

DRAFT TEXT
on
COP 27 and CMA 4 agenda item 12 and CMP 17 item 9
Report of the forum on the impact of the implementation of response measures

Version 16/11/2022 17:33

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

Report of 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 2019¹ and 2021–22.²

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.³

4. *Invite* Parties, observer organizations and stakeholders to implement the recommendations 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. *Welcome* the 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.

11. *Request* the forum and its KCI, in response to concluding the midterm review, to take into account [lessons learned][, cross-cutting issues and linkages with outcomes of United

¹ Document KCI/2019/2/4.

² Document FCCC/SB/2022/6.

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

Nations climate change conferences] and implement, as applicable, [cross-cutting issues] [the following [aspects][activities]] in the implementation of the workplan [and consider regional concerns and needs as well as socio economic and environmental impacts of the climate change as the reference for assessing the impacts of the implementation of climate change mitigation measures]:

(a) [GENERAL]:

- (i) [Cross-cutting issues and linkages with [outcomes of climate change conferences and] [other relevant outcomes of different processes] other matters];
- (ii) [Regional concerns and needs];
- (iii) [Examine ways to facilitate the exchange of experiences and best practices and [to develop] case studies on just transition [, in the view of establishing a working mechanism at COP 28] [of the workforce and the creation of decent work and quality jobs [while implementing the workplan activities]];];
- (iv) [Consider using social, economic and environmental impacts of climate change as the reference for assessing the impacts of the implementation of climate change mitigation measures];
- (v) [Use the lessons learned from the operation of the forum and its KCI in improving the effectiveness of the forum].

(b) ACTIVITIES:

- (i) Request the KCI with the support of the secretariat to develop indicators to track and report on the impacts of implementation of the workplan of the forum and its KCI by SB 58;

(ii) [Option 1: Enhance capacity and understanding of Parties, on the analysis and assessment [of the [domestic and] cross-border impacts] of [carbon pricing] [mitigation measures] [and unilateral climate change related trade measures] [, and [promote best practices, strategies and policies [, including] from case studies addressing the reduction of the negative impacts [and maximize the positive impacts]] [explore ways to reduce the negative impacts to Parties. The KCI [to organize a workshop] to receive input from experts, practitioners and relevant organizations by SB 59]]];

[Option 2 for (ii): Enhance understanding and capacity of Parties, on the analysis and assessment of the cross-border impacts of carbon pricing, mitigation measures, and unilateral climate change related trade measures, and promote best practices, strategies and policies from case studies addressing the reduction of the negative impacts of the response measures. The KCI to organize a workshop to receive input from experts, practitioners and relevant organizations by SB 59];

(iii) [Build awareness about the positive and negative impacts associated with accelerating [the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low emissions energy systems, including by rapidly scaling up [energy efficiency and] the deployment of clean power generation and energy efficiency measures,] efforts towards the phasedown of [unabated coal] [and other fossil fuels] [fossil fuels] 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 [of the workforce]. The KCI to receive input from experts, practitioners and relevant organizations [and prepare a technical paper];]

Option 2 for (iii): Text from Glasgow Climate Pact

(iv) [Option 1: [Consider ways to build capacity] [Capacity building] on ways to promote action to minimize the adverse impacts and maximize the positive impacts of the implementation of response measures [[in the implementation of recommendations in sections I-VI below,] with the support of the secretariat] [, including [assessing impacts of] accelerating [actions to limit the temperature increase to well below 2 degree below the pre-industrial levels and pursuing effort to limit the

temperature increase to 1.5 degree above pre-industrial levels] [global efforts towards reaching 1.5 degrees temperature goal through a workshop]]];

[Option 2 for (iv): Assessing and addressing the negative social and economic impacts of accelerating actions to limit the temperature goal to [well below 2 degree below the pre-industrial levels and pursuing effort to limit the temperature increase to 1.5 degree above pre-industrial levels] [1.5 degree by 2050 or mid-century] [and other COP decisions and outcomes] by promoting actions to minimize negative impacts. [The KCI to receive inputs from experts, practitioners and relevant organization and to prepare technical paper]]

[Option 3 for (iv): Consider ways to build capacity on ways to promote action to minimize the adverse impacts and maximize the positive impacts of the implementation of response measures, in the implementation of recommendations in sections I-VI below, with the support of the secretariat. The KCI to receive inputs from experts, practitioners and relevant organization.]

Option 4 for (iv): Develop capacity building programme on ways to promote actions to minimize the adverse impacts of the implementation of response measures, with a view to promoting actions on recommendations from the KCI, with the support of the secretariat. Concrete examples, capacity building programme, and inputs from experts, practitioners and relevant organization, and to prepare technical papers.

(v)

(vi) [The KCI to prepare technical paper on the positive and negative impacts of the major emitters implementing their commitments and following up on the Glasgow decisions and compare on impacts of no actions by major emitters];

(vii) [The secretariat to design, in consultation with Parties and in collaboration with other organizations, and implement a capacity-building programme to implement the capacity-building recommendations in sections I-VI below, as applicable.]

(viii) [Examine ways to facilitate the exchange of experiences and best practices and to develop case studies on just transition [, in the view of establishing a working mechanism at COP 28] [of the workforce and the creation of decent work and quality jobs]];

[11bis. *Encourage*, recalling decisions 19/CMA.1 and 4/CMA.2, Parties to submit views on efforts related to addressing the social and economic impacts of response measures via the submission portal by February 2023, and request the secretariat to prepare and submit the compilation of the submission from the Parties as input to the global stocktake]

[11ter. *Request* the secretariat to organize a regional workshop on activity 3 of the workplan by SB 59, in collaboration with relevant organizations and stakeholders, to address regional needs and acknowledge the work that has been carried out by the KCI and *note* that further regional workshops on activity 3 can be decided by the forum]

12. *Invite* Parties and observers to submit via the submission portal by April 2023 their views for guiding questions, scope and modalities of the review of the functions, work programme and modalities of the forum, and *request* the secretariat to prepare the summary of the submissions.

13. *Request* the forum to prepare scope and modalities of the review of the functions, work programmes and modalities of the forum at SB 58, and consider the recommendations contained in sections I-VI below and outcome from the midterm review during the review at SB 59.

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];

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

14. *Take note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraphs 3 and 11 above.

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

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

16. *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.

II. Activity 2⁴ of the workplan

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

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

19. *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.

III. Activity 3⁵ of the workplan

20. *Encourage* Parties to:

⁴ 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.

⁵ 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.

- (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.

21. *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.

22. *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.

IV. Activity 4⁶ of the workplan

23. *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.

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

25. *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.

26. *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.

⁶ 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.

27. *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.

V. Activity 5⁷ of the workplan

28. *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.

29. *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.

30. *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.

31. *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.

⁷ 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.

VI. Activity 11⁸ of the workplan

32. *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.
33. *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.

⁸ 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.