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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Subsidiary Body for Scientific and Technological Advice**

**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

**Views on the modalities for the operationalization of the work programme and on a possible forum on response measures**

**Submissions from Parties and relevant intergovernmental organizations**

1. The Conference of the Parties (COP), at its sixteenth session, decided to provide a forum on the impact of the implementation of response measures, and to that end requested the Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) to convene such a forum at the thirty-fourth and thirty-fifth sessions of these bodies, with the objective of developing a work programme under the subsidiary bodies to address these impacts, with a view to adopting, at the seventeenth session of the COP, modalities for the operationalization of the work programme and a possible forum on response measures.
2. The COP further invited Parties and relevant intergovernmental organizations to submit to the secretariat, by 28 March 2011, their views on the issues referred to in decision 1/CP.16, paragraph 93 for consideration by the SBSTA and the SBI at their thirty-fourth sessions.
3. The secretariat has received 11 such submissions. In accordance with the procedure for miscellaneous documents, the nine submissions from Parties, the one submission from a United Nations organization and the one submission from an intergovernmental

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organization are attached and reproduced\* in the languages in which they were received and without formal editing. In line with established practice, the three submissions from non-governmental organizations have been posted on the UNFCCC website.<sup>1</sup>

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<sup>1</sup> <<http://unfccc.int/3689.php>>.

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

## **Submission by ALGERIA**

### **The forum of the adverse impacts of the implementation of response measures**

According to the paragraph 94 of the draft decision [-/CP.16] related to the Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention in which Parties are invited to submit to the secretariat, by 28 March 2011, their views on the issues referred to in paragraph 93 for consideration by the SBI and the SBSTA at the thirty-fourth sessions of the subsidiary bodies, Algeria considers that the establishment of Forum on response measure will provide assistance to affected developing country like Algeria in analysing and addressing the impact of responses measures. The Forum's work program should include the following actions:

#### **I. Economic diversification**

1. Providing support to integrate climate change considerations to the planning and decision-making on economic diversification
2. Sharing experience and best practices on economic diversification
3. Providing support to develop institutional capacity, through financial and technical assistance, as well as improving market access and facilitation of technology transfer and financing
4. Providing support for building national capacity in the area of economic diversification
5. Providing support to promote private-public partnerships in areas that support economic diversification
6. Analysing and addressing the impact of trade and export barriers on the economic diversification efforts of developing countries

#### **II. Modelling**

In order to help developing countries to address the social and economic consequences of response measures there is a need to assess these consequences through:

1. Disseminating of existing models and tools to non-Annex I Parties, and ensuring increased collaboration on modelling techniques on an ongoing basis
2. Providing assistance in developing methodologies for developing countries to assess their vulnerability to the impact of the implementation of response measures
3. Undertaking socio-economic assessments of the impact of response measures in selected regions and sector activities which will be a basis for detailed and comprehensive guidelines

4. Working with relevant international organizations, on methodologies to assess the impacts of policies already implemented by developed countries in developing countries
5. Establishing a collaboration with the international scientific community, including the IPCC, on improving the quality of models through the assessment of the impact of response measures on developing countries, with a view to fully pay attention to this issue in the future work of the IPCC by preparing a special report on social and economic consequences of response measure
6. Providing assistance to developing country to build a national capacity in the area of modelling the impacts of response measures

### **III. Insurance and Financial Risk management**

1. Identifying possible ways of collaboration between the climate change community, government programmes and private insurance sectors
2. Private-public partnerships linking insurance mechanisms and risk-reduction mechanisms
3. New mechanisms to build national capacity for risk management, risk financing and risk transfer
4. Identifying means to engage the private sector in the development of alternative risk transfer mechanisms

## Submission under the Cancun Agreements | March 2011

### Impacts of implementation of response measures | SBI | SBSTA

#### I. Overview

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This submission contains the views of the Australian Government on impacts of the implementation of response measures, as requested under paragraph 94 of Decision 1/CP.16 on *Outcome of the work of the Ad Hoc Working Group on long-term Cooperative Action under the Convention (AWG-LCA)*. Australia also draws attention to its previous submissions on the impact of implementation of response measures<sup>1</sup>.

