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Cover Note for broad framework of technical paper on "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" (activity 4)

I. Background

1. The Conference of the Parties (COP) at its twenty-fifth session, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) at its fifteenth session, and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session agreed on workplan of the forum on impacts of the implementation of response measure (the forum) and its Katowice Committee on the Impacts of the Implementation of Response Measures (KCI).¹

2. Under activity 4 of the workplan of the forum and its KCI, the KCI is to implement this activity at its meetings held in conjunction with SB 52 and SB 63, using the modality of input from experts, practitioners and relevant organizations, and technical paper. KCI has published <u>a technical paper</u> as the outcome of implementing this activity beginning at SB52.² At KCI 8, members agreed on a strategy for implementing the activity at SB 63.³ At KCI 9, the KCI considered a draft broad framework for the second technical paper for this activity and decided to agree on it by 29 March 2024.

3. The open-ended working group led by the task lead, with the support of the secretariat and the consultant, prepared the broad framework of technical paper.

II. Scope of note

4. This cover note provides in its annex the broad framework of the technical paper.

III. Expected action by the Katowice Committee on Impacts

5. The KCI will be invited to hold a discussion on the broad framework of technical paper for implementation of the activity and agree on the broad framework of technical paper.

¹ <u>https://unfccc.int/documents/631350</u>

² <u>https://unfccc.int/documents/614633</u>

³ <u>https://unfccc.int/sites/default/files/resource/Meeting%20Report_KCI8_0.pdf#page=9</u>

Annex

Broad framework of technical paper on "enhance the capacity and understanding of Parties, through collaboration and input from stakeholders, on the assessment and analysis of the impacts of implementation of response measures to facilitate economic diversification and transformation and just transition"

Version 2.0

1 Procedural background

6. The COP, CMP and CMA each adopted their decisions on the functions, modalities and work programme for addressing the impacts of implementation of response measures at their sessions in Katowice, Poland in December 2018 (decision 7/CP.24, 3/CMP.14, 7/CMA.1). CMA, by its decision 7/CMA.1, established the KCI to assist the forum on the impacts of the implementation of response measures in implementation of its work programme. The forum which was established by the Conference of Parties (COP), deals with all issues related to the impacts of the implementation of response measures under the Convention, the Kyoto Protocol and the Paris Agreement (7/CP.24, 3/CMP.14).

7. These decisions agreed to the following functions of the forum:

(a) Provide a platform allowing Parties to share, in an interactive manner, information, experiences, case studies, best practices and views, and to facilitate assessment and analysis of the impact of the implementation of response measures, including the use and development of modelling tools and methodologies, with a view to recommending specific actions;

(b) Provide recommendations to the subsidiary bodies on the actions referred to in paragraph above for their consideration, with a view to recommending those actions, as appropriate, to 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 Parties Agreement;

(c) Provide concrete examples, case studies and practices, in order to enhance the capacity of Parties, in particular developing country Parties, to deal with the impact of the implementation of response measures;

(d) Address the effects of the implementation of response measures under the Convention, the Kyoto Protocol and the Paris Agreement by enhancing cooperation among Parties, stakeholders, external organizations, experts and institutions, by enhancing capacity and the understanding of Parties of the impacts of mitigation actions and by enabling the exchange of information, experience and best practices among Parties to raise their resilience to these impacts;

(e) Respond and take into consideration the relevant outcomes of different processes under the Paris Agreement;

(f) Promote action to minimize the adverse impacts and maximize the positive impacts of the implementation of response measures.

8. These decisions also agreed on the following four areas for the work programme for managing the impacts of the implementation of response measures:

(a) Economic diversification and transformation;

(b) Just transition of the workforce and the creation of decent work and quality jobs;

(c) Assessing and analysing the impacts of the implementation of response measures;

(d) Facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures.

9. In 2019, Parties agreed to a detailed workplan for implementation of the work programme which mandated the KCI to prepare the technical paper to "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".⁴

10. Pursuant to this decision, the KCI published <u>a technical paper</u> as the outcome of implementing this activity beginning at SB52⁵ and decided to develop another technical paper by SB 63 which will include and further develop various training materials/modules, with the aim to facilitate the development of tools and methodologies which can be used by various stakeholders including KCI and forum to conduct regional and in-person trainings to enhance capacity and understanding of Parties on the assessment and analysis of the impacts of the implementation of response measures.

2 Purpose

11. This broad framework supports development of a technical paper that aims to identify ways to enhance 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.

2.1 Objective

12. The overarching objective of the technical paper is to identify ways to enhance 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.

13. The technical paper aims to address the systemic, institutional, and human resource/skills gaps, needs and challenges related to assessment and analysis of the impacts of the implementation of response measures.

