

SUBMISSION BY SAUDI ARABIA

Submission of views on Area (f) – Relevant aspects relating to the implementation of decisions 1/CP.10, 1/CP.13, and 1/CP.16 and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol

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

The forum on the impacts of the implementation of response measures is a dedicated platform for interaction to develop ideas and joint action. The new forum will improve understanding of this important issue to the developing countries and assist them in understanding the scope of the adverse impacts associated with climate change mitigation actions. Saudi Arabia looks forward to continuing to build on these efforts and believes that all Parties should utilize this platform as means to avoid or at the very least minimize those impacts on the developing countries. We expect the forum to fully engage stakeholders in concrete and in-depth discussions on sharing information and expertise, including reporting and prompting understanding of the impacts of response measures, and bring forward common views and issues to the attention of the Subsidiary Bodies.

We wish to emphasize at the beginning that it is very important not to mix Convention decisions with articles of the Kyoto Protocol. As such, our view below are presented in two parts; the first part is around Convention Decisions 1/CP.10, 1/CP.13, and 1/CP.16, and the second part is on Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.

The guiding principles for discussing the above thematic area will be Article 4, paragraph 8 and 9, of the Convention, and Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.

Decisions 1/CP.10, 1/CP.13, and 1/CP.16

Decision 1/CP.10 highlights the need for Annex II Parties to report and provide detailed information, including in their national communications, on progress made on support programs to meet the specific needs and circumstances of developing country Parties arising from the impact of the implementation of response measures. However, there has been no progress on the implementation of this Decision and this goal was never realized because the decision remains unfulfilled. Therefore, the above thematic area should explore current reporting methodologies and data, the development of new templates, best practices and

lessons learned, gaps and uncertainties in reporting approaches at different levels, and means to improve the reporting methodologies.

Decision 1/CP.13 identified *Economic and Social Consequences of Response Measures* as one component of the *Mitigation* building block of Bali Action Plan, and, hence, became part of the dialogue under the AWG-LCA track (of Bali Road Map). This is an on-going dialogue that is still taking place under the AWG-LCA, and therefore, we believe that the forum should not undermine that process through refraining to bringing those debates into the Forum.

Decision 1/CP.16 highlighted the need to cooperate fully to enhance understanding of the economic and social consequences of response measures, which we believe this Forum should continue to embark seeking. Parties and relevant organizations and other stakeholders are encouraged to bring their views on exploring and considering establishing a set of possible approaches and potential mechanisms for managing and reducing social and economic risks of response measures and improving short-term and long-term resilience, with a view to making recommendations to the Conference of the Parties for its consideration.

Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol

Articles 2.3 and 3.14 of Kyoto Protocol irrevocably entrust Annex I Parties with the responsibility to minimize the adverse social, environmental and economic impacts on developing country Parties, particularly those countries identified in Article 4, paragraphs 8 and 9, of the Convention. The Articles further explicitly call for the establishment of funding, insurance and transfer of technology to help minimize such adverse impacts so that these measures would not harm developing countries.

Evaluation:

The above thematic area should examine progress of compliance with Articles 2.3 and 3.14. As part of the developed countries' obligations and commitments to minimize the impacts of any policies and measures they take on the developing countries' vulnerable economies, the developed countries would need to provide details regularly and demonstrate how they are implementing their Article 2.3 and 3.14 commitments. The developing countries that are heavily reliant on fossil fuels exports would like to ensure that those response measures can be implemented without compromising their economic growth.

We remain concerned about the lack of a comprehensive framework to assess progress of compliance with Articles 2.3 and 3.14. As such, we believe it is quite important to establish a **process** for this purpose in order to ensure and monitor the compliance, and in particular the

provisions set out in Article 3.14. Such a process would need to establish tools and methodologies for the three levels of the Article's provisions, namely; the assessment of impacts from response measures; assessment of the cost-effectiveness of the proposed as well as the implemented response measures; and assessment of availability, effectiveness and adequacy of funding, insurance and technology transfer arrangements to minimize these impacts.

Implementation:

Saudi Arabia emphasizes that any discussion on specific sectors and/or trade policies should be guided by Article 2, paragraph 3. We also believe that priority actions to comply with Article 3.14 should include the following items:

- The progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors.
- Removal of subsidies associated with environmentally unsound and unsafe technologies.
- Cooperation and support in the technological development of non-energy uses of fossil fuels; and in the development, diffusion and transfer of less GHG advanced fossil fuels technologies.
- Strengthen developing countries capacity to improve efficiency in upstream and downstream activities relating to fossil fuels.
- Assist developing countries that are highly dependent on the export and consumption of fossil fuels in strengthening resilience and diversifying their economies.