

Submission by Saudi Arabia

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

Area (d) - Exchanging Experience and Discussion of Opportunities for Economic Diversification and Transformation

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

The interactive dialogue that took place in the forum has set an important milestone for the work on understanding of the impacts of response measures. Parties were able to engage in constructive discussion on the different experiences of developing country Parties which are caused by climate change mitigation actions. It was also emphasized that, Some mitigation actions and policies of concerns taken up by developed country Parties have wider and graver impact on certain vital sectors of economy or sometimes the single primary source of income for many developing country Parties such as trade, tourism, industry, agriculture. Engaging different stakeholders will continue to be essential in understanding and providing broad analysis of the different dimensions of the various response measures, which could have diverse impacts on the economies and societies of Non-Annex I Parties.

Saudi Arabia believes that thematic area (d) on **Exchanging experience and discussion of opportunities for economic diversification and transformation** will be very significant in addressing the need for approaches to avoid or at least minimize the adverse impacts of response measures in the context of building resilience as well as initiating adaptive measures in developing country Parties. Thus, a guiding principle of the work should be building resilience and capacity building with the aim to establish long-term resilience.

The work should pay close consideration to the diversity of economic activities and markets, through providing ample analysis of different scenarios based on developing country Parties' national priorities and circumstances. Impacts of response measures are exacerbated when developing country Parties economies are highly dependent on a single commodity or a service with limited opportunities for diversification. Such scenarios are expected to be highlighted in the work of this area as well as exploring solutions to provide an on-going process for assessment and evaluation to those varying scenarios.

On the international level, sharing experiences on the development and dissemination of measures, methodologies and tools aimed at increasing economic resilience will be the driving force behind the recommendation and findings to be derived from this area. For example, technology needed by non-Annex I Parties to make the economic transformation is a key area and the work is expected to include discussion on local institutional technology and technical needs through active exchange of lessons learned by different Parties. Other areas should

include encouraging direct investment and technology transfer from Annex-I Parties to assist in the economic diversification of developing country Parties, in addition to addressing the extent to which trade and export barriers affect economic diversification in developing country Parties.

Besides the arrangements identified to be coordinated under the Convention, we also expect the work to provide a platform for learning and exchanging views on how to develop infrastructure of developing country Parties. Presenting best-practices and lessons learned for activities that promote elements of economic resilience at the national level should be encouraged. For example, initiatives to promote private-public partnerships in various areas to support economic diversification developed and conducted domestically will provide further insights to build on such initiatives to create a similar plan of action based on different national priorities and circumstances.

It is important to highlight that discussion on long-term resilience also should not overshadow the examination of strategies to build short-term resilience; discussion is also expected to provide a perspective on short term adaptive measures such as insurance, risk insurance and financial risk management tools.