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Item 7 of the provisional agenda

“GOOD PRACTICES” IN POLICIES AND MEASURES

Submissions from Parties

Note by the secretariat

1. At its fifteenth session, the Subsidiary Body for Scientific Advice (SBSTA) invited Parties to submit their views on future actions to be taken at its sixteenth session in advancing the work on “good practices” in policies and measures (FCCC/SBSTA/2001/8, para. 35 (b)).
2. Eight such submissions* have been received. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced in the language in which they were received and without formal editing.

* Some submissions have been reformatted in order to reduce paper consumption (but without altering the text). The submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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PAPER NO. 1: AUSTRALIA

**Submission of Australia to the UNFCCC on
“Good Practices” in policies and measures**

Mandate for submission

The conclusions of the 15th session of the SBSTA invite Parties to submit their views on possible future action to advance the work on “good practices” in policies and measures [FCCC/SBSTA/2001/L.18 para 2]. This submission is Australia’s response to that invitation.

The invitation further requests that Parties submit their views within the terms of reference of the workshop that was held in Copenhagen from 8-10 October 2001. The terms of reference for that workshop were established by SBSTA14, namely that the workshop should “...advance the work on sharing experience and exchanging information on “good practices” in policies and measures...” [FCCC/SBSTA/2001/INF.5 para 5].

Direction of future work.

In putting forward proposals for future work, Australia notes that over the years workshops have previously been held on particular sectoral issues in this and other forums. These discussions have provided a good opportunity for Parties to learn more about specific measures implemented by different Parties and the particular national circumstances that dictate the appropriateness of those measures.

What has not received so much attention is the way that Parties have combined particular mixes of different policies and measures in responding to climate change. As the majority of Parties have developed over-arching strategies for responding to climate change it may be useful to look at the factors that underlie the formulation of these national responses and the decision to include particular policies and measures as part of those responses. It would be particularly useful to examine the following aspects of methodologies for designing packages of policies and measures:

- what process is used to arrive at the overall response package;
- what stakeholder groups are consulted in the process;
- how goals are identified;
- how the combined environmental and cost effectiveness of these measures is assessed; and
- what factors, such as national circumstances, have led Parties to adopt particular policies and measures.

This issue should be explored in the context of both developed and developing Parties, which may provide the additional but secondary benefit of helping to identify opportunities for cooperative efforts between developed and developing parties to address climate change.

PAPER NO. 2: CANADA

Reflections on “Good Practices” in Policies and Measures

Submission by the Government of Canada

February 2002

Introduction

The Government of Canada supports the objectives of the United Nations Framework on Climate Change (UNFCCC), and the Kyoto Protocol to stabilize greenhouse gas (GHG) emissions in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

Canada recognizes the importance of policies and measures (P&Ms) that countries are undertaking in an effort to achieve the Convention and Protocol objectives and support opportunities for information exchange and learning among Parties in this area. Canada believes that the sharing of information of P&Ms between Parties has been a useful exercise and would like to recognize the activities of the UNFCCC Secretariat to promote the exchange of information on “good practices” in P&Ms, taking into account national circumstances.

Clearly, national circumstances affect the selection of P&Ms. These choices result in a “*portfolio*” of programs that are considered most appropriate to each country’s specific requirements. Therefore, using national circumstances to develop P&Ms that best fit a country’s diversity, while ensuring its international commitments, help ensure that the P&Ms utilized to address climate change are deemed most suitable for a country’s particular situation.

As mentioned in previous submissions, Canada’s national circumstances are founded on a number of circumstances that are paramount, including the following: geographical (e.g., size, regional weather patterns, etc.), economic (e.g., high percentage of natural resource and energy-intensive exports, etc.), demographic (e.g., population distribution, growth rate, etc.), jurisdictional (e.g., sharing of government powers at various levels, etc.), environmental/health (potential for highly diverse climate change and mitigation impacts across different national regions and urban areas) as well as Canada’s need for synergy and partnership to help solve the climate change problem, and the domestic importance of co-benefits attributed to climate change policies.

