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## **Subsidiary Body for Scientific and Technological Advice**

**Forty-first session**

**Lima, 1–6 December 2014**

Item 9(a) of the provisional agenda

**Impact of the implementation of response measures**

**Forum and work programme**

## **Subsidiary Body for Implementation**

**Forty-first session**

**Lima, 1–8 December 2014**

Item 14(a) of the provisional agenda

**Impact of the implementation of response measures**

**Forum and work programme**

# **Synthesis paper on the work of the forum on the impact of the implementation of response measures**

**Note by the secretariat**

### *Summary*

This paper presents a synthesis of options that the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation may wish to consider on how to take forward the work on the impact of the implementation of response measures. It draws on views and information provided by Parties and relevant organizations in submissions to the secretariat, presentations and statements, and their review of the work of the forum. The synthesis concludes with suggestions drawn from this information about possible areas of future work.

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## I. Introduction

### A. Mandate

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), at their fortieth sessions, invited Parties, experts, practitioners and relevant organizations to submit to the secretariat, by 22 September 2014, their views on options to strengthen opportunities for cooperation and collaboration among Parties related to the forum and work programme on the impact of the implementation of response measures. They requested the secretariat to prepare a technical paper on areas of convergence related to areas of cooperation, as well as a synthesis paper, both based on the reports on the work of the forum,<sup>1</sup> the submissions, presentations and statements made and the review of the work of the forum, for consideration at SBSTA 41 and SBI 41, without prejudice to the consideration by the Conference of the Parties (COP) referred to in paragraph 2 below.<sup>2</sup>

2. The SBSTA and the SBI took note of the submissions made by Parties of proposals regarding a draft decision to take the work forward<sup>3</sup> and agreed to forward them for consideration at SBSTA 41 and SBI 41, with a view to providing recommendations for consideration at COP 20.<sup>4</sup>

### B. Scope of the note

3. This paper contains a synthesis of information on the work of the forum on the impact of the implementation of response measures contained in the five submissions received from Parties<sup>5</sup> and the three submissions from relevant organizations.<sup>6</sup> Information is also drawn from the reports on the work of the forum, presentations<sup>7</sup> and statements made and the review of the work of the forum.

### C. Possible action by the subsidiary bodies

4. The SBSTA and the SBI may use this synthesis paper as background material when considering how to take forward the work on the impact of the implementation of response measures.

<sup>1</sup> FCCC/SB/2013/INF.2, FCCC/SB/2013/INF.3, FCCC/SB/2013/INF.4, FCCC/SB/2013/INF.8, FCCC/SB/2013/INF.9, FCCC/SB/2013/INF.10 and FCCC/SB/2013/INF.11.

<sup>2</sup> FCCC/SBI/2014/8, paragraph 180, and FCCC/SBSTA/2014/2, paragraph 101.

<sup>3</sup> The submissions are contained in annex II to document FCCC/SB/2014/L.2.

<sup>4</sup> FCCC/SBI/2014/8, paragraph 181, and FCCC/SBSTA/2014/2, paragraph 102.

<sup>5</sup> The submissions received during SBSTA 40 and SBI 40 on the review of the work of the forums are not included here to avoid duplication, because they are included later in this paragraph.

<sup>6</sup> The submissions from Parties are published at <http://www4.unfccc.int/submissions/SitePages/sessions.aspx?showOnlyCurrentCalls=1&populateData=1&expectedsubmissionfrom=Parties&focalBodies=SBI>; submissions from observer organizations are available at [http://unfccc.int/documentation/submissions\\_from\\_observers/items/7481.php](http://unfccc.int/documentation/submissions_from_observers/items/7481.php).

<sup>7</sup> All reports and presentations are made available at [http://unfccc.int/cooperation\\_support/response\\_measures/items/7418.php](http://unfccc.int/cooperation_support/response_measures/items/7418.php).

