



**Framework Convention on  
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**Subsidiary Body for Scientific and Technological Advice**

Thirty-fifth session

Durban, 28 November to 3 December 2011

Item 8 of the provisional agenda

**Matters relating to Article 2, paragraph 3, of the Kyoto Protocol**

**Subsidiary Body for Implementation**

Thirty-fifth session

Durban, 28 November to 3 December 2011

Item 9 of the provisional agenda

**Matters relating to Article 3, paragraph 14, of the Kyoto Protocol**

**Report on the joint workshop on matters relating to Article 2,  
paragraph 3, and Article 3, paragraph 14, of the Kyoto  
Protocol**

**Note by the secretariat**

*Summary*

This document provides a summary of the joint workshop on matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol. The workshop was held from 19 to 20 September 2011 in Bonn, Germany. The report outlines the objectives of the workshop, the proceedings and the main issues raised. At the workshop, participants addressed, as agreed at the thirty-fourth sessions of the subsidiary bodies, issues relating to sharing information in order to enhance understanding of the adverse effects of the impact of the implementation of response measures and to minimizing those adverse effects through a process to implement Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.

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## I. Introduction

### A. Mandate

1. The Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA), at their thirty-third sessions, requested the secretariat to organize a joint workshop to address matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, subject to the availability of resources, and with a view to maximizing participation, before their thirty-fifth sessions.<sup>1</sup>

2. The SBI and the SBSTA, at their thirty-fourth sessions, considered the synthesis of information and views on issues that will be addressed at that workshop.<sup>2</sup> The SBSTA and the SBI identified issues that will be addressed at their joint workshop, including inter alia<sup>3</sup>

(a) Sharing information to enhance understanding of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts;

(b) Minimizing the adverse effects through a process to implement Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol:

(i) Further implementation of decision 31/CMP.1;

(ii) Research and assessment;

(iii) Enhancing support to developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention;

(iv) Enhancing reporting and verification.

### B. Scope of the note

3. This document outlines the objectives of the workshop, the proceedings and the main issues raised at the workshop.

4. The objectives of the workshop were:

(a) To deepen the understanding among Parties concerning matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol by sharing information thereon;

(b) To address the issues identified in paragraph 2 above, and to share related information on activities, experiences and possible cooperation in that context.

5. The workshop was built on the synthesis report of information and views mentioned in paragraph 2 above and previous work done in relation to these matters.

6. This document summarizes the main lines of discussion at the workshop, without intending to be exhaustive regarding the issues raised. Matters put forward have been clustered in a manner consistent with the workshop agenda.

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<sup>1</sup> FCCC/SBI/2010/27, paragraph 124, and FCCC/SBSTA/2010/13, paragraph 105.

<sup>2</sup> FCCC/SB/2011/1 and FCCC/SB/2011/MISC.1.

<sup>3</sup> FCCC/SBI/2011/7, paragraph 122, and FCCC/SBSTA/2011/2, paragraph 67.

## II. Proceedings of the workshop

7. The workshop was organized by the secretariat and was held in Bonn, Germany, from 19 to 20 September 2011. It was attended by 25 participants from Parties not included in Annex I to the Convention (non-Annex I Parties), 6 participants from Parties included in Annex I to the Convention (Annex I Parties), a representative of the Organization of the Petroleum Exporting Countries (OPEC), five experts and two representatives of non-governmental organizations. Annex I contains the agenda for the event and annex II contains the list of participants.

8. A representative of the secretariat opened the meeting and welcomed the participants, informing them that the Chairs of the subsidiary bodies had asked Mr. Eduardo Calvo Buendia (Peru) to chair the workshop on their behalf.

9. Both days of the workshop started with an introduction by the Chair, followed by a presentation of background information by the secretariat. Background papers which were made available to the workshop participants, either in hard copy or by making reference to the UNFCCC website and by printing them as needed, have been listed on the workshop web page.<sup>4</sup> During three sessions, namely session 1 on information sharing, session 2 on minimizing adverse effects and session 3 for technical presentations, participants addressed and discussed related issues.

10. Two Parties<sup>5</sup>, three observer organizations,<sup>6</sup> one member of the Consultative Group of Experts on national communications from Parties not included in Annex I to the Convention and one consultant made presentations.<sup>7</sup> A question and answer session followed. All Parties had the opportunity to participate from the floor during the workshop. Participants, in particular those making presentations, were invited to consider suggested questions contained in the information note by the Chairs of the subsidiary bodies (see annex III).

