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Framework Convention on Climate Change

DRAFT

## Annual report of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures for 2021 and 2022

### Summary

This report covers the activities and performance of the Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI) at its 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> meetings. It also contains information on the meetings of the KCI and possible recommendations for consideration by the forum with a view to making recommendations for consideration by the SBSTA and the SBI at their 57<sup>th</sup> session, which, in turn, are to recommend actions to the twenty-seventh session of the Conference of the Parties, the seventeenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the fourth session of the Conference of the Parties serving as the meeting of the Parties to the response the implementation of the KCI workplan on the basis of the workplan of the forum on the impact of the implementation of response measures and its KCI.

## I. Background

### A. Mandate

1. CMA 1 decided to establish the KCI to support the work of the forum on the impact of the implementation of response measures to implement its work programme.<sup>1</sup> COP 24, CMP 14 and CMA 1.3 acknowledged the forum will cover the work of the COP, the CMP and the CMA on all matters relating to the impact of the implementation of response measures<sup>2</sup> and adopted the modalities, work programme and functions of the forum in relation to their respective work.<sup>3</sup>

2. Members of the KCI are to prepare an annual report for the forum to consider with a view to making recommendations to the COP, the CMP and the CMA.<sup>4</sup>

#### **B.** Scope of the report

3. This annual report covers the outcomes of the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> meetings and the intersessional work of the KCI, lessons learned in implementing its mandates (see chap. II.CII.C below), forum considerations (see chap. II.D below) and possible recommendations for consideration by the forum with a view to making recommendations for consideration by the SBSTA and the SBI at their 57<sup>th</sup> session, which, in turn, are to recommend actions to COP 27, CMP 17 and CMA 4 (see chap. III below).

# C. Possible action by the forum on the impact of the implementation of response measures

4. The forum may wish to consider this annual report of the KCI with a view to making recommendations to subsidiary bodies to recommend a draft decision(s) for consideration and adoption at COP 27, CMP 17 and CMA 4.

## II. Report on the activities of the Katowice Committee on Impacts in 2021–2022

### A. Organizational matters

5. The KCI held its 5<sup>th</sup> meeting from 11 to 13<sup>5</sup> and 28 to 30 October 2021, its 6<sup>th</sup> meeting on 2 and 3 June 2022 and its 7<sup>th</sup> meeting on 2 and 3 November 2022.

6. Peter Govindasamy (Singapore) and Annela Anger-Kraavi (Estonia) co-chaired the 5<sup>th</sup> meeting.

7. Between the 5<sup>th</sup> and 6<sup>th</sup> meetings, the KCI re-appointed Peter Govindasamy (Small Island Development States) as Co-Chair and appointed Catherine Ann Goldberg (Western European and other States) as Co-Chair, replacing Annela Anger-Kraavi Kraavi (Eastern European Group). The KCI thanked Annela Anger-Kraavi for her leadership, which had enabled the KCI to carry out its work so effectively during her tenure.

<sup>&</sup>lt;sup>1</sup> Decision 7/CMA.1.

<sup>&</sup>lt;sup>2</sup> Decisions 7/CP.24, 3/CMP.14 and 7/CMA.1, respectively.

<sup>&</sup>lt;sup>3</sup> Contained in the annex to decision 7/CMA.1.

<sup>&</sup>lt;sup>4</sup> See decision 7/CMA.1, annex, para. 4(j).

<sup>&</sup>lt;sup>5</sup> This part of the meeting was convened in a virtual format.

8. A list of KCI members, all of whom were nominated by their regional group, and the length of their term of office is available on the UNFCCC website.<sup>6</sup>

9. The meetings of the KCI were webcast live and was attended by observers both inperson and virtually, including representatives of Parties and observer organizations. The participated observers engaged in addressing the issues under consideration. All meeting documents, presentations, webcasts, lists of participants and reports are available on the UNFCCC website.<sup>7</sup>

## **B.** Implementation of the workplan

10. COP 25, CMP 15 and CMA 2 adopted the workplan of the forum and its KCI.<sup>8</sup> The KCI continued the implementation of its workplan activities for 2021 and 2022, and its intersessional work via virtual means through an open-ended working group, with the support of the secretariat. Information on the composition of the KCI working group is available on the UNFCCC website.<sup>9</sup>

11. The KCI wishes to express its appreciation for the active participation of observer organizations and other stakeholders in the work of the KCI, including organizations that contributed by answering to the call for input.

