

## DRAFT TEXT

on

### SBSTA 57 agenda item 12

### SBI 57 agenda item 20

## Matters relating to the forum on the impact of the implementation of response measures serving the Convention, the Kyoto Protocol and the Paris Agreement

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1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) convened a meeting of the forum on the impact of the implementation of response measures.
2. [The same as para. 2 of the decision text on conclusion of the annual report]
3. [the same as para.10 of the decision text on GST]
4. [Placeholder for ways to promote action to minimize the adverse impacts and maximize the positive impacts of the implementation of response measures on the recommendations contained in annex I to decisions 19/CP.26, 7/CMP.16 and 23/CMA.3]
5. [the same as para. 12 of the decision text on mid-term review]
6. [the same as para. 13 of the decision text on mid-term review]
7. [the same as para. 14 of the decision text on mid-term review]
8. [the same as para. 15 of the decision text on the review in 2023]
9. The SBSTA and the SBI recommended a draft decision on this matter for consideration and adoption by the COP 27, CMP 17 and CMA 4 (November 2022) (for the text of the draft decision, see document FCCC/SB/2022/L.~~X~~/Add.~~X~~).

### Draft decision -/CP.27/-CMP.17/-CMA.4

## Matters relating to the forum on the impact of the implementation of response measures

*The Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,*

*Recalling decisions 7/CP.24, 3/CMP.14, 7/CMA.1, 4/CP.25, 4/CMP.15, 4/CMA.2, 19/CP.26, 7/CMP.16 and 23/CMA.3,*

1. *Welcome* the Katowice Committee on Impacts of the implementation of response measures annual reports 2019<sup>1</sup> and 2021–22.<sup>2</sup>
2. *[Take note of the conclusion of consideration of the Katowice Committee on Impacts of the implementation of response measures annual reports 2019 and 2021–22 by the forum on the impacts of the implementation of response measures]*
3. *Adopt* the recommendations forwarded by the forum contained in sections I–VI below, pertaining to:
  - (a) Lessons learned and best practices from analysis and assessment of positive and negative impacts of the implementation of response measures by Parties;
  - (b) Activities 2, 3, 4, 5 and 11 respectively of the workplan of the forum and its KCI.<sup>3</sup>

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<sup>1</sup> Document KCI/2019/2/4.

<sup>2</sup> Document FCCC/SB/2022/6.

<sup>3</sup> Contained in annex II to decisions 4/CP.25, 4/CMP.15 and 4/CMA.2.

4. *Invite* Parties [, observers organizations] and stakeholders to implement the recommendations [therein] [in sections I–VI below] [, as applicable].

5. *Request* the forum and its KCI and the secretariat to implement the recommendations [in sections I–VI below] [, as applicable].

6. *Appreciate* the progress of the Katowice Committee on Impacts in supporting the work of the forum on the impact of the implementation of response measures.

7. *Welcome* the informal notes prepared by the Chairs of SBSTA and SBI for the workshops held in conjunction with SB 56 on workplan activities 3, 4, 9 and 11.

8. *Also appreciate* the technical session on implementing activities 5 and 11 of the workplan and *express* their gratitude to the experts contributing to the work of the forum and its KCI.

9. *Also express* their gratitude to the Government of Antigua and Barbuda, the Government of Senegal, the International Labour Organization and the United Nations Development Programme for their in-kind, financial, administrative and substantive support that contributed to the success of the regional workshops, held on 20–22 April 2022 in St. John's, Antigua and Barbuda and on 21–23 September 2022 in Saly, Senegal, on activity 3 of the workplan.

10. [Option 1 for 10: Request, recalling relevant decisions, the secretariat to update the compilation of submissions from the Parties and observers on efforts related to addressing the social and economic consequences and impacts of response measures, and the KCI to prepare by ### , with the assistance of the secretariat, a synthesis report reflecting the work of the forum and its KCI as input to the technical assessment component of the global stocktake]

[Option 2 for 10: Welcome the synthesis report reflecting the work of the forum and its KCI as input to the technical assessment component of the global stocktake]

[Option 3 for 10: Encourages, recalling decision 19CMA.1 and 4/cma2, Parties to submit views on efforts related to addressing the social and economic consequences and impacts of response measures via the submission portal by Feb 2023 and request the secretariat to prepare and submit a compilation of the submissions from the Parties as input to the global stocktake]