Parties have met at the workshops on “Good Practices” in P&Ms in Copenhagen in April 2000 and most recently, in October 2001. Canada would like to commend the efforts of the Secretariat to summarize the activities of the October 2001 workshop (FCCC/SBSTA/2001/INF.5) and to give countries the opportunity to comment on these outcomes. Canada would also like to thank the Secretariat for inviting Parties the opportunity to comment on potential future areas of work (UNFCCC/SBSTA/2001/L.18). It is important to note that while previous work in this area amongst Parties has been useful, the area of P&Ms is quite voluminous and so Parties should concentrate discussion on certain aspects of “good practices” in P&Ms, taking into account national circumstances, to further capitalize on this useful endeavour.

Indeed, both Copenhagen meetings covered a wide range of topics (e.g. sector-specific strategies, cross-cutting measures, national strategies, and various approaches to P&Ms). The conclusions for these meetings therefore were wide in scope, which is useful in order to determine areas of interest to all Parties regarding P&Ms. Now that the conclusions have produced a range of issue areas from which to draw upon, a more streamlined approach would move the discussion forward. Canada is of the view that

we should focus on the exchange of information on methodologies currently used by Parties to evaluate the suitability of P&Ms.

For example, in the inception of our *Action Plan 2000*, Canada employed tools of assessments when attempting to ascertain the most appropriate program “mix”. When examining evaluation methodologies to gauge the effectiveness and efficiency of programs, the case of Canada is quite complex. Canada possesses a vast area and dynamic regions, compounded by interlinkages between municipal / provincial / territorial and federal jurisdictions, and an integrative form of policy process, such as input into our policy design/formulation from different jurisdictions and key stakeholders. Methodologies used in an effort to determine the effectiveness and efficiency of P&Ms to address climate change in Canada varied from jurisdiction to jurisdiction, sector-to-sector and region-to-region.

It is for these reasons that Canada believes in the critical importance of national circumstances when formulating domestic methodologies to evaluate the effectiveness and efficiency of programs. Canada strongly believes that domestic methodologies that consider national circumstances ensure the applicability of such methodologies to various countries’ particular circumstances. Efforts should be made in better defining what constitute national circumstances. The concept of mitigative capacity, as proposed in the IPCC TAR, could be a promising avenue for future work. This flexible approach to addressing climate change benefits all countries in meeting the challenge of GHG emissions reduction.

Future Work

Methodologies used to evaluate the effectiveness and efficiency of P&Ms vary both within and amongst member-states, and should reflect the national circumstances required in attempting to produce applicable results. As mentioned earlier, Canada’s process of evolving a set of methodologies for evaluating our P&Ms is complicated by the institutional character of government and the impact of stakeholder input. *Action Plan 2000* provides an example of where tools of assessment were used to determine a “mix” of Canada’s programs to address climate change.

The methodologies used to evaluate the impact of *Action Plan 2000* on GHG emissions reductions were initiated by the creation of 16 issue-tables on those areas deemed crucial to Canada’s response to climate change (e.g. industry, technology, forest sector, transportation). These represent a thematic approach to methodologies. These issue tables possessed a wide-range of participants (e.g. academia, industry, public sector) pertinent to their respective areas of expertise and produced a set of foundation papers and options reports. These served as suggestions from which policy makers and technical experts could draw upon in order to determine their approach to evaluation.

Each issue area was evaluated by the federal department responsible for its operation. These departments formulated methodologies based on internal requirements for evaluation. Since each federal department holds numerous stakeholders related to climate change methodologies, there were numerous intra-departmental consultative processes held. There arose a diversity of methodologies based on each stakeholder’s assessment priorities. In essence, when developing *Action Plan 2000*, Canada used various tools of assessment to effectively represent different jurisdictions, sectors, regions and interests concerned with the Government of Canada’s response to climate change.