# 1. Strategies for implementing activities in the workplan of the Katowice Committee on Impacts

12. The KCI prepared strategies<sup>10</sup> for implementing the workplan activities 2, 5, 7, 8 and 9 to be delivered in 2022–2023 to ensure delivery of the work in line with Parties' expectations. These include establishing an open-ended working group to develop technical papers, appointing leads for each of the activities from the open-ended working group, requesting inputs from experts, practitioners and relevant organizations, including for technical papers and at meetings; and adopting KCI meeting reports, which include possible recommendations or key findings of workplan activities, as applicable, in advance of forum meetings for consideration by the forum.

- 2. Identifying 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
  - 13. [Placeholder for activity 2]
- 3. Facilitating 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

14. The KCI prepared a technical paper, produced as the output of workplan activity 3 on facilitating 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>11</sup>

<sup>&</sup>lt;sup>6</sup> <u>https://unfccc.int/process-and-meetings/bodies/constituted-bodies/katowice-committe/membership.</u>

<sup>&</sup>lt;sup>7</sup> <u>https://unfccc.int/process-and-meetings/bodies/constituted-bodies/KCI/meetings-KCI.</u>

<sup>&</sup>lt;sup>8</sup> Decisions 4/CP.25, 4/CMP.15 and 4/CMA.2.

<sup>&</sup>lt;sup>9</sup> <u>https://unfccc.int/process-and-meetings/bodies/constituted-bodies/katowice-committe/membership.</u>

 $<sup>^{10}\,</sup>$  See KCI documents KCI/2021/5/10, annex V, and KCI/2022/6/10, annex VI.

<sup>&</sup>lt;sup>11</sup> KCI. 2022. Technical paper: Facilitating development, enhancement, customization and use of tools

15. Based on the technical paper and work undertaken related to workplan activity 3, the KCI proposed possible recommendations to the forum for consideration at COP 27, CMP 17 and CMA 4 (see para. 33 below).

4. Enhancing 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

16. The KCI prepared a technical paper and a database of tools and methodologies used for assessment of impacts of the response measures, produced as the output of workplan activity 4 on enhancing 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.<sup>12</sup>

17. Based on the technical paper and work undertaken related to workplan activity 4, the KCI proposed possible recommendations to the forum for consideration at COP 27, CMP 17 and CMA 4 (see para. 34 below).

- 5. Building 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
  - 18. [Place holder to capture outcome of this agenda at KCI 7]
- 6. Facilitating the development and exchange of regional, country- and/or sector-specific case studies and approaches on (1) economic diversification and transformation and just transition of the workforce and creation of decent work and quality jobs, and (2) assessment and analysis of the impacts of the implementation of response measures with a view to understanding the positive and negative impacts
  - 19. [Place holder to capture outcome of this agenda at KCI 7].
- 7. Identifying and exchanging experience and best practices in engaging the private sector, including small and medium-sized enterprises and public–private partnerships, to facilitate the creation of decent work and quality jobs in low greenhouse gas emission sectors
  - 20. [Place holder to capture outcome of this agenda at KCI 7].
- 8. Identifying and assessing the impacts of the implementation of response measures taking into account intergenerational equity, gender considerations and the needs of local communities, indigenous peoples, youth and other people in vulnerable situations
  - 21. [Place holder to capture outcome of this agenda at KCI 7]

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. Available at <a href="https://unfccc.int/documents/614632">https://unfccc.int/documents/614632</a>.

<sup>&</sup>lt;sup>12</sup> KCI. 2022. Technical paper: Enhancing 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 mand transformation and just transition. Available at <u>https://unfccc.int/documents/614633</u>.

