reconsideration of the Tool's structure and provisions. We would gladly provide more concrete suggestions once this process is initiated.

Recommendations

Participatory decision-making

The current design of the SD Tool leaves risk identification and assessment primarily to the activity participant, creating a significant conflict of interest. This effectively reduces key safeguards on risk identification to a matter of self-reporting by the actor who must comply with them. The Tool should revise this process and instead embed shared decision-making mechanisms at its core, giving affected communities the opportunity to participate in the risk identification and assessment and to define the scope of consultation and FPIC.

Independent, rigorous validation and verification

The role of the DOE is crucial in upholding the Tool's safeguards, but for this, DOEs need to be able to operate independently, and validation and verification must go beyond a check-the-box exercise. Currently, DOEs are hired by the activity participant, and the validation and verification work of the DOE regarding safeguards is guided by the risk assessment of the activity participant: DOEs are not required to conduct an independent risk assessment. Moreover, it is in many cases optional for the DOE to conduct an on-site inspection of the project during the validation process (A6.4-STAN-AC-003 §30), and it is optional for the DOE to approve the selection of stakeholders included in the local stakeholder consultation.

All of these factors seriously undermine the role of a DOE. DOEs must be more independent, which goes beyond changes to the SD Tool, since it also concerns their mandate and hiring process. They should be randomly assigned and required to assess risks by consulting sources beyond the activity participant or the stakeholders selected by the activity participant.

Better incorporation of international human rights standards

The SD Tool should explicitly require that international human rights standards (such as UNDRIP, UNDROP, and UNGP) take precedence over national law where the latter is weak or exclusionary, incorporating the concept of 'applicable law'. A clear hierarchy of legal standards would ensure that the highest human rights norms apply.

Expanded Free, Prior, and Informed Consent

The safeguards under Element 9 must apply for all affected communities, including local communities and customary rights holders, rather than being limited to formally

recognised Indigenous Peoples. Equivalent consent-based protections, including FPIC, must apply to all land-related impacts, including in the case of economic displacement (Element 8.4). Furthermore, FPIC must be a continuous, good-faith decision-making process throughout the project lifecycle, including the right to withhold or withdraw consent - following best practices from the voluntary carbon market.

Clear understanding of land tenure before approval

Provisions to ensure due diligence regarding land rights are currently not included in the SD Tool or in other standards, procedures, and tools under Article 6.4. Project participants must be required to establish a clear and comprehensive understanding of land tenure before any project is approved. This must include the identification and recognition of customary and informal tenure systems through participatory processes with affected communities, as well as independent validation of such an identification process by a DOE. In instances where tenure remains unclear, contested, or unrecognised, the project must not proceed until these issues are resolved.

Fair compensation

Compensation and livelihood restoration plans must reflect the land's social, cultural, and ecological values. The Tool should prioritise the avoidance of harm over compensation. Furthermore, the general reference to international best practices in Element 8 should be replaced with concrete, mandatory guidance that must be followed in all cases.

No exceptions to safeguard requirements

If the DOE identifies unavoidable negative impacts that exceed the environmental and social safeguard elements and criteria of the Tool and cannot be remediated through consultation or mitigation, the DOE has the possibility of requesting a deviation from the safeguards. This is unacceptable. If such unavoidable negative impacts are identified, these should be grounds for halting the project entirely. Otherwise, this renders the SD Tool meaningless as a safeguard framework.

Contact

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