11. Finally, in session 4 of the workshop, participants considered concluding remarks.

## III. Summary of discussions

12. This chapter provides a summary of the main points of the discussions during the workshop.

13. The Chair, when opening the workshop, made reference to a long-standing process which started in 1999, spanning a decade of negotiation of matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol, and to the need to find a way forward in the lead-up to the United Nations Climate Change Conference in Durban. He informed participants that one Party, in its submission, had suggested that the outcome of the workshop should feed into the forum on the impact of the implementation of response measures to be held at the thirty-fifth sessions of the subsidiary bodies.

14. Following this, a lively exchange took place between Parties, observers and experts on trade-related issues, triggered by a presentation made by Singapore and the World Trade Organization (WTO). To keep to the agenda of the workshop, related discussions are reflected in chapter III.C below under technical presentations on trade, alongside

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<sup>4</sup> <[www.unfccc.int/6151](http://www.unfccc.int/6151)>.

<sup>5</sup> Saudi Arabia and Singapore.

<sup>6</sup> Cambridge Econometrics, the International Centre for Trade and Sustainable Development, the World Trade Organization.

<sup>7</sup> Available at <<http://unfccc.int/6009.php>>.

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information on the presentation of the International Centre for Trade and Sustainable Development (ICTSD).

## A. Session 1: Information sharing

### **How could information best be shared in order to enhance understanding of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts?**

15. The Chair invited Parties to consider related guiding questions as contained in annex III to this document, and to provide corresponding information.

16. Parties, in their interventions, stressed the importance of information sharing. Some Parties expressed an interest in receiving more information from Annex I Parties on activities, processes and systems put in place, and case studies relating to avoiding adverse impacts. Those Parties also asked for information on how Annex I Parties could build upon such activities and on how they could avoid such impacts. Some Parties referred to information that they had provided in their fifth national communications and enquired about what additional information would be needed. Those Parties also expressed an interest in receiving more information on the adverse impacts that non-Annex I Parties would need to face. One Party stressed the need for related capacity-building.

17. One Party highlighted that, as a first step, more specific information is needed as regards the kind of impacts in question and their origins. One Party stressed the need to keep discussions balanced, including on social aspects.

18. Some Parties suggested using existing channels, namely national communications, for information sharing. One of the resource persons highlighted that current reporting guidelines are vague and that the degree of comparability of the reported information is low. Some Parties stressed the need for Annex I Parties to report on policies and measures in a timely manner, and they enquired as to whether there is a process in place which allows Parties to address any related issues in due time. One Party suggested that there should be presentations made by Annex I Parties on related reporting matters.

19. Saudi Arabia, in its presentation, highlighted issues relevant to sessions 1 and 2 of the workshop.<sup>8</sup> With regard to sharing information and improving understanding, the presenter suggested bilateral and multilateral dialogues on findings, the comparison of modelling results and the establishment of a permanent forum.

20. On the basis of Saudi Arabia's presentation, some Parties supported a permanent forum, as they feel that national communications are not sufficient, and were of the view that a platform for discussions and a continuous dialogue to address adverse impacts would be needed. Some Parties felt that sufficient forums already exist under the Convention and the Kyoto Protocol.

21. It was suggested that these matters be further discussed at the forum on the impact of the implementation of response measures to be convened by the Chairs of the SBI and the SBSTA at the thirty-fifth sessions of the subsidiary bodies. For a preliminary summary by the Chair of related aspects of the discussions at the workshop, as distributed at the end of the workshop, see annex IV to this document.

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<sup>8</sup> Parts of that presentation and following reactions, relevant to session 2 of the workshop, have been integrated in chapter III.B below, as applicable.

## B. Session 2: Minimizing adverse effects

### **How could adverse effects best be minimized through a process to implement Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol?**

22. The Chair invited Parties to consider related guiding questions as contained in annex III to this document, and to provide corresponding information.

23. Concerning the implementation of decision 31/CMP.1, some Parties felt that a clear framework and process to engage in related information and for implementing commitments under Article 3, paragraph 14, of the Kyoto Protocol and decision 31/CMP.1 is needed. Further, they felt that some elements of decision 31/CMP.1, deciding to establish a process for the implementation of Article 3, paragraph 14, are still pending and that related activities must be enhanced. Some Parties felt that this is a matter of sequencing, and that matters relating to information sharing should be considered first.

24. With regard to research and assessment, some Parties felt that it was important to further advance in that area. Some Parties suggested evaluating and modelling policies and their impacts. Those Parties further suggested: reducing such impacts, including by focusing on cleaner technologies, renewables and efficiency measures; verification, including by holding continuous dialogues on findings and compliance; and reporting, including by using standardized reporting formats, guidelines and modalities, with the help of organizations such as the Intergovernmental Panel on Climate Change (IPCC). Some Parties suggested assessing impacts on trade and examining subsidies.

