

## **SUBMISSION BY HUNGARY AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES**

**This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey.**

Budapest, 15 February, 2011

**Subject: Further information and views on issues that could be addressed at the joint workshop on Articles 2.3 and 3.14**

### **Introduction**

1. As expressed previously, there is a general consensus on the need to undertake a global transition to a low greenhouse gas emitting economy in order to tackle climate change. This transition presents a major opportunity for all countries to follow a clean development path and implement sustainable policies while at the same addressing climate change. At the same time the EU understands the concerns some countries may have about the challenges that this transition may present to their economies and societies. The EU is of the view that this transition should be congruent with sustainable development processes in all countries.
2. The EU welcomes the constructive discussions on Articles 2.3 and 3.14 since the establishment of the joint contact group and remains committed to fulfilling its commitments under these Articles.
3. The EU is of the view that while important work has been undertaken to address the concerns arising from the impacts of response measures, further understanding is needed to understand the actual impacts being felt in developing countries, including the positive as well as the negative. It will be important to emphasise that wider economic and political factors do play a role on the vulnerability of social and economic sectors and these should not be overlooked. While the EU is making significant efforts to understand the needs and concerns of Parties, especially developing country Parties, arising from this issue, it would welcome more detailed information from Partners.
4. The EU recognises that significant efforts are being made to address the potential impacts of response measures, for example through impact assessments. Efforts are also being made to respond to the needs and concerns arising from the implementation of response measures, where these are known, but note that much remains to be done to understand the issue which this workshop could usefully do.

## Organisation of the workshop

5. The issue of the potential impacts of the implementation of response measures is being discussed under several agenda items. In the context of Decision 1/CP.10, the discussion has focussed on the *needs and concerns* arising from the potential impacts, while the discussions in the contexts of Articles 2.3 and 3.14 address this issue from the perspective of *efforts to implement* the commitments under the Protocol in such a way as to minimize adverse effects, social, environmental and economic impacts, including the adverse effects of climate change on other Parties, especially developing country Parties.
6. The decisions taken in Cancun have elaborated on a number of activities that need to be undertaken in 2011, including a workshop on promoting risk management approaches on the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures. We believe that the subject of this workshop is relevant also for the discussions under the Kyoto Protocol Articles 2.3 and 3.14. As such, our preference is for this joint SBI and SBSTA workshop to be held back to back with the one proposed under Decision 1/CP.10. We would also encourage the Secretariat to organise these workshops in conjunction with one of the sessions of the subsidiary bodies in order to ensure maximum participation from a wide range of Parties and observers.

## Issues that could be addressed at the workshop

7. A priority for the EU on this issue is that of information exchange and to enhance the knowledge and understanding of the potential impacts of response measures and what measures could minimize these. Such understanding is essential in order to inform and enhance the efforts of Annex I Parties as they prepare and strive to implement policies and measures in such a way to minimise adverse social, environmental and economic impacts on other Parties, especially developing country Parties. **The aim for the workshop should be to help facilitate the sharing of experiences and exchange of information and views among all Parties.**
8. We propose that the workshop focus on:
  - i. **Observed impacts of response measures in developing countries;**
  - ii. **Efforts already undertaken to implement policies and measures in a way that minimizes potential adverse impacts** (also drawing on the information contained in Annex I Parties fifth national communications): It may be helpful for the Secretariat to present an overview of the information provided in this area in the National Communications, summarising reporting requirements and missing information.
9. By addressing both these aspects, we will have a better understanding of whether the prior consideration of potential impacts relates to observed impacts and thus enables for better planning of subsequent measures.

10. The UNFCCC Secretariat has made available on its website a portal on modelling tools which identifies examples of models and organizations with relevant expertise in the context of assessing the impact of the implementation of response measures, as well as describing the scope of activities in this regard. It would be beneficial for all Parties to get a better understanding of this portal and how they can use the information available. One suggestion would be to have a presentation from an organisation that specialises in this field to help Parties get a better understanding of what information is currently available and where gaps exist.

## **Conclusion**

11. The outcomes of the discussions in the joint workshop as well as the Decision 1/CP.10 workshop could provide useful input to the discussions that will take place in the forum that will be organised at the 34<sup>th</sup> and 35<sup>th</sup> sessions of the SBs. In this regard, we believe that sequencing the workshops would allow for an efficient and well structured consideration of the issue. The EU looks forward to participating fully in this workshop and hopes that it will be used to look at substantive, concrete issues that will help further discussions under this important agenda item.

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