[Option 4 for 10: *Welcome* the synthesis report reflecting the work of the forum and its KCI as input to the technical assessment component of the global stocktake, *request*, recalling relevant decisions, the secretariat to update the compilation of submissions from the Parties and observers on efforts related to addressing the social and economic consequences and impacts of response measures, and the KCI to prepare by ### , with the assistance of the secretariat, a synthesis report reflecting the work of the forum and its KCI as input to the technical assessment component of the global, and *Encourages*, recalling decision 19CMA.1 and 4/cma2, Parties to submit views on efforts related to addressing the social and economic consequences and impacts of response measures via the submission portal by Feb 2023 and request the secretariat to prepare and submit a compilation of the submissions from the Parties as input to the global stocktake]

[option 5 for 10: no text]

11.

12. [Take note of the [range of views expressed for the midterm review and welcome] [SBSTA and SBI ]concluding the midterm review of the workplan of the forum and its KCI with a view to enhancing effectiveness of the forum. ]

13. [Option 1 for 13 and 14: Note the range of views expressed for the midterm review and *request* the forum and its KCI to take into account the following aspects in the implementation of the workplan:

(a) Cross-cutting issues such as gender equality, knowledge from local community and indigenous people, best available science (including from IPCC and other reports),

climate justice and equity, human rights, in line with common but differentiated responsibilities;

(b) Regional concerns and needs;

(c) [Develop indicators to track and report on the impacts of implementation of the forum's workplan].

14. *Also note* that the midterm review revealed that some Parties considered that for the forum to be effective it ought to include other modalities and activities:

(a) Conduct regional workshops in developing countries to address gaps in developing tools and methodologies to assess and address the impacts of response measures;

(b) Develop case studies focusing on different regions, countries and sectors to assess and address the impacts of response measures;

(c) Conduct hands-on training for experts in developing countries to address gaps and challenges related to assessing and addressing the impacts of response measures;

(d) Expand the number of days allocated for KCI meetings to at least four, understanding the time constraints faced in carrying out the work of and mandates to the KCI and the developments in climate change discussions and to address the high level of ambition;

(e) Conduct intersessional KCI meetings with understanding of the capacity constraints and challenges facing experts from developing countries when meetings are conducted in conjunction with meetings of the subsidiary bodies and governing bodies;

(f) Linkage with other matters such as [Glasgow Climate Pact,] article 6, paragraphs 2 And 4, of the Paris Agreement, mitigation work programme, new collective quantified goal on climate finance, temperature goal of the Paris Agreement, and long-term finance, and policy issues of concerns to Parties (including cross-border impacts, carbon border adjustment mechanism, trade issues);

(g) Facilitate the development of the Just transition hub/platform for the exchange of experiences, best practices, case studies, in the view of establishing a working mechanism;

(h) [Build awareness about the positive impacts and co-benefits associated with accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies, while providing targeted support to the poorest and most vulnerable in line with national circumstances, recognizing the need for support towards a just transition.]]

[Option 2 for 13 and 14 (merged): Decide to include the following activities in the workplan of the forum and the KCI with a view to enhance effectiveness:

(a) Conduct regional workshops in developing countries to address gaps in developing tools and methodologies to assess and address the impacts of response measures;

(b) Develop case studies focusing on different regions, countries and sectors to assess and address the impacts of response measures;

(c) Conduct hands-on training for experts in developing countries to address gaps and challenges related to assessing and addressing the impacts of response measures;

(d) Expand the number of days allocated for KCI meetings to at least four, understanding the time constraints faced in carrying out the work of and mandates to the KCI and the developments in climate change discussions and to address the high level of ambition;

(e) Conduct intersessional KCI meetings with understanding of the capacity constraints and challenges facing experts from developing countries when meetings are conducted in conjunction with meetings of the subsidiary bodies and governing bodies;

(f) Linkage with other matters such as Glasgow Climate Pact, article 6, paragraphs 2 And 4, of the Paris Agreement, mitigation work programme, new collective

quantified goal on climate finance, temperature goal of the Paris Agreement, and long-term finance, and policy issues of concerns to Parties (including cross-border impacts, carbon border adjustment mechanism, trade issues);

(g) Facilitate the development of the Just transition hub/platform for the exchange of experiences, best practices, case studies, in the view of establishing a working mechanism.