## II. Background and synthesis approach

5. The COP, by decision 8/CP.17, adopted a work programme on the impact of the implementation of response measures (hereinafter referred to as the work programme) and modalities for its operationalization, under the SBSTA and the SBI, with the objective of improving the understanding of the impact of the implementation of response measures in eight areas.<sup>8</sup>

6. The COP, by the same decision, established a forum on the impact of the implementation of response measures, to be convened by the Chairs of the subsidiary bodies, to implement the work programme.<sup>9</sup>

## III. Synthesis of submissions/views/information

### A. Synthesis of the work of the forum

#### 1. Area a: Sharing of information and expertise, including reporting and promoting understanding of positive and negative impacts of response measures

7. A number of Parties and experts argued that this area of work was central to the task of the forum. They see the forum as an opportunity for exchanges on best practices, challenges and actual experience with the impacts of response measures, referring back to decision 8/CP.17, which gives reference to the objective of the work programme as improving the understanding of the impact of the implementation of response measures. The types of information and expertise that several Parties envisioned as appropriate to share in the forum setting included:

- The impacts, both positive and negative, on different economic sectors and social groups, of various response measures taken by developed country Parties;
- Alternative policies and implementation approaches that might have lower negative impacts on developing countries;
- Adaptive initiatives to assist the developing countries to cope with the unavoidable adverse effects of response measures taken by developed country Parties, including measures to boost economic diversification efforts.

8. A number of Parties focused on reporting in the context of this area of the work plan of the forum. Some developed country Parties noted that their reporting obligations on the subject of the impacts of the implementation of response measures included reporting in both their annual inventory reports and in their national communications. They suggested that, in light of the scarcity of resources, any reporting requirements related to response measures should be streamlined (that is, mainstreamed into existing reporting requirements) and made effective. Some also suggested that it would be useful to have reporting from developing country Parties on the actual impacts of the implementation of response measures, and on the measures being taken to either reduce vulnerability or adapt to impacts arising from the implementation of response measures. Such reports could serve as the basis for understanding what sorts of cooperative efforts might be made to ameliorate those impacts.

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<sup>8</sup> Decision 8/CP.17, paragraphs 1 and 2.

<sup>9</sup> Decision 8/CP.17, paragraphs 3 and 4.

9. Some Parties suggested that the existing reporting guidelines for developed country Parties in this area could be improved to be more specific. They noted that the existing reporting was somewhat heterogeneous, indicating different understandings of the actual reporting obligations. It was therefore proposed by some that more concrete guidance on reporting might be helpful to the reporting Parties and as a foundation to substantive progress in the forum. Some noted further that the appropriate point to discuss policies was at the stage of design, suggesting a role for the forum that might in some cases go beyond taking note of reporting via greenhouse gas (GHG) inventories and national communications.

## **2. Area b: Cooperation on response strategies**

10. It was noted for this area that climate change is an issue of the global commons which demands a multilateral and regional as well as a national response. However, it was also emphasized that existing rules should not be rewritten.

11. Several presenters during the in-forum workshop proposed that the scope of the discussion on this area of the forum should:

- Ensure fulfilment of the various obligations that gave rise to the mandate of the work on the impact of the implementation of response measures contained in the Convention, the Kyoto Protocol and relevant COP decisions that gave rise to the mandate of the forum;
- Focus on cooperation that would fulfil the mandate of the forum, namely, taking concrete actions and activities to avoid or minimize the negative impacts arising from the implementation of response measures, and enhancing the positive effects of these impacts.

12. Discussions acknowledged that cooperation on the issue of the impact of the implementation of response measures is cross-cutting and relevant to all the other areas of the forum's work. Therefore, cooperation can create opportunities for all countries on, for example: enabling a just transition of the workforce, and the creation of decent work and quality jobs; fostering economic diversification; assessing and analysing the impacts of the implementation of response measures, etc. Therefore, the forum itself is an example of a productive and necessary cooperation on response measures.