Identifying relevant P&Ms that consider national circumstances is important in addressing the wider problem of global climate change. Formulating P&Ms to combat the problems associated with climate change requires that each country identify its capacity to undertake mitigation and adaptive actions, facilitate technology transfer, and to identify optimal P&Ms and actions to enhance their benefits and remove barriers. The most appropriate and relevant portfolio of P&Ms results only if the above are firmly based on national circumstances. Work is underway to attempt to reflect national circumstances

into methodologies. For example, the Intergovernmental Panel on Climate Change (IPCC) Working Group III, Technical Summary suggests criteria to develop effective mitigative capacity determinants. These determinants include the range of viable policy instruments and the structure of critical institutions and allocation of decision-making authority. These determinants influence a Party's capacity to undertake mitigative capacity actions, help a Party to define the optimal program to reflect their unique mitigative capacity, and help a Party identify actions to enhance their capacity or remove barriers to efficient mitigation actions and the facilitation of technology transfer. This work could be useful in the area of P&Ms; in essence substantiating the claim that the circumstances a Party finds itself in are unique and cannot be transferred to other Parties.

A further area of relevant focus to a workshop focused on methodologies in the area of P&Ms are other factors that could be attributed to country's programs, which could include co-benefits as well as opportunity costs of a program's / series of programs' implementation. The IPCC Working Group III explains "that most policies designed to address GHG mitigation also have other, often at least equally important, rationales involved at the inception of these policies." Recognition of these relevant by-products of P&Ms illustrates the importance of national, regional, and sectoral impacts to P&Ms. The IPCC WGIII technical summary points out that P&Ms generate co-benefits as well as opportunity costs, while at the same time acknowledges that these are difficult to measure. One possible alternative is to base assessment on the costs of changes in social welfare at the individual level of analysis. By measuring these values, conclusions can be reached on social surpluses or costs attributed to certain P&Ms, as well as opportunity cost. The analytical approaches to costing methodologies outlined in the IPCC WGIII technical summary should be looked at more closely. These include: co-benefits and costs, implementation costs, discounting, adaptation and mitigation costs and their linkages, system boundaries, baselines, flexibility, and the consideration of no regrets options.

Another key area identified at the most recent Copenhagen workshop was the importance of implementing P&Ms in such a manner so as to minimize the impact of adverse effects, and that this concept should be reflected in the tools of assessment used by Parties. In order to avoid costly duplication and a respect for balance among subject matters, these discussions should be resolved in the most applicable area. Canada believes that in the above case, relevant work is already underway here under the pertinent CoP decisions that deal with these issues specifically. For example, the reporting methodologies of the efforts to minimize the impact of response measures, under the Protocol decision on Art 3.14, will try to determine how to identify the chain of causality between a specific measure taken and its specific impacts on a developing country, if one is to report on the efforts taken to minimize the effect. This is difficult to ascertain because if the chain of causality is not identified, one cannot know if one is really minimizing the impacts. A second workshop under the decision regarding Article 4.8 of the United Nations Framework Convention on Climate Change (UNFCCC) is being planned on the state of modeling and response to measures, which would presumably look at both the micro and macro modeling attempts of the impact of response measures. Canada believes that useful work could complement the planned work on the impact of response measures such as identifying the *positive* impacts of response measures on developing countries in fields such as measuring the induced co-benefits through the availability of improved technologies, and the reduced cost of adaptation or industrial leakage.

Canada firmly holds that methodologies should be formulated at the domestic level taking into consideration national circumstances that could not be accounted for in the application of international methodologies. Taking all of these factors into account, Canada does believe that the exchange of information between Parties on "good practices" in P&Ms and the methodologies utilized in any attempt at evaluation can be beneficial for Parties in their efforts to address climate change.

Conclusions

Canada believes that sharing information on P&Ms is one avenue for cooperation and improving efficiency in the global challenge of climate change. National circumstances play a critical role in a country's selection of P&Ms and their tools of assessment to reduce GHG emissions and tackle the challenges associated with climate change. With respect to future work, methodologies present a promising area where a lot of efforts are underway in other fora (e.g. IPCC) and should be seriously looked at.