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 the impacts of implementation of response measures. In summary, Australia considers that:

- the forums provide an important opportunity to share information on the actual and observed impacts arising from Parties' mitigation measures, including impacts on the poorest and most vulnerable countries that might be affected by such measures, and for best practice exchanges on facilitating economic transition to a low-carbon future;
- any proposed work programme should take a scientific approach to this topic to better understand the real impacts Parties may face in the future, and consider how existing channels can be used to build an evidence-based platform;
- to maximise coherence and efficiency, we should endeavour to coordinate proposed discussions on impacts of the implementation of response measures and leverage work undertaken elsewhere; and
- given the significant forward work agenda on the impacts of the implementation of response measures, it would be pre-emptive to consider the merits of a further possible forum.

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<sup>1</sup> FCCC/AWGLCA/2008/MISC.5/Add.2 (Part 1); submission under the Cancun Agreements on matters relating to Articles 2.3 and 3.14 of the Kyoto Protocol: impacts of implementation of response measures (February, 2011).

## **II. Forums and work programme on the impacts of the implementation of response measures**

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At Cancun, Parties and relevant intergovernmental organisations were invited to submit their views to the secretariat on issues that could be considered at forums convened by the Chairs of the SBSTA and SBI at the bodies' thirty-fourth and thirty-fifth sessions to develop a work programme on the impacts of the implementation of response measures. Australia looks forward to participating in these forums.

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. Australia, as an emissions intensive economy and a major energy exporting country, is in the process of managing the impacts of economic and structural change as Australia and the world transitions to a low carbon future.

Some Parties, of course, are better equipped than others to meet this challenge. With that in mind, the forums and proposed work programme should focus on how to best assist the poorest and most vulnerable countries that might be affected by response measures, including Least Developed Countries and the Small Island Developing States, to diversify their economies and build economic resilience. The discussions should provide an opportunity for best practice exchanges on what countries are doing, and can do, to transition their economies for a sustainable future.

The forums and proposed work programme should also focus on sharing information on actual and observed impacts – both positive and negative – 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 enhance understanding of the nature of the impacts Parties may face in the future. The work programme should include consideration of how existing channels, such as national communications, can be used to provide an evidence-based platform for understanding these potential impacts.

To maximise coherence in our consideration of this issue over 2011, the work programme should leverage work undertaken elsewhere to best meet our objectives of deepening understanding of this topic and building consensus. The forums should coordinate with the discussions to be undertaken in the joint SBI/SBSTA workshop addressing matters relating to Article 2, paragraph 3 and Article 3, paragraph 14 of the Kyoto Protocol (SBI/2010/27, SBSTA/2010/13) and with the workshop to discuss the potential impacts of response measures agreed in paragraph 86 of the SBI conclusion (SBI/2010/27) 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 coherence across negotiating streams.

Effectively coordinated, these scheduled workshops and forums, provide opportunities for Parties to comprehensively take forward work on response measures under the UNFCCC. It is both premature and unnecessary to make a determination on the need for a further possible forum on response measures while this substantial stream of work is ongoing.

**China's Submission on modality and topics for the forum to address the adverse impact of response measures**

The Conference of the Parties at its sixteenth session (Para.93 Decision 1/CP.16) invited Parties to submit to the Secretariat by March 28<sup>th</sup> 2011, their views on establishment of a forum including modalities and topics to address the adverse impact of response measures implemented by developed country parties. China welcomes this opportunity and would like to submit the following views.

1. The forum should be inclusive with wide-range participation. Any party or accredited organization should have opportunity to present their views on the topics of the forum. Organization procedure of the forum needs to be open and transparent, especially on the issues of selecting topics of the forum as well as presenters.
2. The forum need to be focus on the adverse impacts on developing countries by response measures implemented by developed countries, and approaches to minimize those adverse impacts through international cooperation. In order to effectively realize that main target of the forum, it should not be served as the platform to address overall climate change issues.
3. The methodology for reporting the information on adverse impact on developing countries by response measures implemented by developed countries, and the incorporation of such methodology in national communication guidelines for Annex-I parties should be discussed.
4. Recommended topics for the forum include: 1) equitable access to carbon space; 2) Address adverse impact of unilateral trade measures against goods and services from developing country Parties; etc.