13. The following examples of proactive cooperative actions were highlighted as effective opportunities to fulfil the mandate of the forum:

- Analysis of policies at the multilateral level;
- Sharing of best practices in areas such as economic diversification and just transition;
- Building capacity in developing countries to assess the impacts of policies and to implement adaptive responses including risk management;
- Sharing information on relevant and appropriate measures to avoid negative impacts and enhance positive effects;
- Providing support on technology transfer, financing and other means of capacity-building and on the implementation of actions related to negative impact of response measures.

## **3. Area c: Assessment and analysis of impacts**

14. It was noted that this area has close ties with other areas of the work programme. In this case there is some potential overlap with area e: Economic modelling and

socioeconomic trends. Following the discussions and presentations in the in-forum workshops, the appropriate division of focus between the two areas seemed to be that this area is concerned with the approach to assessment and analysis – the institutional questions, the questions of basic procedure and scope – while area e is concerned more with the techniques and tools for assessment and analysis.

15. The most basic question discussed was at what level/point the assessment and analysis would occur. One Party suggested that this would most appropriately take place at the domestic level in the country implementing the response measures and that, in fact, was already being systematically done. Others suggested that the appropriate focus of analysis and assessment needs to be at the international level, given the need for objective and multi-stakeholder discussions. In any case, the consensus seemed to be that efforts at assessment should be undertaken primarily by developed countries, while analysis should be a joint task of all Parties and should take place under the auspices of the Convention. In the discussions under area e, it was suggested that assessment and analysis of ex post impacts in developing countries should be conducted in those countries (but that capacity needed to be improved), while ex ante assessment and analysis of policy measures should be conducted by the implementing country under the auspices of international collaboration.

16. One organization noted the experience of the Trade Policy Review Mechanism of the World Trade Organization (WTO).<sup>10</sup> Established along with the WTO in 1995, this multilateral mechanism conducts periodic national-level critical reviews of policy, in which other Parties and observers are invited to participate.

17. A potential resolution to the question of where assessment and analysis should take place arose in further discussions, in which some Parties and experts suggested that there was a need to group response measures according to their qualities and potential impacts. It may be that some types of measures are less controversial and have fewer potential impacts, and therefore merit different treatment than others, including the assignment of where they should properly be assessed and analysed. Various taxonomies of measures were presented, including one that broke down response measures roughly as follows:

- Standards and regulations;
- European Union Emissions Trading System (EU ETS);
- Emissions trading schemes with imports included;
- Tariffs and surcharges on goods and services;
- Taxes and subsidies for the domestic sector;
- Public investment.

18. One expert argued that the forum should devote less time to “internal” measures such as EU ETS (without imports included), carbon taxes, public investment, domestic subsidies and regulations. Instead relatively more time should be developed to “external” measures that directly affect trade and investment flows, such as tariffs and surcharges on goods and services, standards and labelling. On the other side of this question, one organization presented extensive analysis of domestic regulations such as a carbon tax in Annex I Party countries, suggesting that under the assumptions used domestic regulations would have significant impacts on the economies of oil exporting nations.

19. Most Parties agreed that the assessment and analysis should take place both ex ante and ex post and that, whatever the proper place for initial assessment is, the discussion

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<sup>10</sup> See <[http://www.wto.org/english/tratop\\_e/tpr\\_e/tprm\\_e.htm](http://www.wto.org/english/tratop_e/tpr_e/tprm_e.htm)>.

based on that exercise should take place in the context of the forum or some UNFCCC venue with a similar mandate. The relationship between such an exercise and the reporting requirements was also noted. It was emphasized that if reporting is standardized and accurate it is much more straightforward to have systematic analysis and assessment of the policies in question. One Party, echoed by others in a similar vein, suggested that the UNFCCC exercise should involve:

- Ex ante assessment of policies in developed countries, seeking to quantify economic, social and environmental costs and benefits, thus identifying less harmful options;
- Ex post assessments of the social, environmental and economic costs and benefits of response measures for developing countries;
- Dissemination and discussion of findings and the identification of ways to help affected sectors and countries.

20. Several Parties mooted the idea of a web-based platform in which to deposit the findings of such an exercise, and the reports of on-the-ground impacts of response measures in developing countries.