Finally, Canada notes the increasing interest by *all* Parties in "good practices" in P&Ms, taking into account individual and unique national circumstances. Interest in sharing information on "good practices" in P&Ms by all countries can be manifested through the increased amount of participation and action of Economies in Transition (EIT) and non-Annex I countries in the workshops on "good practices" in P&Ms and in the climate change negotiations. Canada applauds these interests and encourages all countries to become involved in the discussion and implementation of P&Ms in the areas of mitigation and adaptation activities to address climate change, and the facilitation of the transfer of climate technologies.

PAPER NO. 3: JAPAN

Japan's Comments on "Good practices" in policies and measures

15 February 2001

Japan welcomes the opportunity to submit views on the possible work on "good practices" in policies and measures. Japan highly appreciates the governments of Denmark and France for hosting a workshop in April 2000 and the Governments of Denmark and Norway for hosting another one in October 2001, which provided excellent opportunities for policy makers to share experience. Recalling the great success of the previous two workshops, Japan strongly believes that the information sharing on "good practices" of domestic policies and measures should be continued in the form of seminars or workshops. Noting the rapid development in Annex I Parties in terms of their domestic policies and measures to reduce GHG emissions, Japan also believes that periodic information sharing on policies and measures in key sectors with a gathering of policy experts is extremely useful.

While Japan generally supports information sharing on "good practices" of policies and measures, it should be noted that an appropriate mix of policies and measures could differ from one country to another depending on each country's specific circumstances. Therefore, utmost prudence would be necessary as to a simplistic argument on "multilateral policy coordination". For the same reason, Japan is also cautious about developing criteria and quantitative parameters for the international comparison of Parties' performance in terms of demonstrable progress.

Finally, with respect to the policies and measures to minimize adverse effects on international trade, and social, environmental and economic impacts on developing Parties, duplication with the workshop related to Article 4.8 and 4.9 of the Convention should be avoided.

PAPER NO. 4: MEXICO

OGE00706 La Misión Permanente de México ante la Oficina de las Naciones Unidas y otras Organizaciones Internacionales con sede en Ginebra saluda muy atentamente al Secretariado de la Convención Marco de las Naciones Unidas sobre el Cambio Climático y tiene el honor de hacer referencia al documento FCCC/SBSTA/2001/L.18, titulado “Las buenas prácticas” en materia de políticas y medidas, de la 15ª reunión del Órgano Subsidiario de Asesoramiento Científico y Tecnológico, que se llevó a cabo en Marrakech, Marruecos, del 29 de octubre al 9 de noviembre de 2001.

Sobre el particular, la Misión Permanente da México transmite los comentarios del Gobierno de México sobre dicho tema:

En su mayoría, los talleres sobre buenas prácticas en materia de políticas y medidas han estado enfocados a los esfuerzos de mitigación de las Partes Anexo I. Sin embargo, las Partes No-Anexo I también han avanzado en diversas políticas y medidas de mitigación, frecuentemente como consecuencia del proceso de desarrollo nacional. A medida que el desarrollo tecnológico y las medidas para ahorrar energía permiten utilizar tecnologías más eficientes en países en desarrollo, el diseño de políticas y medidas para incrementar el aprovechamiento de estos procesos proveerán beneficios económicos y ambientales con impacto global. En tal virtud, el desarrollo podrá constituirse en una herramienta efectiva para coadyuvar a controlar el cambio climático.

Tomando lo anterior en consideración, para el ulterior avance de los trabajos en buenas prácticas en materia de políticas y medidas para mitigar emisiones, México propone que el próximo taller explore las actividades realizadas por las Partes No Anexo I relacionadas con la materia y examine la relación entre el proceso de desarrollo nacional y el incremento en el uso de tecnologías más limpias y eficientes.