25. One Party questioned the need to inform and consult internationally on the design of their national policies and measures, and the need for a process. Other Parties stressed the need for transparency, collaboration, dialogue in a proper venue, and prior involvement and consultation in this context, especially when impacts on and implications for non-Annex I Parties are projected, such as in the case of the European Union (EU) aviation emissions levy. Some Parties mentioned that transparency would be inherent in their processes and they forwarded corresponding web links for publishing on the workshop web page.<sup>9</sup> Some Parties supported an assessment of policies and measures preceding their implementation. One Party stressed that more scientific information is needed.

26. With regard to support provided to developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, one Party suggested dealing with adverse effects by enhancing support for insurance and financial risk management, technology transfer and economic diversification. Some Parties supported the provision of technical assistance to Parties in order to advance on projects such as those relating to economic diversification.

27. With regard to reporting and verification, some Parties supported the need to improve the reporting guidelines on national communications, especially with a view to reporting biannually. Some Parties wondered what tool could appropriately convey such information and whether the EU's submission to the fifth national communication should be taken as a sample, to be standardized for general use.

28. With regard to what information on minimizing adverse effects has already been communicated under the Convention (e.g. in the fifth national communications), some Parties stated that they had submitted corresponding information, without providing further details.

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<sup>9</sup> <[http://ec.europa.eu/codecision/stepbystep/text/index\\_en.htm](http://ec.europa.eu/codecision/stepbystep/text/index_en.htm)>.

29. According to workshop participants, no finance-, insurance- or technology-related activities in accordance with Article 3, paragraph 14, of the Kyoto Protocol have been implemented so far.

30. One Party reported that numerous papers on the costs associated with response measures that developing countries have to deal with when meeting the standards imposed by developed countries on some products are available, such as that from contributions of the working group III of the IPCC fourth assessment report 2007 (chapter XIII on spillover effects); and multilateral institutions, which could share their experiences in preparing such papers, would be available too. The same Party suggested that a possible step forward would be to compile and synthesize this information.

31. With regard to how countries whose economies depend heavily on the exploitation, production and exportation of fossil fuels could deal with the impact of the implementation of response measures, one Party highlighted the need to take into account a range of trade-related vulnerabilities, such as those relating to restrictions, protectionism, revenue loss and higher costs. That Party went on to say that those vulnerabilities will be exacerbated by the high dependence of the economy on single commodity, and further exacerbated by other domestic challenges faced by developing countries, such as poverty, development needs, unemployment, a growing population and inflation.

32. Some Parties supported a permanent forum, as they feel that national communications are not sufficient, and were of the view that a platform for discussions and a continuous dialogue to address adverse impacts would be needed. Other Parties felt that sufficient forums already exist under the Convention and the Kyoto Protocol.

33. It was suggested that these matters be further discussed at the forum on the impact of the implementation of response measures to be convened by the Chairs of the SBI and the SBSTA at the thirty-fifth sessions of the subsidiary bodies. For a preliminary summary by the Chair of related aspects of the discussions at the workshop as distributed at the end of the workshop, see annex IV to this document.

### **C. Session 3: Information sharing and minimizing adverse effects from a technical perspective**

34. The Chair, in the absence of further presentations by Parties on experiences and/or case studies, invited the secretariat to present background information on reporting, which was followed by technical presentations by observer organizations.

#### *Reporting*

35. The secretariat provided background information on reporting. She informed that currently, under Article 7, paragraph 1, of the Kyoto Protocol, Annex I Parties include information on Article 3, paragraph 14, in their annual national inventory reports. She reported that each Annex I Party also reports, as part of its national communication, under Article 7, paragraph 2, of the Kyoto Protocol, information on how it strives to implement policies and measures in such a way as to minimize adverse effects on other Parties. She pointed out that the secretariat, under decision 15/CMP.1, compiles such information reported by Annex I Parties in their national inventory reports annually,<sup>10</sup> and that the synthesis of the information reported by Annex I Parties in their national communications is also available on the UNFCCC website.<sup>11</sup> She concluded by highlighting key outcomes

<sup>10</sup> The latest such compilation is available on the UNFCCC website at <<http://unfccc.int/resource/webdocs/art314/2011.pdf>>.

<sup>11</sup> <[http://unfccc.int/national\\_reports/annex\\_i\\_natcom/compilation\\_and\\_synthesis\\_reports/items/2736.php](http://unfccc.int/national_reports/annex_i_natcom/compilation_and_synthesis_reports/items/2736.php)>.

of the workshop on reporting methodologies which took place in Abu Dhabi, the United Arab Emirates, in September 2006.