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

**Views on issues relating to modalities for the operationalization of the work programme and a possible forum on response measures for consideration by the SBI and the SBSTA at the thirty-fourth sessions of the subsidiary bodies**

**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 28 March 2011, their views and information on issues relating to modalities for the operationalization of the work programme and a possible forum on response measures referred to in document FCCC/AWGLCA/2010/L.7, paragraph 93, for consideration by the SBI and the SBSTA at the thirty-fourth sessions of the subsidiary bodies.

AOSIS wishes to state that social, environmental and economic impacts of response measures are an important issue, dealt with under the mitigation building block of the Bali Action Plan and are separate from adaptation to the adverse effects of climate change.

The Cancun Agreements contain provisions to help better understand both positive and negative impacts of response measures and address this important concern for developing countries in a more structured, coherent and efficient way, through a work programme under the Subsidiary Bodies and the possible establishment of a forum.

Pursuant to decision 1/CP.16, paragraph 93, the chairs of SBSTA and SBI will convene a forum on the impact of the implementation of response measures at the thirty-fourth and thirty-fifth sessions of the subsidiary bodies with the objective of developing a work programme, with a view of adopting at the seventeenth session of the COP, modalities for the operationalization of the work programme and a possible forum on response measures. The opportunity of establishing a forum, its mandate, modalities and ways of operation are therefore still to be agreed upon.

I. Work programme on the impact of response measures:

A work programme on the social, environmental and economic impact of response measures should encompass the following elements that can be addressed through in-session and/or inter-sessional technical workshops:

- Assessment of the specific impacts of already implemented and planned response measures on the economies of SIDS and LDCs, taking fully into account their unique circumstances and constraints.
- Assessment of social, environmental and economic impact of “cleaner” fossil fuel technologies such as carbon capture and storage, especially when implemented in developing countries.
- Exploration of the potential positive impacts of response measures (Para 92 of the Cancun Agreements), in order to maximise them in the context of sustainable development and economic diversification, taking into account the growing literature on green growth.

- Enhancing capacity and support at national and regional level for developing countries, in particular SIDS and LDCs, to better assess, model and monitor actual and potential social, environmental and economic impact of response measures.

AOSIS acknowledges that both IMO and ICAO are undertaking studies to evaluate and model potential impacts of possible mechanisms and measures to regulate emissions from international transport (air and maritime), including, inter alia: the potential incidence of levies/taxation; auctioning of emission credits in trading schemes for these sectors; potential impacts of the inclusion of aviation and maritime sectors into the European Trading Scheme; and assessment of and lessons learned from impacts of taxation measures already implemented with respect to aviation, such as the UK Air Passenger Duty (APD).

We encourage IMO/ICAO to continue to undertake relevant studies and to provide timely updates of their progress to SBSTA at appropriate junctures, including the reports and findings from such studies.

## II. Possible forum on the impact of response measures:

AOSIS is of the view that establishing a forum on the impact of the implementation of response measures will have added value if it becomes the central and unique space for discussing impacts of implementation of response measures.

### The mandate of a possible forum could include:

- Providing the space for all Parties to share information and lessons learned about impacts of the implementation of response measures;
- Facilitating technical collaboration among Parties and experts on tools, including modelling and methodologies to evaluate the potential and actual positive and negative impacts of response measures;
- Making recommendations to the COP on further work needed to continue assessing impacts of current and enhanced response measures in the context of deeper emission reduction targets.

### Operation and modalities for a possible forum on response measures:

- The forum should be open to all Parties;
- Relevant International Organizations, Civil Society Organizations, including the private sector and Non-Governmental Organizations should be allowed to actively participate in accordance with the UNFCCC practices and guidelines;
- The forum would meet twice a year in conjunction with the SBs;
- The forum would report annually to the COP on its activities and progress of its work including on availability to developing country Parties of means for assessment and monitoring of impacts of response measures and make recommendations on further work needed to continue improving understanding of impacts of response measures.

