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Thirty-fourth session

Bonn, 6–16 June 2011

Item X of the provisional agenda

Subsidiary Body for Implementation

Thirty-fourth session

Bonn, 6–16 June 2011

Item X of the provisional agenda

**Information and views on issues that could be addressed
at the joint workshop on matters relating to Article 2,
paragraph 3, and Article 3, paragraph 14, of the
Kyoto Protocol**

Submissions from Parties and relevant organizations

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), at their thirty-third sessions, invited Parties and relevant organizations to submit to the secretariat, by 21 February 2011, their views on issues that could be addressed at the joint SBSTA and SBI workshop on matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.¹
2. The SBSTA and the SBI requested the secretariat to compile these submissions into a miscellaneous document, for consideration at their thirty-fourth sessions.
3. The secretariat has received nine such submissions. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing. In line with established practice, the submission from a non-governmental organization has been posted on the UNFCCC website.²

¹ FCCC/SBSTA/2010/13, paragraph 106 and FCCC/SBI/2010/27, paragraph 125.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

² <<http://unfccc.int/3689.php>>.

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* This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Iceland, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey.

AUSTRALIA

Submission under the Cancun Agreements | February 2011

Matters relating to Articles 2.3 and 3.14 of the Kyoto Protocol: impacts of implementation of response measures | SBI | SBSTA

I. Overview

This submission contains the views of the Australian Government on issues that could be addressed at a joint workshop to address matters relating to Articles 2.3 and 3.14 of the Kyoto Protocol, as requested under *Subsidiary Body for Implementation conclusion SBI/2010/L.23, Paragraph 3* and *Subsidiary Body on Scientific and Technological Advice conclusion SBSTA/2010/L.16, Paragraph 3*. Australia also draws attention to its previous submissions on the Impact of Response Measures.¹

The Cancun Agreements delivered a balanced package of decisions across all UNFCCC bodies. Some items are ready for implementation, and others require further elaboration. Guided by the Cancun Agreements, it will be important to use the negotiating forums at our disposal to progress work in a coordinated way, utilising the bodies best suited and considering joint work programs where useful.

Australia welcomes the opportunity to submit its views under the Cancun Agreements on impacts of response measures. In overview, Australia's considers that:

- the joint workshop should focus on sharing information on the actual and observed impacts arising from Parties' mitigation measures on the poorest and most vulnerable countries;
- the workshop be encouraged to take a scientific approach to this topic to better understand the real impacts Parties may face in the future;
- the secretariat host the workshop at a time and location that would allow for maximum participation by developing countries at minimum cost, that is, in conjunction with either the 34th or 35th Session of the Subsidiary Bodies in 2011;
- the workshop should leverage and coordinate with work undertaken elsewhere to best meet our objectives of building consensus on a forward workplan.

II. Joint workshop to address matters relating to Article 2, paragraph 3 and Article 3, paragraph 14 of the Kyoto Protocol

At Cancun, the SBI and the SBSTA invited Parties and relevant organisations to submit to the secretariat further information and views on issues that could be addressed at a joint workshop to address matters relating to Article 3, paragraph 14, and Article 2, paragraph 3, of the Kyoto Protocol. Australia looks forward to participating in the joint workshop.

¹ FCCC/AWGLCA/2008/MISC.5/Add.2 (Part 1)

The joint workshop will be an opportunity for greater cooperation and information sharing to deepen understanding of the potential consequences and any observed impacts arising from Parties' measures to mitigate climate change.

All Parties must prepare for the changes we face as we move to a low-carbon world and take advantage of the opportunities these changes will create for sustainable growth.

Some Parties, of course, are better equipped than others to meet this challenge. With that in mind, Australia proposes that the joint workshop focus on how to best assist the poorest and most vulnerable countries, including Least Developed Countries (LDCs) and the Small Island Developing States (SIDS), to diversify their economies and build economic resilience.

Australia also sees value in a focus on sharing information on actual and observed impacts arising from Parties' mitigation measures, given the relatively abstract nature of discussions on this topic in the UNFCCC to date. A more scientific approach to this topic is needed to better understand the real impacts Parties' may face in the future.