- 9. Facilitating, exchanging and sharing experience 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
  - 22. [Place holder to capture outcome of this agenda at KCI 7].

# 10. Integrating gender considerations into the work of the Katowice Committee on Impacts

23. After undertaking a training on the integration of gender considerations into the work of the KCI in conjunction with the 3<sup>rd</sup> meeting of the KCI and appointment of the KCI Co-Chairs as the gender focal points at the 4<sup>th</sup> meeting, during the reporting period, the KCI at its 5<sup>th</sup> meeting adopted approaches for integrating gender in its work.<sup>13</sup> Further, at its 6<sup>th</sup> meeting, the KCI agreed to continue monitoring progress in mainstreaming gender considerations into its work, to open a call for expressions of interest from organizations and experts to be part of an informal network of experts for response measures, to publish the names of those organizations and experts on the KCI web pages, and to strive for both gender and regional balance when selecting experts, speakers and consultants for its work.<sup>14</sup>

#### 11. Input to the technical assessment component of the first global stocktake

24. The KCI prepared one synthesis report, and an update to that report, in the year 2022 as an input to the technical assessment component of the first global stocktake. The synthesis report<sup>15</sup> was prepared in line with the mandate given by CMA 3 to submit by February 2022 a synthesis report reflecting the relevant work of both the forum and its KCI.<sup>16</sup> This report was updated in October 2022<sup>17</sup> and was submitted in response to mandate given by the SBI and SBSTA, at their fifty-sixth sessions, requested the KCI to prepare by 31 August 2022.<sup>18</sup>

# 12. Potential impacts of the Glasgow Climate Pact to the Katowice Committee on Impacts' work

25. [Place holder to capture outcome of this agenda at KCI 7]

### 13. Communication and outreach strategy of the Katowice Committee on Impacts

26. The KCI adopted a communication and outreach strategy for 2022–2023.<sup>19</sup>

27. Following the adoption of the strategy, the KCI has organized events during the fiftysixth sessions of the subsidiary bodies, the Africa Climate Week in Gabon and participated as speakers at various events,<sup>20</sup> introducing its work and promoting its technical papers. Implementation of other aspects of communication strategy is in progress.

## C. Lessons learned

28. Recognizing the importance of considering best available science in its work, the KCI benefitted from having experts from the IPCC at its meeting.

29. Having considered the responses received for the calls for input, the KCI considered it useful to provide more guidance in its calls for input in the future in order to receive more focused input from stakeholders.

<sup>&</sup>lt;sup>13</sup> See KCI document KCI/2021/5/10, paras. 19–20.

<sup>&</sup>lt;sup>14</sup> See KC document KCI/2022/6/10, paras. 25–28.

<sup>&</sup>lt;sup>15</sup> Document KCI/2022/6/1.

<sup>&</sup>lt;sup>16</sup> See decision 23/CMA.3, para. 13.

<sup>&</sup>lt;sup>17</sup> Document KCI/2022/7/10.

<sup>&</sup>lt;sup>18</sup> See document FCCC/SBSTA/2022/6, para. 75 and document FCCC/SBI/2022/10, para. 130.

<sup>&</sup>lt;sup>19</sup> See KCI document KCI/2022/6/10, paras. 29–30.

<sup>&</sup>lt;sup>20</sup> More information available at <u>https://unfccc.int/topics/mitigation/workstreams/response-measures/workshops-and-events.</u>

#### **D.** Forum considerations

30. [Place holder to capture any discussion at KCI 7]

## III. Possible Recommendations for consideration by the forum with a view to making recommendations to the Conference of the Parties, Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

31. On the basis of the implementation of its workplan activities, the KCI prepared possible recommendations for consideration by the forum with a view to making recommendations for consideration by the SBSTA and the SBI at their 57<sup>th</sup> session, which, in turn, are to recommend actions to COP 27, CMP 17 and CMA 4.