La Misión Permanente de México aprovecha la oportunidad para reiterar al Secretariado de la Convención Marco de las Naciones Unidas sobre el Cambio Climático las seguridades de su más alta y distinguida consideración.

Ginebra, 15 de febrero de 2002

PAPER NO. 5: SAUDI ARABIA

Kingdom of Saudi Arabia submission on further consideration of the report on workshop on "good practices" in policies and measures, which was held in Copenhagen from 8 to 10 October

Saudi Arabia draws the attention of the chair of SBSTA and the Secretariat to its statements on the issue during the SBSTA 15th session in Marrakech 2001. These statements are integral part of this submission and we refer you to the record.

Additionally, Saudi Arabia is of the view that the following points are essential part of any further action on "Good Practices" in policies & measures:

- There is a need to have a balanced approach to issues of interest to Annex-I and developing countries in both, content and time allocation.

The Copenhagen workshop failed to meet the needed balance. The three day workshop devoted most of the time on sharing "good practices" amongst Annex-I parties and spent only two hours on the issue of minimizing adverse effects on developing country Parties arising from policies and measures undertaken by Annex-I Parties. Both issues were part of the term of reference of the workshop and should have been treated fairly.

- Criteria used to assess and evaluate policies and measures shall be based on the Kyoto Protocol, Article 2.3 in particular. These criteria are:
 1. minimization adverse effects of climate change, including adaptation and mitigation.
 2. minimization adverse effects on international trade.
 3. minimization adverse effects of social, environmental and economic impact on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9.

IEA and OECD criteria that are in conflict with Articles 2.1(a)(v) and 2.3 of the Kyoto Protocol cannot be added as part of "good practice" criteria.

- A particular attention to minimizing the adverse impact of policies and measures on oil producing developing country Parties must be part of any "good practices" criteria. The IPCC Third Assessment Report has fully recognized the high negative impact of "spillover effects" on these Parties.
- Annex-I Parties should take into consideration the priorities for developing countries of poverty eradication and economic and social development. Annex-I Parties actions must not disadvantage imports from developing countries.
- The use of market instruments, incentives and subsidies distort the market place. Their use violates Article 2.1(a)(v) of the Kyoto Protocol.
- Future workshops should concentrate on "good practices" in the implementation of Article 2.3 of the Kyoto Protocol and the elaboration of elements for ways to achieve demonstrable progress in minimizing the adverse impact on developing country Parties of response measures taken by Annex I Parties.

For the convenience of Parties travelling to Europe the date for the next workshop should be scheduled back to back with a related event.

PAPER NO. 6: SPAIN

ON BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES, AND BULGARIA, CROATIA, CYPRUS, CZECH REPUBLIC, ESTONIA, LATVIA, LITHUANIA, POLAND, ROMANIA, SLOVAKIA AND SLOVENIA



BRUSSELS, 18 FEBRUARY 2002

ACTIONS TO BE TAKEN IN ADVANCING THE WORK IN “GOOD PRACTICES” ON POLICIES AND MEASURES UNDER THE DECISION 13/CP.7

Spain, on behalf of the European Community and its Member States, and Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, welcome the opportunity to submit their views on the actions to be taken in advancing the work on “good practices” in policies and measures under the Decision 13/CP.7, as requested by SBSTA at its 15th session.

Introduction

The EU and other Parties mentioned above consider that the development and implementation of national, regional and multilateral policies and measures to reduce greenhouse gas emissions, including the assessment of their effectiveness taking national circumstances into account, are the cornerstone in the achievement of Annex I Parties’ commitments under the Framework Convention on Climate Change and the Kyoto Protocol.