Australia encourages the secretariat to host this workshop at a time and location that would allow for maximum participation, particularly by developing countries, at minimum cost, consistent with paragraph 2. In our view, the most efficient arrangement would be for the workshop to be held during or immediately after the 34th Session of the Subsidiary Bodies in Bonn, or immediately before the 35th Session of the Subsidiary Bodies in Durban, consistent with the instructions to the Secretariat set out in paragraphs 2 and 4 of the Conclusions (SBI/2010/L.23 and SBSTA/2010/L.16).

In addition, the joint workshop should leverage work undertaken elsewhere to best meet our objectives of deepening understanding of this topic and building consensus on a forward work plan. The joint workshop should therefore be held in conjunction, or back-to-back with the workshop to discuss the potential impacts of response measures agreed in paragraph 9 of the Subsidiary Body for Implementation conclusion (SBI/2010/L.34/Rev.1) on matters relating to Article 4, paragraphs 8 and 9, of the Convention (progress on the implementation of decision 1/CP.10). The issues for discussion at these workshops overlap heavily, and should be consolidated to maximise efficiency and coherency across negotiating streams.

China's Submission on Joint Workshop of Matters Relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol

The SBSTA and the SBI invited Parties and relevant organizations to submit to the secretariat, by 21 February 2011, further information and views on issues that could be addressed at the joint workshop of matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol. China welcomes this joint workshop and would address the following issues that should be discussed at the workshop:

1. The participation of the workshop should be wide-range, any organization or country that expresses interest in the workshop and making presentations should be included. Balanced participation from developing and developed world should be the objective.
2. Detailed information and research result on adverse impact on developing countries by mitigation measures implemented by developed countries should be presented at the joint workshop.
3. Measures that developed countries have taken to minimize such impacts and the effect of these measures should be considered at the workshop.
4. The methodology for reporting the information on adverse impact on developing countries by mitigation measures implemented by developed countries, and the incorporation of such methodology in national communication guidelines for A-I parties should be discussed.

Paper no. 3: Colombia

SUBMISSION FROM COLOMBIA

COLOMBIA CONSIDERA DE LA MAYOR IMPORTANCIA QUE EN EL TALLER CONJUNTO A DESARROLLARSE POR SBI Y SBSTA EN RELACION CON LOS TEMAS REFERIDOS A ARTICULO 2, PARRAFO 3 Y ARTICULO 3, PARRAFO 14 DEL PROTOCOLO DE KYOTO (SBSTA/SBI); SE ENTREN A DEBATIR ASUNTOS DE TRASCENDENTAL IMPORTANCIA ENTRE LOS CUALES PROPONEMOS:

- Cuales han sido esas políticas y medidas adoptadas por las partes anexo I que reducen al mínimo las afectaciones adversas al comercio internacional de los países en desarrollo ?.
- Que tanto informa la convención sobre las discusiones que se dan en términos de medidas de respuesta que algunos países han venido implementando bajo sus propios esquemas de medición de huella de carbono?.
- Puntos de intersección entre las reglas de la OMC y las reglas de la convención a efectos de evitar el surgimiento de obstáculos técnicos al comercio.
- Cual va a ser el tratamiento para con aquellos países cuyas economías dependen en alto grado de la explotación, producción, exportación de combustibles fósiles?.
- En donde están los instrumentos de financiación, seguros y transferencia de tecnología que establece abordar el artículo 3 párrafo 14 ?.
- Existen estudios de costos de algunas medidas de respuesta que hayan debido adoptar países en desarrollo para con algunos productos, atendiendo estándares aplicados por países desarrollados ?.
- Existen instituciones multilaterales que hayan adelantado estudios de estos costos como para que compartan su experiencia ?.

Colombia tiene la esperanza de enriquecer el debate con los puntos aquí propuestos.

COLOMBIA CONSIDERS OF OUTMOST IMPORTANCE THAT THE JOINT WORKSHOP TO BE HELD BY SBI AND SBSTA, WITH REGARDS TO MATTERS RELATED TO ARTICLE 2, PARAGRAPH 3 AND ARTICLE 3, PARAGRAPH 14 OF THE KYOTO PROTOCOL (SBSTA / SBI), SHOULD INCLUDE A DISCUSSION ON:

- What have been the policies and measures taken by Annex I parties, towards reducing negative effects on international trade in developing countries?
- Up to what extent does the Convention informs Parties of the discussions on response measures implemented by some countries under their own carbon footprint measurement?
- Determining matters included in both the WTO and the Convention, so we can avoid the implementation of technical barriers to trade.
- How should be dealt with countries whose economies depend heavily on the exploitation, production, exportation of fossil fuels?
- Where are the financial mechanisms, the insurance coverage and the transfer of technology that should be addressed, in accordance with Article 3, paragraph 14?
- Are there any papers on the costs associated with response measures that developing countries have to deal with, when meeting standards imposed by developed countries to some products?
- Are there any multilateral institutions which could share their experiences preparing the above mentioned papers?

