

WORK OF THE AWG-LCA CONTACT GROUP

Agenda item 3.2.6

Enhanced action on mitigation: Economic and social consequences of response measures

version of 7 October @ 19:30

Note by the Facilitator: summary of discussion and issues raised

Background information and documents before participants

- **From the June sessions:** The **Facilitator's note**, summarizing discussions, **submissions from Parties**, contained in document FCCC/AWGLCA/2011/MISC.8.
- **Information** was provided on **related developments** that have taken place during and since the June sessions (i.e. on the **Joint SBI/SBSTA 34 forum** and a related special event; two **back-to-back workshops** on matters relating to Article 2, paragraph 3, and Article 3, paragraph 1, of the Kyoto Protocol, and 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, mandated under decision 1/CP.10); and related **submissions** under the SBI and the SBSTA (FCCC/SB/2011/MISC.4 and Add.1).
- **Submissions from Parties** as contained in CRP.14,¹ CRP.29,² CRP.30.³

Summary of discussions

- During the Panama sessions, several **informal meetings** and **Parties' consultations** were held on the matter. All informal meetings were open to observer participation.
- **Active exchanges** took place but **need to continue** towards a textual outcome. This note, prepared under the responsibility of the Facilitator, summarizes **main lines of discussions** as below:
- Parties consider the issue of economic and social consequences of response measures as **important**, part of the Convention, the Bali Action Plan and decision 1/CP.16, and should be **part of the Durban outcome**.
- Some Parties expressed the need to consider **unilateral trade measures** to combat climate change in the UNFCCC as part of economic consequences as these measures relate to climate change. Furthermore, Article 3, Paragraph 5, of the Convention is deemed insufficient to deal with such related matters, and thus needing further implementation. Other Parties believe that these issues should be better dealt with in other forums (i.e. WTO), and that issues are sufficiently covered by Article 3, paragraph 5, of the Convention. One Party highlighted that an open and supportive international economic system is necessary to address climate change.
- Some Parties considered the issue of the **just transition** of the workforce, the creation for decent work and quality jobs as a possible area on which to advance discussions on. Other Parties felt that this could be discussed at a later stage.
- Some Parties stressed the need for **support** to be given to affected developing country Parties (i.e. technical and financial assistance, capacity-building).

¹ India on behalf of Argentina, China, the African Group, Organization of the Petroleum Exporting Countries (OPEC), the Arab Group, Thailand, Malaysia, Uruguay and the Philippines.

² India, Argentina, China, Iran (Islamic Republic of), the Arab Group (Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, United Arab Emirates, Yemen and Palestine) and member States of the OPEC (Algeria, Angola, Ecuador, Iran, (Islamic Republic of), Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela (Bolivarian Republic of), verbally supported by Sierra Leone on behalf of the African Group.

³ Singapore.

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- Some Parties stressed the need to establish a continuous **forum**, dedicated to the discussions and assessment of the economic and social consequences of response measures, thus securing continuity beyond the 35th sessions of the subsidiary bodies. Other Parties referred to a related decision to be taken at COP 17, based on recommendations from the SBI and the SBSTA at their 35th sessions.
 - Some Parties felt that ex-ante **impacts** and specific actions to avoid and minimize negative economic and social consequences on developing country Parties need to be considered. Other Parties felt positive and negative effects should be considered.
 - Some Parties expressed the need to continue **discussions under the LCA** to set political parameters, pointing out that different tracks have distinct mandates and different underlying COP decisions that needs to be respected. Other Parties expressed concerns as they feel that issues overlap, the process is fragmented, and that decision 1/CP.16 outlines political parameters, providing room for discussions under the SBI and the SBSTA at their 35th sessions.
 - Some Parties felt it is important to be cognizant of **developments under other bodies**. Parties expressed appreciation for recently organized events and acknowledged lessons learned from these workshops, including that **existing channels** are valuable and need enhancement, and that a **common space** can help to enhance discussion and understanding of related matters.

Additional information

- Related submissions received under SBI, SBSTA and LCA mandates are available at <www.unfccc.int>.