14. Cognizant of the diverse national circumstances and levels of development of different countries, a one-size-fits-all approach cannot be applied. Therefore, capacity building on understanding the impacts of the implementation of response measures (IIRM) must be country-driven and be informed by the specific needs and concerns of the countries, and should reflect the national climate action plans, imperatives, priorities, strategies, and initiatives such as nationally determined contributions and low emissions development strategies, and should build on existing capacities and processes.

15. For it to be sustainable, capacity building must not be a one-time-off activity but must be continuous, progressive, and iterative process that allows countries to maximize the positive and minimize the negative impacts of implementation of response measures. It should maximize synergies between the Convention, the Kyoto Protocol, the Paris Agreement and other global environmental and multilateral agreements, as appropriate, whilst promoting peer-to-peer learning between and among countries. Furthermore, for it to be comprehensive, different modules and training materials could be developed and implemented in a collaborative and integrated manner with appropriate stakeholders.

3 Approach for the capacity building technical paper

16. Using a modular approach and in collaboration with relevant stakeholders, various training modules will be developed, inter alia, tools and methodologies for assessment and analysis of impacts of the implementation of response measures, undertaking just transition and economic diversification and transformation.

⁴ <u>https://unfccc.int/documents/631350</u>

⁵ <u>https://unfccc.int/documents/614633</u>

17. An overview of the modules to be developed, (including short descriptions), and suggestions for potential organizations and agencies that could collaborate with the KCI and the secretariat to develop such training materials are included in the Appendix.

3.1 Potential role of UNFCCC secretariat

18. Consistent with the role of the secretariat as enshrined in the Article 8 of the Convention, Article 14 of the Kyoto Protocol and the Article 17 of the Paris Agreement, the secretariat may be requested by Parties to support capacity building as relevant to this technical paper.

Appendix

Main modules and target collaborators for building capacity on the assessment and analysis of the impacts of implementation of response measures to facilitate economic diversification and transformation and just transition

#	Modules	Short Description	Potential Collaborators
M1	Introductory Module	Covers the overview of response measures under the Convention, the Kyoto Protocol, and the Paris Agreement with the view to enhancing the understanding of underlying concepts.	- KCI with support of Secretariat and Consultants
M2	Cross-cutting Issues Module	This module will cover cross-cutting issues including (a) systemic capacity needs (e.g. legal, legislative, and/or regulatory frameworks), and (b) institutional capacity development and enhancement needs (e.g. for governance; data provision, storage and sharing; reporting; monitoring and evaluation; quality control and assurance; and stakeholder collaboration and engagement)	 KCI with support of Secretariat and Consultants Other constituted bodies, e.g. the ConsultativeGroup of Experts (CGE)
M3	Stakeholders Engagement Module	It will cover stakeholder participation with focus on private sector engagement in the design and implementation of just transition and the creation of decent and quality jobs, and economic diversification and transformation initiatives	 KCI with support of Secretariat and Consultants ILO ESCAP UNDP MercyCorps Swiss Agency for Development and Cooperation (SDC)
M4	Impact Assessment and Analysis Module	This module will address impact assessment and analysis, including tools and methodologies, including global and single-country macro- and micro-economic (static and dynamic) assessment and modelling tools, input-output models, use of systems of national accounts for economy-wide assessment, etc. With the output of the global model feeding into the single-country models.	 KCI with support of Secretariat and Consultants/Modelers University of Hohenheim Initiative for Climate Action Transparency (ICAT) International Association of Impact Assessment (IAIA)
M5	Just Transition Module	This module will provide technical details on just transition and the creation of decent and quality jobs including its processes, stakeholder engagement, policy design and implementation, as well as the application and use of new/emerging technologies, industries, and businesses for just transition and the creation of decent and quality jobs	 KCI with support of Secretariat and Consultants ILO UNDP UNEP UNESCAP UNECA UN Global Compact

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#	Modules	Short Description	Potential Collaborators
M6	Economic Diversification Module	This module will provide details on how to systematically undertake	- KCI with support of Secretariat and Consultants
		economic diversification and transformation, including the processes,	- UNESCAP
		such as stakeholder engagement, policy design and implementation, as	- UNECA
		well as the application and use of new/emerging technologies,	- KAPSARC
		industries, and businesses to facilitate economic diversification	- UNDP
		initiatives	- UN Global Compact
M7	Transparent Reporting Module	The module will provide guidance on transparent reporting, (inter alia,	- KCI with support of Secretariat and Consultants
		in national communications and biennial transparency reports), of the	- CGE
		results of impacts assessments and analyses of response measures, and	- ICAT
		the outcomes of the implementation of national just transition and	- UNEP
		economic diversification and transformation policies and measures.	- UNDP
			- University of Hohenheim
M8	Data/Information Management	This module of sustainable data management including archiving and	- KCI with support of Secretariat and Consultants
	System Module	retrieval systems, development of national information storage systems,	
		stakeholder participation	