Colombia hopes to enrich the debate with the aforementioned elements.

Paper no. 4: Grenada on behalf of the Alliance of Small Island States

**Subsidiary Body for Scientific and Technological Advice/
Subsidiary Body for Implementation (SBSTA/SBI)**

**Submission of Grenada on behalf of
The Alliance of Small Island States**

**Views and information from Parties and relevant organisations on issues
that could be addressed at the joint SBSTA and SBI Workshop on matters relating
to Article 2 paragraph 3 and Article 3 paragraph 14 of the Kyoto Protocol**

April 2011

Grenada welcomes the opportunity to present the views of the 43 members of the Alliance of Small Island States (AOSIS), in response to the invitation to Parties to submit to the Secretariat, by 21 February 2011, their views and information on issues that could be addressed at the joint SBSTA and SBI workshop on matters relating to these Articles.

These issues should also be addressed at the SBI workshop on promoting risk management approaches on the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, building upon the practical experience of international, regional and national organizations and the private sector, including by disseminating information on best practices and lessons learned. This workshop is to be organised by the secretariat, subject to the availability of resources, and back to back, if possible, with other workshops relevant to the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures. See documents FCCC/SBSTA/L.16, paragraph 3 and FCCC/SBI/L.23, paragraph 3, and FCCC/SBI/2010/27, paragraph 90.

Ensuring the potential impacts of response measures are understood and addressed is critical to small island developing states. Our economies are highly dependent upon the consumption of fossil fuel energy and associated energy-intensive products and services, and face difficulties in switching to alternative energy sources.. For these reasons and others, the workshop(s) and outcomes are of significant interest and importance to SIDS

I. Proposed objectives of the Workshop

- Enhance understanding of the impacts of response measures
AOSIS recognises that not all parties may be aware of how highly dependent Small Islands Developing States are upon the consumption of fossil fuel energy and associated energy-intensive products and services. The serious constraints faced by SIDS in switching from fossil fuels to alternative energy sources must be given due recognition. Many of us import almost 100% of our energy in the form of fossil fuels. Tourism, an important sector in many of our economies, is dependent upon long-haul flights and cruise ship travel. Due to the remoteness and limited size of many of our islands transportation for access to agricultural products, fishing and other exports and imports, is essential to our livelihoods. This is also a particular challenge for the multi-island jurisdictions, where goods and services also have to be provided to outer island communities on an on-going basis. This adds additional costs to already high fossil fuel bills. Therefore AOSIS believes it's important to enhance all parties understanding that as SIDS who are already at the forefront of climate change impacts must pay the costs of these and so, makes it unequitable for SIDS to also bear this additional burden of the potential costs of the impacts of response measures resulting from the policies and measures of developed country Parties.

There may also be some positive potential impacts, which AOSIS members would like to better understand, examples might be

- increased use of alternative and renewable energy resulting in less economic impact as a result of fossil fuel price fluctuations.
- reduced atmospheric pollution affecting respiratory health and other diseases
- more disaster management options with self sufficiency and local provision of energy needs in the face of extreme events that frequently affect fossil fuel energy delivery infrastructure.

In light of the vital importance of reducing emissions in an environmentally sound manner these potential positive impacts are important for national decision making as well as international policy considerations.

- Improve reporting on the impacts of response measures on developing country Parties

AOSIS is of the view that such reporting needs to look particularly at what developed countries are doing to take into account the needs of SIDS and LDCs in addressing the impacts of response measures.