32. With regard to workplan activity 2, identifying 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, the KCI recommends to the forum that the COP, the CMP and the CMA:

(a) Encourage Parties to invest in early planning of just transition policies which are inclusive and based on stakeholder engagement;

(b) Encourage countries at very low levels of economic development to prioritize getting the fundamentals right prior to undertaking economic diversification. As countries develop, multiple diversification paths become available;

(c) Noting that national circumstances of each country is different, request the secretariat to conduct peer to peer learning, where possible, to facilitate planning and implementation of effective policies.

33. With regard to workplan activity 3, facilitating 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, the KCI recommends to the forum that the COP, CMP, CMA:

(a) Request the forum and its KCI to facilitate the enhancement of the capacity of parties particularly developing country parties to develop and use impacts assessment methodologies and tools to carry out their own assessments and analyses of the impacts of RM including, inter alia, on decent work and quality jobs, economic, social, environmental, domestic, cross-border, positive, and negative impacts. This includes facilitating development of case studies as appropriate, and the organization of targeted regional hands-on training workshops for building capacity;

(b) Request the secretariat to regularly update the existing database of tools and methods suitable for assessing the impacts of implementation of response measures, as needed and as appropriate;

(c) Request the forum and its KCI to develop and maintain a web-based user interface for selecting tools and methods and promote its use among the Parties and stakeholders, as needed and as appropriate. Supporting user manual to guide users through the process of using the interface could be developed;

(d) Encourage Parties to consider the availability of country level expertise, training and support, and consultancy services when selecting a tool or method to assess the impacts of implementation of response measures;

(e) Encourage Parties to invest in data collection, if possible, then in line with national and international standards (for example, the UN System of National Accounts (SNA) or the UN System of Environmental-Economic Accounting (SEEA);

(f) Encourage Parties to establish capacity building partnerships and networks for increasing the representation of developing countries in the use and development of impact assessment tools and methods to assess the impacts of implementation of response measures;

(g) Encourage Parties to consider both qualitative and quantitative methods to assess impacts of implementation of response measures.

34. With regard to workplan activity 4, enhancing the capacity and understanding of Parties, through collaboration and input from stakeholders, on the assessment and analysis of the implementation of response measures to facilitate the undertaking of economic diversification and transformation and just transition, the KCI recommends to the forum that the COP, CMP, CMA:

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

(b) Encourage the identification of barriers, including domestic and non-domestic barriers, along with ways in which the international community could facilitate sustainable economic development of all Parties;

(c) Request the prioritization of the developing and sharing case studies from Parties and experts, particularly on developing country Parties on both just transition and economic diversification and transformation, to understand the opportunities and challenges faced in planning and implementing just transition and economic diversification;

(d) Request the facilitation of the development of robust tools and methods which can capture a range of multidimensional impacts of implementation of response measures;

(e) Encourage relevant agencies, financial institutions and constituted bodies to enhance support on issues related to assessment and analysis of impacts of implementation of mitigation actions, policies and programs, including NDCs and LEDs, with a view to address the adverse impacts and maximize possible opportunities;

(f) Encourage relevant agencies to enhance and develop their existing training frameworks and training modules on assessment and analysis which can be used for country level training programs and for developing impact assessment tools and methods.

35. With regard to workplan activity 5, building 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, the KCI recommends to the forum that the COP, the CMP and the CMA:

- (a) [Place holder for possible recommendations made at KCI 7];
- (b) [Place holder for further possible recommendations made at KCI 7].

36. With regard to workplan activity 9, identifying and assessing the impacts of the implementation of response measures taking into account intergenerational equity, gender considerations and the needs of local communities, indigenous peoples, youth and other people in vulnerable situations, the KCI recommends to the forum that the COP, the CMP and the CMA:

- (a) [Place holder for possible recommendations made at KCI 7];
- (b) [Place holder for further possible recommendations made at KCI 7].

37. With regard to workplan activity 11, facilitating, exchanging and sharing experience 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, the KCI recommends to the forum that the COP, the CMP and the CMA:

(a) Request the KCI to enhance the capacity of Parties, in particular developing country Parties, to develop and use country specific tools and methodologies to conduct the assessment of the environmental, social and economic co-benefits of climate change policies and actions;

(b) [Place holder for further possible recommendations made at KCI 7].