The EU is firmly committed to meet its targets set by the Kyoto Protocol for the reduction of greenhouse gas emissions and has confirmed that early and substantial progress on effective common and coordinated policies and measures is essential in order to assist Member States to meet their commitments. The main element of recent common EU initiatives on climate change policy is the European Climate Change Programme (ECCP). Within the framework of the ECCP the potential for greenhouse gas reductions for a wide range of policy options and instruments has been assessed. We believe that the elements contained in Decision 13/CP.7 (“Good practices” in policies and measures among Parties included in Annex I to the Convention), in particular paragraphs 3 and 4, and in section III.D of the Secretariat report on the workshop “good practices” in policies and measures (FCCC/SBSTA/2001/Inf.5), held in Copenhagen from 8 to 10 October 2001, represent the basis for the

analysis of what further action should be taken in advancing the work on “good practices” in policies and measures under the Framework Convention on Climate Change and the Kyoto Protocol.

Objectives and focus areas

The EU and other Parties mentioned above believe that there is a broad range of elements on “good practices” to consider during the policy making process and when implementing and developing policies and measures. Therefore, the work to be done under the Framework Convention on Climate Change and the Kyoto Protocol, in particular under Decision 13/CP.7, should aim at reaching the following objectives:

- (a) Contributing to the exchange of experiences on “good practices” and the portfolio selection of policies and measures taking account of national circumstances:
Implementing domestic policies and measures is important in order to decouple economic growth and greenhouse gas emissions. As national circumstances vary considerably, policies and measures to abate greenhouse gas emissions may differ significantly. Exchange of experiences and sharing information are essential to enhance the individual and combined effectiveness of policies and measures, as well as to consider the best portfolio of domestic policy instruments within a national strategy.
- (b) Facilitating the cooperation among Annex I Parties to enhance the individual and combined effectiveness of their policies and measures:
The United Nations Framework Convention on Climate Change and the Kyoto Protocol address the benefits of cooperation among Parties, as appropriate, in developing and implementing policies and measures. A number of studies conducted by governmental and/or private institutions in close cooperation with regional entities have suggested that some convergence in approaches and criteria used by different countries to assess policies and measures existed. These studies and some efforts in coordinating policies and measures, such as the above mentioned ECCP developed in line with the Kyoto Protocol, show that cooperation among countries could help to enhance efficiency of implementation and reduce market imperfections, bearing in mind that international differences in environmental regulation may have also trade implications.
- (c) Developing and exchange of information on methodologies to assess the cost-effectiveness, social, environmental and economic effects of policies and measures:
Significant differences and uncertainties surround various approaches to estimating the costs and effects of policies and measures aimed at reducing greenhouse gas emissions. These estimates differ because of the methodology used in the analysis and underlying scenarios, factors and assumptions built into the analysis. Assessment and improvement of methodologies could reduce uncertainty about the effects of policy instruments.
- (d) Contributing to the improvement of transparency, effectiveness and comparability of the quantitative and qualitative information regarding the impacts of implemented policies and measures:
Once policies and measures have been formulated and implemented, they should be subject to a process of monitoring, periodic review and evaluation of their performance, with a view to update and adjust these policies and measures.
- (e) Contributing to the elaboration of information on demonstrable progress:
The expected entry into force of the Kyoto Protocol places on the agenda and in the negotiation process an additional matter of comparability and transparency: the guidelines for reporting and reviewing under Articles 5, 7 and 8, and the reporting on demonstrable progress by Annex I Parties. In particular, the information to be submitted in demonstrating progress by 2005 of Annex I Parties should include a description of measures and an evaluation of how such measures will contribute to meet the Party’s commitments in accordance with national circumstances.

- (f) Supporting the improvement of public awareness about the negative impacts of climate change and the benefits of an early response to the threat:
Taking climate change considerations into account when planning policies and measures to limit the growth of greenhouse gases emissions would benefit from a wider public awareness. Improvement of the channels for the dissemination of detailed information regarding policies and measures is therefore key. A wider public awareness of negative impacts of climate change (including potential costs) would facilitate the implementation of the appropriate policy instruments.