II. Proposed topics to be discussed

- Using existing channels to report the impacts of response measures on developing country Parties
- The needs of SIDS and LDCs in addressing the impacts of response measures
- Process for assessing potential observed impacts of response measures on developing country Parties in particular SIDS and LDCs.
- Economic diversification in order to minimise the negative impacts and maximise the positive impacts of response measures especially for countries with limited natural resources and capacity, remote and isolated communities, and that are reliant on import and export based economies such as tourism, sugar cane, fisheries and inter-island transportation.
- Risk modelling with regard to costs of increased incidence of extreme weather conditions, temperature increase, sea level rise, etc for economies that are reliant on fossil fuel based industries, for example disaster risk for SIDS fuel/energy systems.
- Risk modelling of potential economic impacts on fossil fuel import based economies from policies and measures, e.g. transport, taxation, food miles, trade measures etc

III. Experts to be invited

- It is very important there is adequate participation of SIDS
- Relevant intergovernmental organisations, including IEA, ISDR, World Bank, regional organisations such as Council of Regional Organisations in the Pacific, Caribbean Community Climate Change Centre, and others.
- Scientific experts – including IPCC, Climate Analytics, Ecofys, Stockholm Environment Institute

- Economic/Financial/Private Sector experts – including London School of Economics, Oxford Policy Project, and sectoral experts from the renewable energy, tourism (Caribbean Tourism Organization and others) aviation, maritime and relevant private sector experts.
- Other relevant civil society and non-governmental organisations
- Recognising the need for gender equality and that the effective participation of women and indigenous peoples are important for effective action on all aspects of climate change

AOSIS re-iterates that the important matter of the social, environmental and economic impacts of response measures should be addressed separately from adaptation to adverse effects of climate change. Impacts of response measures stem directly from the mitigation of greenhouse gas emissions, and therefore are a mitigation issue not linked to discussions on adaptation to the adverse effects of climate change. Both issues are important to AOSIS with differing drivers and solutions. These issues are complex enough to each warrant their own focused agenda items in order to maximise the use of Parties' time and expertise and minimise confusion.

SUBMISSION BY HUNGARY AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES

This submission is supported by Albania, Bosnia and Herzegovina, Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey.

Budapest, 15 February, 2011

Subject: Further information and views on issues that could be addressed at the joint workshop on Articles 2.3 and 3.14

Introduction

1. As expressed previously, there is a general consensus on the need to undertake a global transition to a low greenhouse gas emitting economy in order to tackle climate change. This transition presents a major opportunity for all countries to follow a clean development path and implement sustainable policies while at the same addressing climate change. At the same time the EU understands the concerns some countries may have about the challenges that this transition may present to their economies and societies. The EU is of the view that this transition should be congruent with sustainable development processes in all countries.
2. The EU welcomes the constructive discussions on Articles 2.3 and 3.14 since the establishment of the joint contact group and remains committed to fulfilling its commitments under these Articles.
3. The EU is of the view that while important work has been undertaken to address the concerns arising from the impacts of response measures, further understanding is needed to understand the actual impacts being felt in developing countries, including the positive as well as the negative. It will be important to emphasise that wider economic and political factors do play a role on the vulnerability of social and economic sectors and these should not be overlooked. While the EU is making significant efforts to understand the needs and concerns of Parties, especially developing country Parties, arising from this issue, it would welcome more detailed information from Partners.
4. The EU recognises that significant efforts are being made to address the potential impacts of response measures, for example through impact assessments. Efforts are also being made to respond to the needs and concerns arising from the implementation of response measures, where these are known, but note that much remains to be done to understand the issue which this workshop could usefully do.

Organisation of the workshop

5. The issue of the potential impacts of the implementation of response measures is being discussed under several agenda items. In the context of Decision 1/CP.10, the discussion has focussed on the *needs and concerns* arising from the potential impacts, while the discussions in the contexts of Articles 2.3 and 3.14 address this issue from the perspective of *efforts to implement* the commitments under the Protocol in such a way as to minimize adverse effects, social, environmental and economic impacts, including the adverse effects of climate change on other Parties, especially developing country Parties.
6. The decisions taken in Cancun have elaborated on a number of activities that need to be undertaken in 2011, including a workshop on promoting risk management approaches on the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures. We believe that the subject of this workshop is relevant also for the discussions under the Kyoto Protocol Articles 2.3 and 3.14. As such, our preference is for this joint SBI and SBSTA workshop to be held back to back with the one proposed under Decision 1/CP.10. We would also encourage the Secretariat to organise these workshops in conjunction with one of the sessions of the subsidiary bodies in order to ensure maximum participation from a wide range of Parties and observers.