[Option 3 for 13 and 14: text in the conclusions]

15. [Option 1 for 15: *decide* that the elements included in the annex shall be considered while conducting the review of the functions, work programme and modalities of the forum starting at SB 58 ][Invite Parties and observers to submit via the submission portal by April 2023 their views and guiding questions as element of the review of the functions, work programme and modalities of the forum and request the secretariat to prepare the summary of the submissions and Parties discussion of the review starting at SB 58 and conclude it at SB 59 shall be based on the summary of the submission]

[Option 2 for 15: no text]

16. *Take note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraph 3 above.

17. *Request* that the actions of the secretariat called for in this decision to be undertaken subject to the availability of financial resources.

## **II. Lessons learned and best practices from analysis and assessment of positive and negative impacts of the implementation of response measures by Parties**

18. *Encourage* Parties to consider:

(a) Developing methodologies and tools, including modelling tools, for the assessment and analysis of the impacts of the implementation of response measures in consultation with technical experts, practitioners and other relevant stakeholders, as appropriate;

(b) Building capacity for development and deployment of methodologies and tools, in particular of developing country parties, to inform and support national climate change mitigation and sustainable development priorities and policies;

(c) Developing more national, regional and sector-specific case studies involving the assessment and analysis of the impacts of the implementation of response measures to enable an exchange of experience among Parties.

## **III. Activity 2<sup>4</sup> of the workplan**

19. *Encourage* Parties to invest in the early planning of just transition policies that are inclusive and based on stakeholder engagement.

20. *Encourage* countries at very low levels of economic development to focus on establishing strong economic foundations before attempting to undertake economic diversification.

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<sup>4</sup> Identify country-driven strategies and best practices on just transition of the workforce and creation of decent work and quality jobs and on economic diversification and transformation focusing on challenges and opportunities from the implementation of low greenhouse gas emission policies and strategies towards the achievement of sustainable development.

21. *Request* the secretariat, while noting that national circumstances differ, to conduct peer-to-peer learning, where possible, to facilitate planning and implementation of effective policies.

#### **IV. Activity 3<sup>5</sup> of the workplan**

22. *Encourage* Parties to:

(a) Consider the availability of country-level expertise, training, support and consultancy services when selecting a tool or methodology for assessing the impacts of the implementation of response measures;

(b) Invest in data collection in line with national and international standards (for example, the United Nations System of National Accounts or the System of Environmental-Economic Accounting);

(c) Establish capacity-building partnerships and networks for increasing the representation of developing countries in the use and development of impact assessment tools and methods for assessing the impacts of the implementation of response measures;

(d) Consider both qualitative and quantitative methods for assessing the impact of the implementation of response measures.

23. *Request* the forum and its Katowice Committee on Impacts to:

(a) Facilitate the enhancement of the capacity of Parties, in particular developing country Parties, to develop and use impact assessment methodologies and tools for conducting their own assessments and analyses of the impacts of response measures, including on decent work and quality jobs, and economic, social, environmental, domestic, cross-border, positive and negative impacts. This includes facilitating the development of case studies as appropriate and the organization of targeted regional hands-on training workshops;

(b) Develop and maintain a web-based user interface for selecting tools and methodologies and promote its use among Parties and stakeholders, as appropriate. A user manual for the interface could also be developed.

24. *Also request* the secretariat to regularly update the existing database of tools and methodologies suitable for assessing the impacts of the implementation of response measures, as needed and as appropriate.

#### **V. Activity 4<sup>6</sup> of the workplan**

25. *Encourage* Parties to:

(a) Foster international cooperation to identify and share best practices and experience of countries that have successfully diversified their economies;

(b) Identify barriers, domestic and non-domestic alike, as well as ways in which the international community could facilitate the sustainable economic development of all Parties.

26. *Request* prioritization of the developing and sharing of case studies by Parties and experts, in particular on developing country Parties, on both just transition and economic

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<sup>5</sup> Facilitate the development, enhancement, customization and use of tools and methodologies for modelling and assessing the impacts of the implementation of response measures, including identifying and reviewing existing tools and approaches in data-poor environments, in consultation with technical experts, practitioners and other relevant stakeholders.

<sup>6</sup> Enhance the capacity and understanding of Parties, through collaboration and input from stakeholders, on the assessment and analysis of the impacts of the implementation of response measures to facilitate the undertaking of economic diversification and transformation and just transition.

diversification and transformation in order to understand the opportunities and challenges faced in their planning and implementation.

27. *Request* facilitation of the development of robust assessment tools and methodologies that can capture a range of multidimensional impacts of the implementation of response measures.