21. Several Parties stressed that positive impacts, as well as negative ones, should be central to the remit of any assessment and analysis exercise. One Party noted that many international organizations are already engaged in generating estimates of the benefits of various types of climate mitigation policies, and that their results would be useful input for the process.

#### **4. Area d: Exchanging experience and discussion of opportunities for economic diversification and transformation**

22. The foundation for the discussions in this area, and for any ongoing work in the context of the obligations of Parties, is the fact that those countries with an over-dependence on narrow baskets of exports, and whose exports are vulnerable to the impacts of response measures, are the most susceptible to negative economic and social impacts. It was noted that many developing country oil and gas exporters, in particular, face this situation. This dependency on narrow export streams engenders vulnerability to response measures in developed country markets. But the problem is wider than that, and data were presented to show that there is a similar need for attention to be paid to countries that are also over-dependent on tourism and/or on energy-intensive trade-exposed goods such as steel, cement and some chemicals.

23. As such, a clear area of focus for the Parties is how those vulnerable countries might be sheltered from the impacts of response measures through economic diversification. As one Party noted, economic diversification was defined in a 2003 workshop on that subject as:

- A process in which a growing range of economic output is produced;
- The diversification of markets for exports or the diversification of income sources away from traditional domestic economic activities.

24. A basic question debated by the Parties was the delineation of appropriate responsibility in addressing this area of work. Most Parties agreed that while there was a clear and important facilitative role at the international level, the actual task of creating and administering programmes for economic diversification had to happen at the national level.

25. The role for international cooperation in the context of the forum (or some other body with a similar mandate) was seen as being fourfold:

- A search for best practices and experiences of countries that have successfully diversified their economies;
- The identification of non-domestic barriers to economic diversification, such as trade barriers;
- The identification of ways in which the international community could facilitate increased foreign investment to non-traditional sectors;
- The facilitation of assistance, in the form of technology transfer, technical assistance and financial support, for the difficult task of diversification.

26. The work at the international level would thus build on, and at the same time facilitate, the work at the national level.

27. Parties agreed that economic diversification would need to be specifically tailored to the unique national circumstances in each different context – the solutions to the challenge of economic diversification differ widely. Some participants noted that any successful economic diversification would go beyond insulating economies from the impacts of response measures and include lowering vulnerability to the impacts of climate change. It was noted that economic diversification would achieve a number of other nationally enunciated objectives and the broader process of sustainable development.

28. Some Parties suggested that among the first tasks should be the identification of the specific sectors and countries that are most at risk. This process of identification will benefit from the forum areas on economic modelling and socioeconomic trends.

29. Other participants suggested that there exist a number of intergovernmental organizations, primary among them the various development banks, which have deep expertise in helping countries achieve economic diversification. Therefore, it was agreed that any effective efforts under the Convention would need to be aware of the work of other organizations, and endeavour to collaborate with them.

## **5. Area e: Economic modelling and socioeconomic trends**

30. Many Parties acknowledged that area e: Economic modelling and socioeconomic trends is one of the key areas of the work programme, on which other efforts under the forum depended. One Party noted that economic modelling is needed in order to allow “full considerations of what actions are necessary under the Convention to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures”. The need for quantitative results of modelling to be accompanied by qualitative assessment in different work areas of the programme was mentioned.

31. The discussion on how modelling could serve the purposes of the Parties in some cases mirrored that in area c of the work programme namely, assessment and analysis of response measures. It was agreed that both ex post and ex ante assessment was necessary. And, as mentioned in paragraphs 14–21 above, the question arose as to where the actual analysis and assessment would take place. That discussion does not need to be repeated here in detail, but briefly, for the most part Parties in vulnerable countries argued that ex post modelling of impacts should take place in the country of impact, while Parties in the implementing countries argued that ex ante modelling of impacts should take place in the countries whose policies were being assessed.