Issues that could be addressed at the workshop

7. A priority for the EU on this issue is that of information exchange and to enhance the knowledge and understanding of the potential impacts of response measures and what measures could minimize these. Such understanding is essential in order to inform and enhance the efforts of Annex I Parties as they prepare and strive to implement policies and measures in such a way to minimise adverse social, environmental and economic impacts on other Parties, especially developing country Parties. **The aim for the workshop should be to help facilitate the sharing of experiences and exchange of information and views among all Parties.**
8. We propose that the workshop focus on:
 - i. **Observed impacts of response measures in developing countries;**
 - ii. **Efforts already undertaken to implement policies and measures in a way that minimizes potential adverse impacts** (also drawing on the information contained in Annex I Parties fifth national communications): It may be helpful for the Secretariat to present an overview of the information provided in this area in the National Communications, summarising reporting requirements and missing information.
9. By addressing both these aspects, we will have a better understanding of whether the prior consideration of potential impacts relates to observed impacts and thus enables for better planning of subsequent measures.
10. The UNFCCC Secretariat has made available on its website a portal on modelling tools which identifies examples of models and organizations with relevant expertise in the context of

assessing the impact of the implementation of response measures, as well as describing the scope of activities in this regard. It would be beneficial for all Parties to get a better understanding of this portal and how they can use the information available. One suggestion would be to have a presentation from an organisation that specialises in this field to help Parties get a better understanding of what information is currently available and where gaps exist.

Conclusion

11. The outcomes of the discussions in the joint workshop as well as the Decision 1/CP.10 workshop could provide useful input to the discussions that will take place in the forum that will be organised at the 34th and 35th sessions of the SBs. In this regard, we believe that sequencing the workshops would allow for an efficient and well structured consideration of the issue. The EU looks forward to participating fully in this workshop and hopes that it will be used to look at substantive, concrete issues that will help further discussions under this important agenda item.

Submission of views and information from parties and relevant organizations on issues that could be addressed at the joint SBSTA and SBI workshop on matter relating to Article 2, para., 13.

- Assessment of climate change impacts on physical, chemical, biological and financial aspects of agricultural production systems in all agro-ecological zones of the most vulnerable countries.
- Enhance the capacities to address the impacts of floods, flash floods, droughts etc. by strengthening relevant agencies.
- Assessment of health vulnerabilities and build capacities to reduce health vulnerabilities to climate change.
- Provide assistance in upgrading and extending disease outbreaks monitoring and forecasting systems to counteract the possible climate change health impacts and prior planning for effective interventions.

SUBMISSION BY THE STATE OF QATAR

Matters relating to Articles 3.14 and 2.3 of the Kyoto Protocol

(21 February 2011)

1. The State of Qatar welcomes the invitation by the Subsidiary Bodies, contained in FCCC/SBSTA/2010/L.16 and FCCC/SBI/2010/L.23, to submit views on matters relating to the Kyoto Protocol Articles 3.14 and 2.3. It is noted that the Parties' views will be considered in a joint SBI/SBSTA workshop to be held before their thirty-fifth sessions. The views will also be compiled by the Secretariat into a miscellaneous document and a synthesis report to be considered at the thirty fourth meetings of the SBs. It must be noted that further views on Article 3.14 relating to the potential environmental, economic and social consequences, including spill over effects of tools, policies, measures and methodologies available to Annex 1 Parties, are found in Qatar earlier submission included in document FCCC/KP/AWG/2009/MISC.4.
2. Article 3 paragraph14 of the Kyoto Protocol calls on Annex 1 Parties to strive to implement their mitigation commitments stipulated in the Kyoto Protocol in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Articles 4.8 and 4.9 of the Convention. Article 2.3 of the Protocol goes further by calling on Annex 1 Parties to implement policies and measures 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 countries classified under Articles 4.8 and 4.9.
3. Being one of the developing country Parties listed under Article 4.8 (h) of the Convention (countries whose economy depends entirely on the production and export of fossil fuels) Qatar is pleased to make this submission on this important issue to the SBs.
4. As a result of the policies and measures adopted by Annex 1 Parties, in meeting their Kyoto Protocol commitments, Qatar economic welfare will be adversely impacted.