Submission by Hungary and the European Commission on behalf of the European  
Union and its Member States

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

Budapest, 16 March 2011

**Subject: Views on the issues referred to in paragraph 93 of Decision 1/CP.16 – Economic and  
social consequences of response measures**

### **Introduction**

1. In paragraph 94 of Decision 1/CP.16, Parties were invited to submit to the secretariat, by 28 March 2011, their views (1) on convening a forum on the impact of the implementation of response measures at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA, (2) on the development of a work programme under the subsidiary bodies and (3) on modalities for the operationalisation of a work programme and a possible forum on response measures, as outlined in paragraph 93 of that decision. The EU welcomes this opportunity to present its views on this topic.

### **General remarks**

2. 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 addressing climate change. This transition will have important co-benefits for health, employment and economic development. At the same time, the EU recognises that some countries may have concerns over challenges posed to their economies and societies by such a transition.
3. The EU recognises that a better understanding of the positive and negative impacts of the implementation of response measures to combat climate change is an important part of addressing these concerns.

## **On convening a forum on the impact of the implementation of response measures at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA**

4. The EU looks forward to participating in a forum on the impact of the implementation of response measures to be convened at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA.
5. We would suggest that the forum be held in a workshop format. Response measures/potential consequences is currently discussed under a number of agenda items and the EU believes that we should use this forum to take into account all considerations of the issue. This would allow the forum to fulfil the role of a central place of exchange of views and information on the topic of response measures/potential consequences, whilst streamlining the agenda items.
6. To allow for a broad involvement of stakeholders, the EU would also propose that such a forum be open to all observer organisations.
7. Paragraph 92 of decision 1/CP.16 recognises the need for Parties to take into consideration the impacts of response measures and highlights the need for enhanced information exchange, taking into account the need for information from those affected, and evidence of actual impacts, and of both positive and negative effects and to consider how existing channels, such as national communications could be improved and built upon.
8. The provision of the forum at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA should allow for discussions on the importance of information exchange and how to address the information needed as outlined in paragraph 7 above.

## **On the development of a work programme under the subsidiary bodies**

9. The EU is of the view that considerations on the need for, and value of, a work programme on the impact of the implementation of response measures should be preceded by an open discussion and a thoughtful analysis of the work and activities that are ongoing under the various agenda items under the Convention and its Kyoto Protocol.
10. During the last year, discussions on the issue of response measures/potential consequences took place under the SBI (1/CP.10), under the SBI and the SBSTA (joint contact group on Articles 2.3 and 3.14 of the Kyoto-Protocol), under the AWG-LCA (economic and social consequences of response measures) and under the AWG-KP (potential consequences). In Cancún, conclusions FCCC/SBI/2010/L.23 and FCCC/SBSTA/2010/L.16 (joint contact group under Articles 2.3 and 3.14 of the Kyoto Protocol) and FCCC/SBI/2010/L.34/Rev.1 (1/CP.10) mandated workshops on the issue of response measures/potential consequences.

11. In addition to this work, the EU and other Annex I Parties have reported on the impact of the implementation of response measures in their National Inventory Reports and/or their fifth National Communications. Non-Annex I Parties have been invited to report on actual impacts experienced by the implementation of response measures in their National Communications and/or in supplementary information.
12. All of the elements outlined in paragraphs 10 and 11, above, are already in place. However, the EU recognises that by bringing these different strands together, by strengthening existing channels and institutions and by bringing existing processes together in one central place, the issue of response measures/potential consequences may be better addressed in the future.
13. The EU proposes that the discussions on the development of a work programme should focus on identifying
  - what issues concerning response measures/potential consequences are already being addressed by current channels, institutions and work programmes;
  - what value an additional work programme could have in enhancing the use of existing channels of information; and
  - how an additional work programme would allow for bringing together existing channels and institutions in one central place.
14. Discussions should be guided by the urgent need to combat climate change through a global transition to a low greenhouse gas emitting economy, and by sharing information and best practices for maximising positive and minimising negative impacts of such a necessary transition.
15. The outcomes of the workshops mentioned in paragraph 10, above, could provide useful input to these discussions. Inputs from observer organisations during the forum at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA could add to this input.