36. In her presentation, Ms. Sangchan Limjirakan, Chair of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), provided its mandate and an overview of current reporting guidelines for the preparation of national communications by non-Annex I Parties. She further provided a progress report on the work of the CGE on non-Annex I Parties' national communications. She also presented elements to be considered in a future revision of the UNFCCC guidelines for the preparation of the national communications from non-Annex I Parties, taking into account the difficulties encountered by non-Annex I Parties in the preparation of their most recent national communications.

37. Some Parties, while thanking the speakers for their informative presentations, enquired as to where information on impacts would be reported in non-Annex I Parties' national communications and envisaged more frequent information from non-Annex I Parties. The Parties went on to note that such information would not be up-to-date and expressed an interest in receiving additional information. Some Parties acknowledged the benefits of such information, but, at the same time, stressed that, owing to the voluntary character of reporting by non-Annex I Parties, no agenda item and corresponding process had been launched providing for a methodology and related support regarding technology transfer, financial support, and capacity-building.

*Research and assessment*

38. In his presentation, Mr. Aaron Cosbey, consultant, highlighted the importance of setting the right parameters to determine the scope and effectiveness of an exercise. He outlined three different types of response measures:

(a) Climate policies which reduce Annex I Parties' income, thus resulting in fewer imports, this being the only measure which has been much researched, usually with the assumption of a tax for modelling simplicity;

(b) Non trade related climate policies which reduce the demand for non-Annex I Parties' exports, with research showing competitiveness gains from energy efficiency policies, alongside market share losses for other firms in affected sectors;

(c) Trade-related policies which penalize greenhouse gas intensive goods, thus lowering the demand for non-Annex I Parties' exports, with little research having been undertaken in this area, but with the International Institute for Sustainable Development and ICTSD currently looking into related research.

39. He stressed that the exercise of quantifying adverse impacts of response measures is difficult and that the effort necessary to agree on different methodologies and assumptions may not be justifiable for all measures, giving leeway for less demanding analyses to serve as the basis for the consultation on minimizing adverse impacts.

40. He highlighted some results of a reporting and verification survey conducted in the fourth national communication submitted in 2006, where a range of methods for addressing adverse effects were reported by some Parties, but where, at the same time, a clear need for further detailed guidance on reporting and structure in order to verify reports became apparent.

41. On the basis of his assessment that the lack of reporting structure and the lack of methodologies would point to a fundamental lack of agreement on impacts and areas covered, he suggested the need for an institutional space in which to discuss and respond to these issues. He further recommended that:



- (a) Income-reducing climate policies need modelling and that the results would dictate priorities for insurance, funding, technology transfer and economic diversification;
- (b) Non-trade policies should not be covered for now;
- (c) Trade-based policies would need advance notification requirements and an institutional space in which to discuss policy design and principles of good practice.

42. Some Parties, while thanking the speaker for the useful presentation given, asked for more information on research institutions in the field, trade partners, and areas of interest such as energy efficiency and biofuels. Some Parties agreed on the recommendations of clear reporting, guidelines and a public space, and they expressed their appreciation for the special event held in the context of the forum on the implementation of response measures at the thirty-fourth sessions of the subsidiary bodies, during which Parties had the opportunity to directly exchange views, inter alia, on the European Union emissions trading scheme. They went on to acknowledge the suggested classification of measures, and stressed the need to establish a process and to advance notification requirements. Some Parties acknowledged the difficulty of identifying adverse effects, and suggested looking at the broader picture, including co-benefits, and flexibility in reporting.

#### *Modelling*

43. In his presentation, Mr. Phil Summerton, from Cambridge Econometrics, highlighted the experience of Cambridge Econometrics in assessing modelling approaches suitable for response measures. He referred to the relevance of modelling because of uncertainties, new policies implemented, and other multiple factors, such as complex mixes in the respective policy area. He recalled that Cambridge Econometrics had created the database portal for the UNFCCC, documenting established modelling resources and allowing users to compare models and approaches. He indicated that better models will include details on energy technology, including technology pathways, and in-depth regional/country coverage of socio-economic factors and linkages, and could provide outcomes of unintended consequences.

44. He stressed the need for a more consensus-based approach to supplement climate change consensus-based modelling research. He reported some of the state-of-the-art developments in modelling response measures, including extending the regional and sectoral coverage of models, as well as hybrid and uncertainty modelling.