Based on energy-economy models, the IPCC (IPCC TAR 2001) and others* estimated the short and longer term economic impact on developing country Parties including Qatar (“Article 4.8 (h)”). Findings include reductions in GDP and oil revenues compared to those under “business as usual” projections ranging between 0.05%-13% and 0.2%-25% with emission trading and no trading by Annex B Parties, respectively. Modeling results suggest that under the Kyoto Protocol and three scenarios including “no flexibility”, “tax cut” and “flexibility with CDM”, compared with “business as usual”, Qatar export of oil may decrease during 2010-2030 by 10%, 5% and 6% respectively. Qatar oil revenue loss is estimated between 200-800 million USD annually depending on whether carbon trading with CDM is employed or not.

5. To fulfill their Kyoto and post-Kyoto commitments, Annex 1 Parties have a portfolio of tools, policies and measures (TPM) available at their disposal to choose from. The chosen TPM must take into consideration provisions in Articles 3.14 and 2.3 of the Kyoto Protocol as well as provisions in Article 4.8 and 4.9 of the Convention.

6. Since, there is a general consensus that transition to a carbon free global economy can only be achieved gradually, the selected TPM must promote lower greenhouse emitting fuels and technologies. As such, the TPM will yield “win-win” sustainable development benefits in addition to climate change mitigation. The ancillary benefits may include better air quality and cleaner technology diffusion e.g. combined cycle gas turbines for electricity and heat production.

7. Based on findings in AR4, significant market & economic potentials for mitigation are available at the disposal of Annex1 Parties through energy conservation and efficiency, fossil fuel switching to lower carbon fuels, carbon capture and storage, non-carbon dioxide greenhouse gases and the flexibility mechanisms. Some of these mitigation opportunities are at no net cost. In order to capture the above opportunities, the energy policies and measures selected by Annex 1 Parties (TPM) to lower their carbon emissions and mitigate climate change must be based on the carbon content of the fuels. Preferential subsidies, fiscal incentives, tax and duty exemptions to certain energy sources over others

must also be discontinued to remove the economic distortion in the domestic energy market.

8. There is a need to enhance practical approaches and capacities within Non Annex 1 Parties to address the needs for economic diversification in the context of sustainable development. Additional enhancement and support from Annex 1 country Parties will also be needed to utilize modeling approaches to assess the impacts of the implementation of response measure.

9. The Kyoto Protocol Articles 2.3 and 3.14 reflect primarily the central theme and spirit of the UNFCCC which are enshrined in Article 3 and Article 4 on the principles and commitments. As such, Articles 2.3 and 3.14 were meant to focus specifically on the disproportionate adverse impact on the developing countries resulting from policies and measures adopted by the developed country Parties while implementing their responsibilities under the UNFCCC. The notion by Annex 1 Parties of the need to assess the positive and negative impacts of policies and measures is an attempt to negate their responsibilities stated clearly in the Convention and Protocol.

10. There is an urgent need for Annex 1 Parties to enhance reporting on their responsibilities under Article 3.14 and 2.3 in accordance with Article 7 of the Protocol (supplementary information).

SUBMISSION BY SAUDI ARABIA

February 21, 2011

**Views on the Issues Relating to
Article 2.3 and Article 3.14 of the Kyoto Protocol**

Saudi Arabia welcomes the opportunity to submit its views on the issues that need to be addressed at the joint SBSTA and SBI workshop on matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.

GENERAL

- Articles 2.3 and 3.14 of Kyoto Protocol irrevocably entrust Annex I Parties with the responsibility to minimize the adverse social, environmental and economic impacts on developing country Parties, particularly those countries identified in Article 4, paragraphs 8 and 9, of the Convention.
- The Articles further explicitly call for the establishment of funding, insurance and transfer of technology to help minimize such adverse impacts so that these measures would not harm developing countries. As part of the developed countries' obligations and commitments to minimize the impacts of any policies and measures they take on the developing countries' vulnerable economies, the developed countries would need to provide details regularly and demonstrate how they are implementing their Article 2.3 and 3.14 commitments. Saudi Arabia firmly believes that the above provisions should also govern any past, current or future mitigation responsibilities and actions by Annex I countries.
- The convention fully recognizes that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties,
- The Convention also fully recognizes the special difficulties of countries like Saudi Arabia whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of action taken to limit greenhouse gas emissions

Article 2, Paragraph 3

- There are a number of issues that need to be addressed, along with the implementation of current and future Annex I mitigation commitments, and with respect to commitments under Article 2.3, including:
 - Assessment of the impacts of response measures
 - The impact of the proposed means and Annex I Parties' policies and measures on Developing Country Parties;
 - Whether there are alternative policies and measures available for Annex I Parties that achieve the same mitigation effort but may be associated with lower impacts on Developing Country Parties;
 - Assess the adequacy and effectiveness of funding, insurance and technology transfer arrangements to minimize these adverse impacts.
 - Options and different possible funding, insurance and technology transfer arrangements to be provided by Annex I Parties to help minimize the adverse impacts of their policies and measures on Developing Country Parties.
 - Enhance reporting, monitoring and verification.
 - Enhanced reporting and verification of the assessment made, as well as the models and tools used, by Annex I countries
 - Enhanced reporting and verification the support provided to Developing Countries to cope with the adverse impacts of the mitigation policies and measures.