## **On modalities for the operationalisation of a work programme and a possible forum on response measures**

16. The EU is of the view that considerations on the operationalisation of a work programme and a possible forum on response measures should be preceded by an open discussion and a thoughtful analysis of the work and activities that are ongoing under the various agenda items under the Convention and its Kyoto Protocol.
17. The EU believes that the discussions on the issues outlined in paragraphs 9 to 14, above, should inform the question of whether and how to operationalise a work programme and a possible forum on response measures.

## **Conclusion**

18. The EU looks forward to participating fully in a forum to be held at the thirty-fourth and thirty-fifth sessions of the SBI and the SBSTA and hopes that it will be used to facilitate further discussions of this issue.

**Позиция Российской Федерации по вопросу работы форума по вопросам воздействия осуществления мер реагирования в целях предотвращения изменения климата (направляется в соответствии с пунктом 94 решения 1/СР.16)**

Российская Федерация приветствует создание форума для обсуждения вопросов воздействия осуществления мер реагирования в целях предотвращения изменения климата.

В связи с тем, что меры по предотвращению изменения климата связаны с энергетическим сектором экономики, особое внимание при изучении вопроса воздействия мер реагирования должно быть уделено странам, являющимся крупными потребителями и экспортерами энергоресурсов. Форум должен способствовать выработке механизмов, обеспечивающих минимизацию негативного воздействия выбросов на фоне роста экономики и устойчивого развития социальной сферы как развитых, так и развивающихся стран.

Российская Федерация также предлагает в рамках соответствующей работы ВОКНТА и ВОО организовать проведение объективных оценок экономических и социальных последствий мер реагирования, в первую очередь, для развивающихся стран и стран с переходной экономикой (наличие данных, методологии оценки и т.д.).

Российская Федерация, приветствуя усилия развитых и развивающихся стран по предотвращению изменения климата, считает крайне важным обеспечить аккуратное использование механизмов тарифного и нетарифного регулирования в отношении углеродоемких товаров и услуг. Принимаемые в одностороннем порядке меры не должны служить средством произвольной или неоправданной дискриминации или скрытого ограничения международной торговли. Тарифные и нетарифные ограничения на импорт товаров и услуг должны вводиться по решению соответствующих международных организаций и учитывать возможные негативные последствия для экономического роста и устойчивого развития в развивающихся странах, а также странах с переходной экономикой.

## **SUBMISSION BY SAUDI ARABIA**

*February 21, 2011*

### **Views on Different Elements of The Cancun Agreement** **Decision 1/CP16**

#### **OVERALL REFERENCE**

The COP, at its 16<sup>th</sup> session, invited Parties to submit to the secretariat, by 21 February 2011, their views on different elements of the Cancun Agreement in Decision 1CP16. Saudi Arabia welcomes the opportunity to submit its views on these important elements

Saudi Arabia emphasizes that the UNFCCC is and will continue to be the main guiding framework for all climate change actions for now and into the future. Therefore, all its principles, rights and obligations, as well as existing annexes shall remain valid for any agreed outcome from Cancun.

In accordance with the Bali Action Plan, the aim of the Cancun Agreement is to enhance implementation of the convention for the present, as well as up to and beyond 2012. Any objectives must be aligned with the objective of the convention and must allow for economic development to proceed in a sustainable manner and ensure that food production is not threatened.

#### **FORUM ON THE IMPACT OF THE IMPLEMENTATION OF RESPONSE MEASURES**

##### **Reference from the Cancun Agreement**

93. *Decides* to provide a forum on the impact of the implementation of response measures, and to that end requests the Chairs of the SBSTA and the SBI to convene such a forum at the thirty-fourth and thirty-fifth sessions of these bodies, with the objective of developing a work programme under the subsidiary bodies to address these impacts, with a view to adopting, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the work programme and a possible forum on response measures;



94. *Invites* Parties and relevant intergovernmental organizations to submit to the secretariat, by 28 March 2011, their views on the issues referred to in paragraph 93 above for consideration by the SBI and the SBSTA at the thirty-fourth sessions of the subsidiary bodies;

### **Views from Saudi Arabia**

As they implement their emission reduction commitments, Annex I Parties have the obligations 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 Convention and Protocol acknowledge every country's legitimate right to sustainable development, and that Annex I Parties have a responsibility to promote a supportive economic system leading to sustainable economic growth and development in these countries, and support their overriding priorities for economic and social development and poverty eradication.