45. He made recommendations for further improving the UNFCCC database, including by updating it with recent research and modelling papers, by making it the central information-sharing point for consensus-based modelling, including peer review, by further synthesizing and standardizing the assessment of modelling approaches and by sharing model-based approaches among Parties. He concluded by providing information on different modelling platforms, such as Stanford University's Energy Modeling Forum.

46. Some Parties, while thanking the speaker for the enlightening presentation, asked for more information on required costs and capacity, the usefulness of a common space, possibilities for the extrapolation of models, parameters, reliability and needed improvements. They went on to enquire as to whether he had received requests to model impacts on other countries, how he would deal with the lack of data in most developing countries, when the UNFCCC database was last updated, and if more countries should be invited to join the modelling exercise.

#### *Trade*

47. Singapore, in its presentation, highlighted trade-related obligations under the Convention, the Kyoto Protocol and WTO. The presenter emphasized the need for an open international economic system, referring to paragraph 90 of decision 1/CP.16, and its

related importance for trade opportunities and economic development. He went on to say that no Party should use trade restrictions, as these are inconsistent with Article 3, paragraph 5, of the Convention and WTO agreements.

48. He stressed that Parties need to ensure that outcomes of the UNFCCC process do not undermine the balance of WTO rights and obligations, and that UNFCCC discussions respect the competencies of other multilateral bodies, with WTO being the only competent body for multilateral rule-making on international trade. Further, he indicated that the removal of fossil fuel subsidies could reduce greenhouse gas emissions by more than 10 per cent by 2050, and that, according to the World Bank, the removal of trade barriers for four basic clean energy technologies (i.e. wind, solar, clean coal and efficient lighting) by major emitters will result in trade gains of up to 7 per cent.

49. In her presentation, Ms. Vesile Kulaçoğlu from WTO expressed appreciation for the invitation to the workshop, especially in that it was the first time that WTO was making a presentation to climate change negotiators. She confirmed that, the issue of climate change, per se, was not part of WTO's formal work programme and there were no WTO rules specific to climate change. However, the core functions of the WTO may have a place in the trade and climate change debate. She outlined current related discussions and activities in the WTO. She referred to the WTO toolbox of rules which applied to the typology of mitigation measures, the relevant work of the WTO committees including transparency procedures; the negotiations on the relationship between WTO rules and obligations set out in MEAs.

50. She highlighted that emissions reduction policies are not applied universally, which may in turn give rise to competitiveness loss and carbon leakage in certain emissions and energy intensive industries. She also touched upon climate change related policy instruments, agreements and measures to facilitate development of technologies and renewable energy.

51. She mentioned that in border adjustment debate, the scope of measure needs to be examined and that there is a need for an informed discussion. She confirmed that some WTO members are keen not to pre-empt the discussion of any issues within UNFCCC.

52. In her presentation, Ms. Ingrid Jegou, from ICTSD, highlighted that trade is an important contributor to growth and social and economic development, but that distortions or restrictions can hamper its contribution to sustainable development. She provided information on a broad range of trade-related response measures, including subsidies, regulation of transport, standards, carbon footprint, labels, energy efficiency requirements, emissions trading schemes (ETSs), free emission allowances, carbon taxes, and border carbon-adjustment measures. She informed that currently nine ETSs exist in Annex I countries and that at least four further ones are planned.

53. She exemplified possible adverse impacts on developing countries, in hypothetical cases, for example in the context of the inclusion of aviation under the EU ETS, and elements of potential subsidies in free allocation. She also referred to vulnerabilities of developing countries' exports to border carbon-adjustment measures of the EU and the United States of America.

54. She provided a rationale for a forum, including an enhanced understanding of the impacts of the implementation of response measures and an overview of the increasing variety of nationally adopted measures. She outlined possible related tasks, including ensuring transparency by notifying and reviewing of response measures; research and analysis; and dialogue.

55. The ensuing discussion, based on the preceding trade-related presentations, included the following aspects:

(a) Parties expressed their appreciation for the presentations provided, including the useful insights given by WTO and ICTSD. Some Parties stated that trade is critical for non-Annex I Parties, that it is closely linked to their development, and that this issue needs to be discussed, not only at the macro level but also in more detail, as it touches on major concerns, including for example the inclusion of aviation under the EU ETS and its possible further expansion to cover the maritime sector;

(b) Some Parties stressed that related rule-making should be done by WTO, while Article 3, paragraph 5, of the Convention would be sufficient to guide the UNFCCC process. One Party stressed that negotiations relating to trade and climate change are taking place under the UNFCCC, and that, although discussions are taking place within WTO, no related mandate would exist within WTO. Another Party stated that both the UNFCCC and WTO would be appropriate platforms, but that trade needs to be discussed under the UNFCCC, as WTO would not have much experience in climate change related issues, with the UNFCCC needing to provide instructions and WTO providing details;