32. Many developing country Parties noted the need for technical and financial assistance to improve their national capacity for modelling the impacts of response measures. They pointed to a lack of experienced modellers, a lack of capable institutions



and a lack of regionally disaggregated models to capture the unique circumstances and dynamics of the individual countries under assessment.

33. The need for improvement of the models was an overall theme, and there was agreement that this was an important role for international cooperation. There are many existing modelling efforts, but their results vary widely, depending on the scope of the model. One Party argued that it would be wise to involve international science-based institutions with expertise in this area to help refine the modelling efforts. The Intergovernmental Panel on Climate Change was mentioned as a candidate in this respect, as was the Energy Modelling Group.

34. Several expert presenters noted that, irrespective of the specifications of the models and the differences in national circumstances, the results showed that fossil fuel exporters as a group would be the most severely impacted by response measures taken in developed country markets.

35. It was noted by some presenters that it would be important to model both the negative and positive impacts of response measures. If this were done at the level of the implementing country on an ex ante basis, for example, it could help determine which climate mitigation options have the most attractive co-benefits for those countries that might be negatively affected by the measures in question.

**6. 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**

36. One Party carefully outlined what the following decisions under the Convention and the obligations under the Kyoto Protocol entailed and stressed that it was necessary to distinguish between the two types of obligations.

37. Decision 1/CP.10, in its chapter II (Impact of the implementation of response measures), calls for a number of meetings and reports that have since taken place. In addition, paragraph 18 of this decision requests Annex II Parties to provide detailed information, including in their national communications, on progress made on support programmes to meet the specific needs and circumstances of developing country Parties arising from the impact of the implementation of response measures.

38. Decision 1/CP.13 launched a comprehensive process (vested in the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (AWG-LCA)) that addressed, inter alia (para. 1(b)(vi)): “Enhanced national/international action on mitigation of climate change, including, inter alia, consideration of...economic and social consequences of response measures”.

39. Decision 1/CP.16 affirmed a number of existing obligations and decided to provide a forum on the impact of the implementation of response measures. It also decided (para. 92):

“... that Parties should cooperate fully to enhance understanding of the economic and social consequences of response measures, taking into account the need for information from those affected, and evidence of actual impacts, and of both positive and negative effects; and further decided to consider how existing channels, such as national communications, including the possible submission of supplementary information, as considered by the SBI, could be improved and built upon”.

40. Article 2, paragraph 3, of the Kyoto Protocol mandated that Annex I Parties:

“... shall strive to implement policies and measures under this Article in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9, of the Convention...”

41. And Article 3, paragraph 14, of the Kyoto Protocol mandated that Annex I Parties:

“...shall strive to implement the commitments mentioned in paragraph 1 above in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention”.

42. Some Parties argued that the full implementation of the above decisions and textual obligations is still in progress outside the work of the forum, and is only partially fulfilled. They pointed, for example, to the gaps in fulfilling obligations related to:

- Reporting on the efforts of Annex II Parties to support Parties impacted by the implementation of response measures (as mandated in decision 1/CP.10);
- Improving channels for the submission of supplementary information (as mandated in decision 1/CP.16);
- The then ongoing work in AWG-LCA with respect to the obligations under decision 1/CP.13.

43. Again with respect to reporting obligations, some Parties highlighted unfulfilled reporting obligations under decision 15/CMP.1 (on reporting with respect to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol) and under decision 31/CMP.1 (on developing guidelines for such reporting).

44. It was suggested that the role of the forum in this area of work was to assess the magnitude and character of these gaps in implementation. There is, it was argued, a great deal of unfinished business outside the work of the forum in addressing those gaps. A recommendation to establish a formal review process on this impending work was suggested.

45. Other Parties argued that the COP had, by dint of decision 8/CP.17, decided that all the various discussions and ongoing work related to the impacts of the implementation of response measures would be rolled into the forum as a single focus. They argued that AWG-LCA was soon winding up and with it the mandate of decision 1/CP.13, and that reporting obligations, while they could be improved, were clear and that practice in this area was improving. They were not opposed to the idea of a review mechanism, but were of the opinion that any such mechanism should be solely within the work area outlined by the forum’s terms of reference, and that it should be assessing progress made within the forum. They further argued that, in any case, all of the elements contained within the purview of such a review were already being discussed in other areas, both within the forum’s terms of reference and in other bodies (such as the work of the SBI on reporting requirements).

