

Submission by Saudi Arabia

Submission of Views on the Forum and Work Programme on the Impact of the
Implementation of Response Measures

Area (e) - Economic Modeling and Socio-economic Trends

Saudi Arabia welcomes the opportunity to submit its views on thematic area (e) of the work program of the forum on the impacts of the implementation of response measures.

Saudi Arabia would like to acknowledge the significant work that was achieved last year under the forum. Serving as a catalyst for collaboration and joint action, it is our view that Parties will progress on their understanding of the impacts of response measures through dialogue and coordination. As a matter of fact, as climate change mitigation actions are being carried out, many of their impacts are occurring and are felt by many developing country Parties. Reporting, dialogue and active exchange of lessons and information, in addition to comparison of results will need to be conducted regularly as a part of an effective, comprehensive and enabling framework under the UNFCCC to address the adverse impacts of response measures on developing Countries.

It is our view that thematic area **(e) Economic modeling and socio-economic trends** will be crucial in providing accurate and insightful assessment of the observed impacts of response measures on all different distressed economic sectors such as trade, tourism, industry, agriculture, etc.

Saudi Arabia believes that this exercise of partnership will necessarily address the need to distinguish between modeling activities that will be performed at the national capacity of developing country Parties from those that will be organized through international collaboration. Accordingly, developing country Parties would be encouraged to foster initiatives and programs to develop and create modeling tools at national institutions. It is important to stress that the complexity level of response measures taken by Annex-I Parties is matched with the complexity level and variety of socio-economic structures in developing Countries and therefore, evaluation and analysis of different economic modeling should follow the best options for the distinct and different case scenarios for developing Countries' vulnerabilities. This will also require Parties to discuss and identify assumptions and methodologies to enable Non-Annex I Parties to assess their vulnerability to the adverse impact of response measures by taking into consideration their own unique combination of national circumstances.

On the other hand, activities performed on the international level will require dissemination of modeling tools to non-Annex I Parties, while ensuring increased collaboration on modeling developments on an ongoing basis. The product models should be able to take into consideration inter-linkages of socio-economic topics and facilitate their understanding such as the impact on higher living costs, lower living standards and unemployment.

The other integral portion of this work area is the modeling that provides assessment of policies and response measures themselves. We expect the work to address the need for an *ex ante* analysis of proposed policies and their expected implications as well as an *ex post* analysis of current policies in order to establish a thorough assessment of policies and mitigation measures by developed Countries. Through rigorous and reliable analysis of different scenarios, we expect the outcome tools from this area to highlight alternative climate policies that have larger associated benefits in terms of poverty reduction and social protection in developing county Parties.

Moreover, coordination with the intergovernmental scientific research institutions to improve the quality of models with a view to fully addressing this issue in the future work will also enhance the accuracy of results and ultimately the implantation of the outcomes. The Intergovernmental Panel on Climate Change (IPCC) could lead such future. As a matter of fact, specific policy issues of concern, such as unilateral measures should be adequately and distinctly examined to identify modeling elements for analysis considering their potential severe and adverse impacts. We believe that it's crucial at this stage to consider inviting specialized international entities to partake in this exercise in order to produce a special technical report, for example, by either the IPCC or an expert modeling group.

As part of the enabling framework, we expect a discussion on process to examine the availability of modeling tools and the potential to develop new effective models to be used, in addition to evaluating existing economic modeling tools. It is also expected that this review mechanism will aim to investigate whether uncertainties and risks are addressed adequately in the methodologies that are used to study the impacts of response measures and how those areas can be quantified and reflected. Another important expected outcome is the development of draft guidance documents on how to undertake socioeconomic assessments of the impact of response measures to be piloted in selected Countries as a basis for detailed and comprehensive guidance.