(c) Parties put forward questions related to and suggestions for existing rules and approaches. One Party said that it would be important to receive more information on how to better interpret WTO rules in the context of climate change and that WTO should take into account signals sent by the UNFCCC, and the Party enquired as to whether there is an obligation to report on policies and measures. Another Party enquired as to how to ensure consistency between UNFCCC and WTO equity approaches, namely common but differentiated responsibilities and sought the view of WTO as to the legality of the EU aviation emissions levy, also supported by another Party. Another Party suggested that there is a need to look into related rules, policies and measures before a policy would be applied and turn out to be discriminatory, and that Party expressed interest in receiving a list of relevant rules. One Party expressed the hope that WTO may report back to the UNFCCC on related matters, stressing that the UNFCCC is the platform for discussions but that other organizations should join the exercise;

(d) The OPEC stressed that the removal of fossil fuel subsidies will affect the competitiveness of non-Annex I Parties, and that these subsidies should not be eliminated without considering related needs. He highlighted the need for an adjustment mechanism, looking into market distortions and market adjustment processes, and for a platform to discuss policies and measures. One Party highlighted the need to look into domestic capacities.

56. The session ended with a question and answer session, with all the presenters from the two days seated on the podium and participating in a final discussion on issues raised, with questions put forward by the audience and the Chair, including on the usefulness of establishing a process and an institutional space.

#### **D. Session 4: Concluding remarks**

57. Workshop participants expressed their appreciation for the presentations provided and for the following fruitful discussions. Gratitude was expressed to WTO and other observer organizations and experts for their participation. The Chair invited participants to provide additional related information, as discussed, to the secretariat for posting on the UNFCCC website.

58. Some activities suggested during the workshop included a possible synthesis of the compilation of Article 3, paragraph 14, of the Kyoto Protocol; a possible invitation to the IPCC (e.g. for a special report); a possible invitation to WTO (e.g. to report back on trade-related issues); a possible elaboration of a technical paper; a possible elaboration of a text

on trade; a possible common database; and a possible template for reporting, as contained in annex V to this document.

59. In conclusion, the Chair put forward a short preliminary summary of key points for consideration and any comments. After a short discussion on various aspects, workshop participants agreed on the summary contained in annex IV to this document. Two Parties requested the Chair to record their concerns in the report on the workshop.<sup>12</sup>

#### **IV. Outcome of the workshop**

60. The workshop met its objectives and was widely acknowledged and appreciated in that it enabled Parties, organizations and experts to discuss related matters in an open and interactive manner. The main outcome of the event was the recognition of the need to further discuss related issues in order to enhance information sharing and understanding and improve capacity.

61. The Chair noted that there is a common understanding of: the “what”, namely importance of sharing information, enhancing understanding and minimizing adverse effects; the appreciation of further interactive exchange and expert involvement; and the focus on a collaborative way forward.

62. The Chair also noted that there is a variety of views on the “how”, namely if to work with existing channels only, and/or to work with a permanent forum or a continuous dialogue to address adverse impacts.

63. The outcome of the workshop will be considered by a joint contact group in a meeting to be held during the thirty-fifth sessions of the subsidiary bodies, and, as requested in submissions and agreed by workshop participants, matters will also be further discussed at the forum on the impact of the implementation of response measures to be convened by the Chairs of the SBI and the SBSTA at the thirty-fifth sessions of the subsidiary bodies.

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<sup>12</sup> One Party requested the report on the workshop to reflect that any new institution would be preceded by a thorough analysis. Another Party asked that the report reflect that parts of decision 31/CMP.1 are pending and need further enhancement.

## Annex I

### Agenda for the workshop

#### Agenda of Day 1: Monday, 19 September 2011

<b>8.30–9.30</b>	<b>Registration</b>
<b>9.30–9.45</b>	<b>Welcome and opening by the Chair</b>
<b>9.45–10.00</b>	<b>Introduction and background by the secretariat</b>
<b>10.00–10.30</b>	<b>General comments and discussion</b>
<b>10.30–10.50 Coffee break</b>	
<b>10.50–12.30</b>	<b>Session 1: Information sharing</b> (see suggested questions for discussion) <ul style="list-style-type: none"> <li>• Views and proposals; presentations by Parties and observer organizations;</li> <li>• General comments and discussion.</li> </ul>
<b>12.30–14.00 Lunch break</b>	
<b>14.00– 16.00</b>	<b>Session 2: Minimizing the adverse effects</b> (see suggested questions for discussion) <ul style="list-style-type: none"> <li>• Views and proposals; presentations by Parties and observer organizations;</li> <li>• General comments and discussion</li> </ul>
<b>16.00–16.20 Coffee break</b>	
<b>16.20–17.00</b>	<b>International trade – Ms. Vesile Kulaçoğlu, World Trade Organization<sup>1</sup></b>
<b>17.00–17.30</b>	<b>Summary of Day 1 by the Chair</b>

<sup>1</sup> Due to time constraints of the presenter, this presentation took place one day earlier.