**7. Area g: Just transition of the workforce, and the creation of decent work and quality jobs**

46. All Parties agreed that there could be substantial impacts on employment, with attendant economic and social impacts, resulting from both climate change and the impacts of the implementation of response measures needed to avoid climate change. Those people caught in the dynamic destruction and creation that accompanies such changes, and the impacts they feel, will differ depending on the unique circumstances of the country in question. But all countries will share the need to successfully manage the transition to

ensure that workers do not unduly suffer in the process. Developing countries face the most significant challenges, due to relatively weaker institutions and a large and rising youth population looking for work.

47. Parties also agreed that national experiences could be valuable as best practice guides to how to manage the transition. Participants felt that a number of measures would be needed at the national level to ensure that the transition is well managed. One organization suggested the following actions:

- Social dialogue among all concerned stakeholders;
- Skills development for green jobs and retraining;
- Green enterprise development;
- Active labour policies;
- Provision of social protection.

48. Other Parties recounted the initiatives they have taken at the national level to help manage the transition in a just manner, to avoid negative impacts on workers and the poor.

49. As to what the forum might do in this area, several Parties advocated for the support of Annex I Parties for efforts to effect a just transition, such as seeking financial support, technical support and human resources. Parties agreed that best practice reviews of policy would be useful. One presenter suggested that partnership with the International Labour Organization was warranted, as that organization was working directly on these issues.

#### **8. Area h: Building collective and individual learning towards a transition to a low greenhouse gas emitting society**

50. The discussion in this area was hampered to some extent by debate over the definition of a “low GHG emitting society” – a term that is never used in the texts of either the Convention or the Kyoto Protocol. It is in decision 1/CP.16, paragraph 10, that the COP noted that:

“... addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs”.

51. Even in the absence of an agreed definition, most Parties managed to proceed to a good level of discussion. It was noted that, as in other areas of the work programme, in this area the forum should be used as a platform for sharing information and expertise in an interactive manner. Indeed, a number of countries took the opportunity to present the efforts and results of their national-level policies towards a transition to a low GHG emitting society. A number of excellent examples were provided by delegates whose governments were in the process of moving to a low GHG emitting society, and by those that had studied the policies of such governments.

52. Some Parties alluded to the need for formal efforts targeting education to build learning in domestic audiences, and offered examples from their national experience on how this could be done.

## **B. Synthesis of the review of the work of the forum**

53. The review of the work of the forum was concluded through the compilation of the submissions of the Parties.<sup>11</sup> It was noted that the forum has proved to be useful for exchanging experience and knowledge among Parties, experts, observer organizations and civil society. The consolidation of all discussions on response measures in one forum was also appreciated by some Parties. However, it was acknowledged that there are aspects that could be improved upon, including:

- The sharing of information – some of the elements were not sufficiently clear and therefore discussions at times did not provide enough insight on issues, while in other instances Parties were able to identify areas of convergence and divergence;
- The taking of specific actions to address implementation gaps to avoid and minimize negative economic and social consequences of response measures;
- The overlap in content among several items of the work programme;
- Duplicated discussions with other international institutions.

54. The following are the various recommendations regarding possible improvement of the work on response measures to:

- Continue the forum to enable the sharing experiences, information and lessons learned, under a targeted work programme;
- Establish a mechanism for enhanced action on response measures, which will facilitate the implementation of enhanced action to address the negative social and economic consequences of response measures taken by developed country Parties on developing country Parties;
- Consolidate all discussions and negotiations of response measures in the forum;
- Streamline the work based on the interests and concerns of all Parties, with a particular focus on the interests and concerns of developing country Parties;
- Focus on both positive and negative impacts;
- Adopt a dialogue process instead of the forum in order to change the mode of work to focus on the substance of the issue;
- Focus on technical aspects that help addressing concrete issues;
- Increase the involvement of relevant international organizations;
- Change the frequency of meetings;
- Regularly review the work on response measures.