28. *Encourage* relevant agencies, financial institutions and UNFCCC constituted bodies to enhance support for addressing issues related to the assessment and analysis of the impacts of the implementation of mitigation actions, policies and programmes, including nationally determined contributions and long-term low-emission development strategies, with a view to addressing the adverse impacts and maximizing opportunities.

29. *Also encourage* relevant agencies to enhance and develop their existing training frameworks and modules on assessment and analysis so that they can be used for country-level training programmes and for developing impact assessment tools and methods.

## VI. Activity 5<sup>7</sup> of the workplan

30. *Encourage* Parties to:

(a) Promote partnerships in research and development, including identifying risks and opportunities, and peer-to-peer learning involving relevant national and international stakeholders from public and private sectors, as well as civil society, local communities and indigenous peoples, youth, workers and research and academia in new industries and businesses;

(b) Promote inter- and intracountry exchange of experience, best practices, research outcomes and learning on new industries and businesses, including by identifying relevant skills, making best use of existing knowledge and capabilities, and developing new skills through targeted training, retooling, retraining and reskilling;

(c) Explore new technologies, carbon capture, utilization and storage, hydrogen and artificial intelligence tools to maximize the positive and minimize the negative impacts of the implementation of response measures;

(d) Develop regulatory frameworks, as appropriate, for carbon capture, transport, utilization and storage, and hydrogen production, infrastructure and transport at the national, regional or global level, to explore the possibility of standardizing the design and application, as appropriate, while ensuring high safety standards;

(e) Remove barriers and strengthen policy support for carbon capture, utilization and storage to drive innovation and deployment to the scale-up, ensuring specific policy incentives critical to expanding the market frontier worldwide;

(f) Collaborate on methodologies for calculating life cycle greenhouse gas emissions from hydrogen production, as needed, and developing comprehensive and science-based terminology and relevant standards for hydrogen deployment to promote widespread adoption of the hydrogen economy, while also removing barriers.

31. *Also encourage* Parties, observer organizations and other relevant stakeholders to engage the private sector, including small and medium-sized enterprises, to facilitate the identification and exchange of experience and best practices to promote the creation of decent work and quality jobs in new industries and businesses.

32. *Further encourage* Parties and stakeholders to foster collaboration, undertake joint pilot activities and programmes, and share knowledge, lessons learned and best practices, including from governments, business communities, research and academia, artificial intelligence experts and civil society groups.

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<sup>7</sup> Build awareness and understanding of Parties and other stakeholders to assess the economic impacts of potential new industries and businesses resulting from the implementation of response measures with a view to maximizing the positive and minimizing the negative impacts of the implementation of response measures.

33. *Encourage* relevant stakeholders to undertake economic and financial analyses, including assessment of the diversification of investments and business models, for investment in the hydrogen economy, and to undertake scientific assessments to understand the national resource endowment potential for sustainable hydrogen production.

## **VII. Activity 11<sup>s</sup> of the workplan**

34. *Encourage* Parties to undertake more in-depth analysis on the impacts of response measures, quantifying the co-benefits for the response measures, categorizing where the co-benefits come from and who the beneficiaries of the co-benefits are, with a view to informing integrated climate actions.

35. *Request* the Katowice Committee on Impacts to enhance the capacity of Parties, in particular developing country Parties, to develop and use country-specific tools and methodologies for assessing the environmental, social and economic co-benefits of climate change policies and actions.

### ANNEX

- (a) Conduct regional workshops in developing countries to address gaps in developing tools and methodologies to assess and address the impacts of response measures;
- (b) Develop case studies focusing on different regions, countries and sectors to assess and address the impacts of response measures;
- (c) Conduct hands-on training for experts in developing countries to address gaps and challenges related to assessing and addressing the impacts of response measures;
- (d) Expand the number of days allocated for KCI meetings to at least four, understanding the time constraints faced in carrying out the work of and mandates to the KCI and the developments in climate change discussions and to address the high level of ambition;
- (e) Conduct intersessional KCI meetings with understanding of the capacity constraints and challenges facing experts from developing countries when meetings are conducted in conjunction with meetings of the subsidiary bodies and governing bodies;
- (f) Develop indicators to track and report on the impacts of implementation of the forum's workplan

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<sup>8</sup> Facilitate, exchange and share experiences and best practices in the assessment of the environmental, social and economic co-benefits of climate change policies and actions informed by the best available science, including the use of existing tools and methodologies.