**Agenda of Day 2: Tuesday, 20 September 2011**

<b>9.30–9.45</b> Welcome and key lessons learned during Day I by the Chair
<b>9.45–10.00</b> Background by the secretariat
<b>10.00–10.30</b> General comments and discussion
<b>10.30–10.50</b> Coffee break
<b>10.50–12.30</b> <b>Session 3: Information sharing and minimizing adverse effects from a technical perspective</b> <ul style="list-style-type: none"><li>• Views and proposals; presentations by experts and observer organizations (see suggested questions for discussion):<ul style="list-style-type: none"><li>▪ Reporting – Ms. Sangchan Limjirakan, Chair of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE);</li><li>▪ Research &amp; assessment – Mr. Aaron Cosbey, Consultant;</li><li>▪ Modelling – Mr. Phil Summerton, Cambridge Econometrics;</li><li>▪ International trade – Ms. Ingrid Jegou, ICTSD.</li></ul></li><li>• Q&amp;A</li></ul>
<b>12.30–14.00</b> Lunch break
<b>14.00–15.30</b> Session 3 (continued)
<b>15.30–16.00</b> Summary of lessons learned during session 3 by the Chair
<b>16.00– 16.20</b> Coffee break
<b>16.20–17.30</b> Session 4: Concluding session

## Annex II

### List of participants

#### Parties

- **ARGENTINA**  
Ms. Julia Geraldine HOPPSTOCK
- **AUSTRIA**  
Mr. Manfred KOHLBACH
- **BANGLADESH**  
Mr. A. N. Shamsuddin Azad CHOWDHURY
- **BRAZIL**  
Mr. Haroldo de Oliveira MACHADO FILHO
- **CANADA**  
Mr. Normand TREMBLAY
- **CHINA**  
Mr. Mou WANG
- **DEMOCRATIC REPUBLIC OF THE CONGO**  
Ms. Maribe MUJINGA NSOMPO
- **EGYPT**  
Ms. Lydia ELEWA
- **EUROPEAN UNION**  
Mr. Peter CZAGA  
Mr. Delano Ruben VERWEY
- **FRANCE**  
Mr. Frederic SCHAFFERER
- **GHANA**  
Ms. Sally BINEY
- **JAMAICA**  
Ms. Nicholette WILLIAMS
- **JAPAN**  
Mr. Hiroshi SUGANO
- **KENYA**  
Mr. David RONO
- **MALAWI**  
Mr. Davies CHOGAWANA
- **MALAYSIA**  
Mr. Muhamad Nahar Bin HJ MOHD SIDEK
- **NAMIBIA**  
Mr. Petrus MUTEYAULI
- **NEPAL**  
Mr. Hari Prasad GHIMIRE
- **PERU**  
Mr. Eduardo CALVO
- **QATAR**  
Mr. Saad AL-HITMI
- **SAINT LUCIA**  
Ms. Neranda MAURICE
- **SAINT VINCENT AND THE GRENADINES**  
Ms. Nyasha HAMILTON
- **SAUDI ARABIA**  
Mr. Ayman SHASLY  
Mr. Aysar TAYEB
- **SINGAPORE**  
Mr. Peter GOVINDASAMY  
Mr. Siti Aishah MOHAMED
- **SOUTH AFRICA**  
Ms. Kim KAMPEL  
Mr. Brendan VICKERS
- **UZBEKISTAN**  
Mr. Alexandr MERKUSHKIN
- **VENEZUELA (BOLIVARIAN REPUBLIC OF)**  
Mr. Ramiro RAMIREZ

**Resource persons**

- Ms. Vesile WILLIAMS-KULACOGLU
- Ms. Sangchan LIMJIRAKAN
- Mr. Philip SUMMERTON
- Mr. Aaron COSBEY
- Ms. Ingrid JEGOU

**Other organizations**

- **Organization of the Petroleum Exporting Countries**  
Mr. Mohamed HAMEL
- **Research and independent non-governmental organizations**  
Ms. Ingrid JEGOU
- **Youth non-governmental organizations**  
Ms. Anastasia WILENKIN