Article 3, Paragraph 14

- Saudi Arabia remains deeply concerned about the lack of a comprehensive framework to assess progress of compliance with 3.14. It is therefore quite important to establish a process for this purpose in order to ensure and monitor the compliance, and in particular the provisions set out in Article 3, paragraph 14 of the Kyoto Protocol.
- Decision 31/CMP.1 clearly calls for the establishment of a process for the implementation of Article 3.14, including exchange of information and the development of methodologies on the assessment of adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the

Convention, and of their minimization; among the issues to be considered shall be the establishment of funding, insurance and transfer of technology.

Such a process would need to establish tools and methodologies for the three levels of the Article's provisions, namely;

- the assessment of impacts from response measures;
- assessment of the cost-effectiveness of the proposed as well as the implemented response measures;
- assessment of availability, effectiveness and adequacy of funding, insurance and technology transfer arrangements to minimize these impacts.

As such, it was agreed that Annex II Parties and also Parties included in Annex I in a position to do so, should give priority to the following actions:

- a) The progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors.
- b) Removal of subsidies associated with environmentally unsound and unsafe technologies.
- c) Cooperation and support in the technological development of non-energy uses of fossil fuels; and in the development, diffusion and transfer of less GHG advanced fossil fuels technologies.
- d) Strengthen developing countries capacity to improve efficiency in upstream and downstream activities relating to fossil fuels.
- e) Assist developing countries that are highly dependent on the export and consumption of fossil fuels in strengthening resilience and diversifying their economies.

A road map needs to be developed for a comprehensive approach on the implementation of Article 3.14, of the Kyoto Protocol, to further its implementation and in accordance with decision 13.CMP.1.

- A key outcome is the development of methodologies on the assessment of adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention.

There is a clear gap in methodology to incorporate information on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1. The following is required to rectify this problem:

- Annex I Parties to provide information of the different ways used for reporting on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1.
- The establishment of a common reporting methodology to incorporate information on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1.
- Such common reporting methodology needs to be guided by Transparency, consistency, Comparability, Completeness, and Accuracy

It is also important to engage the expertise of the IPCC in these efforts,

- The IPCC can develop guidelines to help determine if Parties included in Annex I are striving 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.

**Opinion of Republic of Uzbekistan on
the matters related to Article 2, paragraph 3, and Article 3, paragraph 14
of the Kyoto Protocol**

Republic of Uzbekistan supports the initiative of Subsidiary Body on Scientific and Technical Advising (SBSTA) and Subsidiary Body for Implementation (SBI) for creation of the joint contact group and conduction of the joint workshop for consideration of issues related to point 3 of Article 2 and point 14 of Article 3 of Kyoto Protocol with the aim of maximum broadening of participation.

According to point 14 of Article 3 of Kyoto Protocol each Party included to Attachment I aims at implementation of obligations mentioned in point 1 above in order to minimize the unfavorable social, ecological and economical aftereffects for the Parties being the developing countries, especially for the Parties which are listed in points 8 and 9 of Article 4 of Convention. Following this list Uzbekistan is a country where:

- there is no access to the sea;
- there are regions subjected to natural hazards;
- there are regions subjected to the droughts and desertification;
- there are regions with the vulnerable ecosystems including ecosystems of mountain regions.

Uzbekistan thinks that at this joint workshop the following issues can be addressed:

- reporting on progress attained by developed countries in reduction of emission,
- experience of elaboration of strategy for the low-carbonate development in the developed countries which reached success in this direction,
- support and understanding of diversity of measures and actions for the prevention with account of the wide diversity of national conditions of developing countries,
- actions aimed at the provision with funds, technologies and support of capacity in developing countries: problems, difficulties and ways of their widening.