All Developing Countries will be adversely impacted by the implementation of mitigation policies and measures, the impact will vary in nature and magnitude depending on their particular circumstances. This is further exacerbated by their lack of capacity to adapt to these adverse impacts of response measures. As such, the mitigation actions to curb climate change should not be at the cost of the Developing countries' economic survival. IPCC assessment reports, including The Fourth Assessment Report, confirm that efforts to mitigate climate change will have adverse effects on the economies of Countries that are highly dependent on income generated from the production, processing and export of fossil fuels, such impacts are expected to be massive and deep. In Saudi Arabia, where oil represents around 90% of government income and 50% of national GDP, and thus making Saudi Arabia among the most vulnerable economies. Saudi Arabia's economy has always been threatened by oil price fluctuations which impede investments, and increase the challenges in diversifying the economy.

Saudi Arabia remains concerned with the adverse impacts of the policies and measures taken by Annex I parties to achieve their emission reduction targets. Higher targets will only compound that concern. In addition, developing countries are going to be undertaking nationally appropriate mitigation actions (NAMAs). These NAMAs may also have different social and economic impacts on other Parties, as well as on the implementing Party.

A Forum to discuss how to avoid the adverse social, environmental and economic impacts of response measures is expected to yield significant strategic objectives and foster greater understanding and synergies. Such a Forum shall focus on modeling, insurance and financial risk management, economic diversification, technology development and transfer, and sustainable development; as well as establish adaptation needs to the impact of response measures.

The Forum will provide an appropriate platform to help all developing country parties deepen their understanding on the impact of the various policies and measures and provide different rankings for policies and measures in terms of their different adverse impacts on particular

regions, industries, or sectors. Such information will help all parties in their efforts to select appropriate policies that achieve the desired mitigation results and at the same time avoid or reduce the adverse impact of these policies and measures on other parties, particularly developing country parties with specific vulnerabilities, like Saudi Arabia whose economy is dependent on the processing and export of oil

### Operation and work programme

The Forum shall provide a proper venue for the continuous exchange on response measures and should be open to participation from all Parties and intergovernmental organizations, as well as experts from the scientific and modeling community. Professionals from the private sector with expertise in the fields of finance, insurance, risk management and risk transfer systems. Social and economic scientists also provide great assistance to the work of the Forum

The Forum shall report annually to the COP on findings, as well as make recommendations for COP decisions on further actions. The report to the COP shall include progress of implementation of all elements and sub-elements included in the work program. Such a work program shall include, inter alia:

#### A. Modeling;

- (i) Dissemination of modeling tools and models to non-Annex I Parties, and ensuring increased collaboration on modeling activities on an ongoing basis;
- (ii) Development of methodologies to assist Developing Countries to examine vulnerability to the impact of the implementation of response measures;
- (iii) Development of draft guidance documents on how to undertake socioeconomic assessments of the impact of response measures to be piloted in selected Countries as a basis for detailed and comprehensive guidance;
- (iv) Development, in collaboration with international organizations, of methodologies to assess the impacts on Developing Countries of policies already implemented by Annex I Parties;
- (v) Coordination with the scientific research community, including the IPCC, to improve the quality of models, in particular those that assess the impact of response measures on Developing Countries, with a view to fully addressing this issue in the future work of the IPCC;
- (vi) Capacity building at the national level on modeling the impacts of response measures;

B. Insurance, and financial risk management;

- (i) Sharing experiences and opportunities on the development of measures, methodologies and tools aimed at increasing economic resilience;
- (ii) Possible collaboration between the climate change community, government programs and private insurance sectors;
- (iii) Private-public partnerships linking insurance mechanisms and risk-reduction Mechanisms
- (iv) Ways in which to build capacity at the national level for risk management, risk financing and risk transfer;
- (v) Means by which to engage the private sector in the development of alternative risk transfer mechanisms;
- (vi) Means of strengthening local capacities and equipping communities with greater resilience.