Issues

Taking account of the objectives and focus areas mentioned above, examples of issues to be dealt under Decision 13/CP.7 are the following:

- (a) Policy making process including public participation, administrative and political feasibility, factors of success and failure, good and best practices portfolio, specific policy instruments, ancillary benefits, best available technology information, etc.
- (b) National circumstances with similarities and differences, barriers, distributional considerations, impacts of policies and measures, etc.
- (c) Ex-ante and ex-post evaluation of policies and measures, environmental and socio-economic assessment, tools and indicators for evaluation of demonstrable progress, etc.
- (d) Information reported in National Communications, inventories of national climate programmes and sector-specific experiences, compilation of work on indicators carried out by international organizations, etc.
- (e) Procedures for monitoring and revision, reporting effects and needs, etc.

Proposed priority activities

Decision 13/CP.7 paragraph 6 “requests the UNFCCC Secretariat ... to provide information on policies and measures reported in the Third National Communications by Annex I Parties when available”, while paragraph 7 “requests the SBSTA to consider at its 17th session the initial results obtained from the actions taken pursuant to this decision and to report them to the Conference of the Parties at its 8th session with a view to considering any further action”.

The EU and other Parties mentioned above believe that the SBSTA, at its 16th session, should therefore consider both issues with a view to elaborate at its 17th session a prioritised work program on “good practices” in policies and measures among Parties included in Annex I to the Convention with the object of recommending its adoption to the Conference of the Parties at its 8th session.

We believe that a work program is required to ensure a proper implementation of the provisions contained in Article 2 paragraph 1 (b) of the Kyoto Protocol, according to which the Conference of the Parties serving as the meeting of the Parties of the Protocol shall, at its first session or as soon as practicable thereafter, consider ways to facilitate the cooperation among Annex I Parties to enhance the individual and combined effectiveness of their policies and measures adopted under the above mentioned Article.

This work program should comprise permanent and periodic actions that addresses the focus areas and issues mentioned above through appropriate activities:

1. Facilitating the exchange of experiences by:
 - (a) Targeted and focused workshops and expert meetings on, inter alia:

- (i) sector-specific and subsector activities considered in previous workshops, such as industry and end-use equipment and transport, and others not yet covered;
 - (ii) the design of and experience with various policies and measures such as labelling schemes, renewable energy certificates, public procurement programmes, education, training and public awareness raising, taxation schemes, green pricing and other demand side initiatives;
 - (iii) how different policy instruments interact and may complement each other (e.g. the inter-relations between taxes, voluntary agreements and emission trading schemes);
 - (iv) methodologies for the ex-ante and ex-post evaluation of policies and measures, including their cost-effectiveness and their impact on economic development;
 - (v) how to distinguish between national circumstances and barriers for implementation and whether there is any scope for replication of policies and measures between countries. These workshops and expert meetings should be organized by the UNFCCC and/or jointly with other international organizations. These events should give ample opportunities for in-depth presentations and more priority to the discussion among participants.
- (b) Convening side events at sessions of the Subsidiary Bodies, and other relevant inter-governmental and international conferences, meetings and workshops. These side events should be organized, if possible, in collaboration or associated with other concerned entities, using the resources, as appropriate, of the UNFCCC Secretariat and/or interested Parties under the guidance of the Convention bodies and its Chairpersons.
 - (c) Considering whether the IPCC should be invited to undertake further work on the range of cost-effective mitigation options, the implications of different approaches to assessing overall costs, the identification of barriers to the deployment of new technologies, the assessment of analytical information on the effectiveness of policies and measures, etc;
 - (d) Preparation of detailed reports on national and/or regional experiences, information provided by Parties, methodologies for assessment and reviews by international and intergovernmental organizations. These reports should be produced by the UNFCCC Secretariat, which could also invite relevant international and intergovernmental organizations to provide input as appropriate.
 - (e) Provision of UNFCCC specific web pages providing information on policies and measures.
 - (f) Set-up of a 'bulletin board' type discussion forum to challenge interested organizations and individuals to exchange information on policies and measures issues that they consider to be relevant
2. Enhancing the individual and combined effectiveness of policies and measures by:
- (a) Further assessment of ancillary effects of policies and measures adopted by Annex I Parties.
 - (b) Identification of areas for further cooperation among Annex I Parties and in-depth analysis on ways to facilitate such cooperation.
 - (c) Activities that demonstrate how coordinated initiatives and actions, such as the ECCP, could lead to a more effective emissions reduction, in preparation for the implementation of Article 2.4 of the Kyoto Protocol.