**UNFCCC**

- Mr. William Kojo AGYEMANG-BONSU
- Ms. Aiping CHEN
- Ms. Marie-Thérèse DIOUF-SPERLING
- Ms. Hanna HOFFMANN
- Ms. Ines HOLLBAUER



## Annex III

### Information note by the Chairs of the subsidiary bodies (extract)

#### Suggested questions for discussion

The following questions, based on input from Parties, may guide participants in their reflections on related issues:

- (a) How could information best be shared to enhance understanding of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts?
  - (i) Which policies and measures have been taken by Parties included in Annex I to the Convention towards reducing negative effects on international trade in developing countries?
  - (ii) Which trade-related matters are dealt with by the World Trade Organization and under the Convention, with a view to avoiding technical barriers to trade?
- (b) How could the adverse effects best be minimized through a process to implement Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol?
  - (i) How could the further implementation of decision 31/CMP.1 be addressed in this context?
  - (ii) How could research and assessment be addressed in this context?
  - (iii) How could support to developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, be addressed in this context?
  - (iv) How could reporting and verification be addressed in this context?
  - (v) How could any related issues be integrated into reporting guidelines?
  - (vi) Which efforts have already been undertaken in a general context? Which information has already been communicated under the Convention (e.g. in the fifth national communications)?
  - (vii) Have any finance-, insurance- and technology-related activities in accordance with Article 3, paragraph 14, been implemented?
  - (viii) Are any papers available on the costs associated with response measures that developing countries have to deal with, when meeting standards imposed by developed countries on some products?
  - (ix) Are there any multilateral institutions which could share their experiences in preparing the above-mentioned papers?
  - (x) How could countries whose economies depend heavily on the exploitation, production and exportation of fossil fuels deal with the impact of the implementation of response measures?

## Annex IV

### Preliminary summary of discussions by the Chair

Participants in the workshop supported the following preliminary summary of discussions by the Chair:

- (a) A fruitful exchange of views with observers and experts took place;
- (b) Existing information channels (e.g. national communications) are very valuable and need enhancing:
  - (i) More work needs to be done to enhance the use of these information channels (e.g. on methodologies, guidelines, process, format and specificity);
  - (ii) The work of related processes and bodies (e.g. Intergovernmental Panel on Climate Change, Subsidiary Body for Implementation, Consultative Group of Experts, Global Environment Facility) should be taken into account;
  - (iii) Additional information (e.g. on case studies, links, impacts, consulting processes, design of policies and measures, and through, for example, an updated web portal) should be used;
  - (iv) There is a need for capacity-building (e.g. in the context of activities relating to assessment, modelling and reporting);
- (c) A common space can help to enhance discussion on matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol:
  - (i) An analysis of existing channels should be undertaken to build upon the experience with those channels;
  - (ii) A dialogue on how to collaborate and how to improve the knowledge base should be held;
  - (iii) Observers will be invited to provide expertise and case studies (e.g. on modelling (simulation models) and trade (exchange with the World Trade Organization, among others));
- (d) Decision 31/CMP.1 decided to establish a process for the implementation of Article 3, paragraph 14, of the Kyoto Protocol;
- (e) The outcome of the workshop will feed into the joint Subsidiary Body for Implementation/Subsidiary Body for Scientific and Technological Advice forum on the impact of the implementation of response measures and the joint contact group on Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol at the United Nations Climate Change Conference in Durban.

## Annex V

### Tables from the background paper of the Abu Dhabi workshop

**Table 1: Summary of policies and measures by sector<sup>a</sup>**

Name of Policy or measure	Objective and/or activity affected	GHG affected	Type of instrument	Status	Implement-ing entity or entities	Estimate of mitigation impact by gas (not cumulative)		
						1995	2000	2005

<sup>a</sup>Separate tables shall be completed for each sector;

Source: FCCC/CP/1999/7, Part II: Reporting guidelines on national communications, Table 1.

**Table 2: Description of selected projects or programmes that promoted practicable steps to facilitate and/or finance the transfer of, or access to, environmentally-sound technologies**

<b>Project/programme title:</b>			
<b>Purpose:</b>			
<b>Recipient Country</b>	<b>Sector</b>	<b>Total funding</b>	<b>Years in operation</b>
<b>Description:</b>			
<b>Indicate factors which led to project's success:</b>			
<b>Technology transferred:</b>			
<b>Impact on GHG emissions/sinks (optional):</b>			

Source: FCCC/CP/1999/7, Part II: reporting guidelines on national communications, Table 6.