C. Economic diversification;

- (i) Exchanging experience in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity, and/or to establishing a mechanism for facilitating efforts to achieve economic diversification;
- (ii) Coordination by the Secretariat with the relevant international organizations and the private sector in Developed Countries on matters relating to economic diversification;
- (iii) Building capacity, at the national level, in the areas of economic diversification;
- (iv) Promoting private-public partnerships in various areas to support economic diversification;
- (v) Providing recommendations for encouraging direct investment by and technology transfer from developed Countries to assist in the economic diversification of Developing countries;
- (vi) Addressing the extent to which trade and export barriers affect economic diversification in Developing countries;

D. Technology transfer;

- (i) Technology development, deployment, transfer to adapt to the impact of response measures;
- (ii) Support technology transfer and the removal of barriers for technologies that help Developing Countries adapt to the negative effects of response measures;
- (iii) Providing support for win-win technologies that help address climate change and reduce the negative impact of response measures, like carbon capture and storage;
- (iv) Promotion of Technology driven solutions to reduce emissions, such as clean fossil fuel technologies

E. Sustainable development;

- (i) Enhance cooperation on the removal of trade barriers
- (ii) Phasing out of explicit or implicit taxation on fossil fuels
- (iii) Develop institutional capacity and improve understanding of how to balance environmental programs with social and economic priorities to achieve balance towards sustainable development;
- (iv) Providing support for the integration of economic diversification into sustainable development strategies;
- (v) Cooperation in the financial and technical support for promoting high environmental standards and energy efficiency in fossil fuels exploration and producing activities.

**Submission to the Ad-hoc Working Group on Long-term Cooperative  
Action under the Convention (AWG-LCA) Pursuant to Paragraph 93 of  
Dec. 1/CP 16**

**Submission from Singapore**

1 This submission provides Singapore's views on principles that should guide the work outlined in Paragraph 93 of Dec. 1/CP16.

2 In Cancun, Parties decided to provide a forum to discuss the impacts of response measures. The Chairs of the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI) were requested to convene such a forum at their respective thirty-fourth and thirty-fifth sessions to develop a work programme under the subsidiary bodies to address these impacts, with a view to adopt modalities for the operationalization of the work programme and a possible forum on response measures at the seventeenth session of the Conference of the Parties.

**Principles to Guide the Work of the Forum**

3 We propose the following principles to guide the work outlined in Paragraph 93 of Dec.1/CP16:

- The work programme should be consistent with the principles and provisions of the Convention.
  
- Parties should take into consideration the national circumstances of developing country Parties identified in Articles 4.8, 4.9 and 4.10 of the Convention, particularly those that are least-developed, alternative-energy disadvantaged<sup>1</sup> and small island developing countries.

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<sup>1</sup> In the submission FCCC/AWGLCA/2009/MISC.4 (Part II), Singapore proposed that the agreed outcome of the AWG-LCA must give full consideration to the national circumstances of Parties. A key factor determining Parties' ability to reduce their greenhouse gas emissions is their access to renewables and other non-fossil alternatives. Based on the preliminary study found in Annex A of Singapore's submission, such access is a function of size and location, with smaller countries facing greater limitations in accessing alternative energy. In this regard, the serious difficulties faced by Parties, particularly small countries, in switching from fossil fuels to alternatives must be quantified and taken into account in their efforts to reduce emissions.

- The work of the forum and its outcome should respect Parties' rights and obligations in other international agreements. While Parties may discuss the impacts of response measures at the UNFCCC, it should be recognised that the UNFCCC process should not conflict with the ongoing work in other international fora, such as the World Trade Organisation – the appropriate body to deal with trade-related response measures.
- Recognising that the Convention provides flexibility to Parties in the choice of domestic policies in accordance with their national circumstances, discussions at the forum should not impinge on a Party's sovereign right to implement mitigation actions that are appropriate to its national circumstances.
- The forum is an avenue for the discussion of the impacts of response measures. It is not intended to serve as a basis for the interpretation or enforcement of specific provisions of the Convention or to impose new commitments on Parties.
- The forum should be conducted in the spirit of mutual respect aimed at promoting better understanding and information sharing on the response measures of Parties. The confidentiality of information, especially commercially sensitive information, must be protected and respected.