The EU and other Parties mentioned above also consider that Annex I Parties and interested international organizations, and other non-Annex I Parties in a position to do so, should provide the necessary financial and/or technical support for the core activities identified above. Such support could also be in the form of hosting workshops, side events, databases and other web-based tools, and by funding the publication, translation and free distribution of relevant documents and reports.

PAPER NO. 7: UNITED STATES OF AMERICA

U.S. SUBMISSION
POLICIES AND MEASURES

The United States welcomes the opportunity to provide its views, as requested in FCCC/SBSTA/2001/L.18, on possible action on policies and measures (PAMs) to be undertaken at the sixteenth SBSTA session. We note, however, that Parties were unfortunately unable at COP-7 to discuss the results of the October 8-10, 2001 “Workshop on good Practices in Policies and Measures.” Therefore, the United States would like to first offer the following general reactions in response to the Chairman’s note (FCCC/SBSTA/2001/INF.5) describing the workshop discussions:

- We note and strongly support the importance ascribed by numerous Parties to the central role played by national circumstances in determining which PAMs are appropriate for addressing unique and differentiated sets of challenges.
- We continue to question the claims made by some Parties that common criteria/indicators are truly effective in assessing PAMs, or that regional or international coordination of PAMs is needed to address market imperfections. We believe a more effective approach, if further work is agreed upon by Parties, would be to exchange information on the range of different evaluation approaches and techniques for the disparate PAMs adopted by Parties in response to their national circumstances.

We hope that an opportunity will be presented at the sixteenth SBSTA to further discuss the October 2001 Copenhagen workshop. We were somewhat surprised to note an apparent endorsement of an IPCC inventory of experiences with PAMs since the FCCC Secretariat already performs this task in analyzing national communications. We would therefore not support such an initiative.

The October 2001 and April 2000 Copenhagen workshops on “good” and “best” practices provided for an extensive exchange of information on how governments shape, implement, and evaluate policies and measures aimed at reducing greenhouse gas emissions. An important aspect of the workshops was the interchange of ideas and information between governments (national, regional, and local), business representatives, and NGOs.

We were struck at both workshops by the wide range of policy instruments discussed, including: informational (e.g., education, labeling, audit assistance programs), fiscal instruments (e.g., taxes, tax credits), market instruments (e.g., emissions trading), regulatory instruments (e.g., appliance standards), research and development, voluntary programs, and government leadership initiatives.

We do not perceive the need for another PAMs workshop, especially given the extensive discussion and focus already committed to this issue in other international fora. The enormous scope of topics and wide variance in national circumstances and approaches presented at both Copenhagen workshops argues that any possible subsequent work on this issue (if requested and agreed upon by Parties) would benefit from a tight thematic focus — such as an exchange of information on diverse evaluation techniques for PAMs.

PAPER NO. 8: UZBEKISTAN

" The good practice " in policy and measures

(Item 6 of Summary table of upcoming deadlines for the submission of views by Parties)

To promote the further progress forward works concerning " good practice ", Uzbekistan proposes the following:

- we welcome the implementation by UNFCCC Secretariat of compilation of the information about policy and measures submitted by the Parties of the Annex 1 in their national communications.
- UNFCCC Secretariat should organize more widely meetings and seminars on "good practice" with attraction of the Parties of Annex 1 and Parties non-included in Annex 1. In such meetings the Party of Annex1 as developed countries can represent their reports on "good practice " in policy and measures within the framework of an exchange of experience and information.
- to support by all Parties the information interchange on a technological level, considering their national circumstances.