## **C. Synthesis of the submissions on options to strengthen opportunities for cooperation and collaboration among Parties**

55. In total, eight submissions were received, of which five were from Parties and regional groups and three were from observer organizations.

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<sup>11</sup> The compilation of views on the review.

56. Parties suggested in their submissions the following areas of cooperation and collaboration related to the impact of the implementation of response measures that need to be strengthened:

- Economic diversification and transformation including modelling, studies and methodologies, case studies, best practices, multilateral and bilateral assistance and ways of boosting foreign direct investment in non-traditional sectors, benefits to workers, private sector development and engagement in emerging economic segments, as well as analysis of costs of clean technologies and adjustment of policies;
- Research on assessment and analysis of how to address the impact of the implementation of response measures, including sharing information, best practices and expertise, tools, methodologies and models, etc.;
- The understanding and assessment of the impact of the implementation of response measures, including in the areas of food security, water availability, energy access, health, gender, etc.;
- Collaboration on just transition of the workforce and the creation of decent work;
- Cooperation to enhance the reporting of Annex I Parties, including through the development of specific guidelines;
- Multilateral solutions, in opposition to unilateral measures;
- Support from developed countries in terms of transfer of technology, financial resources and capacity-building to developing countries;
- The sharing of information on relevant progress made in other forums.

#### **IV. Issues for further consideration**

57. The objective of the forum, as given in decision 8/CP.17, is to “improve the understanding of the impact of the implementation of response measures” in the eight areas of work elaborated above. The forum was established in response to “Parties’ repeated calls for a continued and structured exchange of information on both the positive and negative consequences of response measures and on ways to maximize the positive and minimize the negative consequences for Parties...”.

58. In their discussions and submissions Parties indicated their appreciation of the value of the forum. Taking this into consideration, it is possible to anticipate some elements of the work that the forum will undertake in future.

59. This synthesis offers some guidance on the possible work of the forum. Four areas stand out as deserving particular attention:

- The improvement of reporting guidelines on response measures;
- The assessment and analysis of the impacts of response measures;
- Economic diversification and transformation;
- Just transition of the workforce, and the creation of decent work and quality jobs.

60. Improving the reporting guidelines on response measures seemed to be a cross-cutting issue that touched many of the areas of work, because reporting constitutes the foundation of good analysis, which in turn is the foundation of good policy. In discussions on area f, the lack of adequate guidance on reporting was raised repeatedly as an unfinished

piece of business and an obstacle to progress on a number of fronts in addressing the impacts of the implementation of response measures.

61. Several countries expressed a strong preference, across several areas of discussion, for multilaterally agreed solutions over unilateral ones. This line of argument suggests some possible roles for the forum in fostering discussions on the implementation of response measures. As an inherently multilateral institution, the forum might help to ensure that any response measures are the product of multi-party consideration, or even guidance on best practice.

62. There were at least two areas of discussion that seemed to need the forum to act as a sort of repository for best practices:

- Efforts in economic diversification to reduce vulnerability to the impacts of the implementation of response measures;
- Efforts in achieving a just transition to a low GHG emitting society.

63. There seemed to be agreement among a large number of Parties that it was useful to have a space in which to conduct general reviews of the progress of implementation of commitments with respect to the impacts of the implementation of response measures (as per area f). While some Parties contended that their own assessment was that all commitments had been fulfilled, that argument does not preclude in-forum work to validate (or question) their claims. In fact, it seems likely that such a review would turn up little of note, particularly if the forum works on resolving the issues with respect to reporting obligations.

64. This area of work might also review the state of finance provided to developing country Parties by Annex B Parties to the Kyoto Protocol, as per the reporting guidelines, tracking its progress and adequacy.

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