### **Next Steps**

4 In addition to the abovementioned principles, as a practical next step, Singapore suggests that Parties leverage on work already done in the SBSTA and SBI. In this connection, it will be useful if the Secretariat prepares a background paper summarising discussions that have taken place on response measures prior to the thirty-fourth and thirty-fifth sessions of the SBSTA and SBI. This avoids duplicating the extensive existing work on response measures.

**Opinion of Republic Uzbekistan on questions concerning approaches for the accelerated performance of the working program and a possible forum on reciprocal measures**

Republic of Uzbekistan supports the initiatives of Secretariat aimed at activation of events on prevention of climate change. The response to climate change should be complex and being implemented with the account of interests of social-and-economical development, keeping from the unfavourable influence to the development of Parties being the developing countries which make efforts to the achievement of sustainable economical growth.

Uzbekistan acknowledges the need in cooperation for realization of measures aimed at climate change prevention within the framework of efficient mechanisms according to the relevant principles of Convention and considers that it is necessary to take into account the economical and social impacts of the response measures and needs of Parties, in particular, of Parties being the developing countries which are under the effect of the response measures.

In this concern the build-up of the forum on the response measures and elaboration of the work program on consideration of issues of these impacts can be useful for the constructive dialogue on the matters of climate change prevention.

In the framework of forum and work program it is possible to organize the discussion of outcomes of:

- scientific, technological, technical, social-economical and other studies,
- systematic observations and creation of data banks related to climate system,
- “good practice” in regard to response measures,
- decreasing or elimination of the rest uncertainties in regard to the causes, aftereffects, scales and time of climate change

regarding the economical and social consequences of different response strategies and with the aim of activation of actions on climate change prevention.

## **Climate Change and Food Security in the Context of the Cancun Agreements**

*Submission by the Food and Agriculture Organization of the United Nations to the 14<sup>th</sup> session of the AWG-LCA, in accordance with paragraph 1 of the Bali Action Plan*

### **Introduction**

Recently food prices have once again shown an upward trend, kindling fears of another food price crisis along the lines of that experienced in 2007-2008. FAO recently signaled that its global food price index hit a new record high in February. Greater attention is now being given to climatic changes as one of the drivers of these price increases. FAO indicated that some food prices have more than doubled this year due in part to weather problems in key producing countries, which curbed global production of wheat, corn and sugar. *“On a global level, increasingly unpredictable weather patterns will lead to falling agricultural production and higher food prices, leading to food insecurity,”* the UNFCCC Secretary stated in an address delivered on 15 February 2011.

Article 2 of the UN Convention on Climate Change advised that stabilization of greenhouse gas concentrations in the atmosphere should be within a timeframe, which *“ensures that food production is not threatened”*. Yet climate variability and change have been and are expected to be more rapid and intense than previously thought, requiring both quicker and more profound adaptation. Agriculture, fisheries, forestry and the natural resources on which they depend, will be challenged to ensure the food security of an increasing number of people during this century (an additional 3 billion people by 2050, requiring an estimated 70% increase in global food production). This will have to be done under changing climatic conditions that are expected to exacerbate this already onerous task, especially in the most vulnerable parts of the developing world. In these areas in particular, adaptation of agriculture, fishery and forestry sectors will not be an option but an imperative for survival.

The Committee on World Food Security (CFS), at its last session, requested the High-Level Panel of Experts on food security and nutrition (HLPE) to *“review existing assessments and initiatives on the effects of climate change on food security and nutrition, with a focus on the most affected and vulnerable regions and populations and the interface between climate change and agricultural productivity, including the challenges and opportunities of adaptation and mitigation policies and actions for food security and nutrition”*. Consideration of the close interface between climate change and food security, by both CFS and UNFCCC, could contribute to greater coherence across these two policy areas.

**Parties will now undertake further work on the design and governance of international climate change architecture decided in Cancun, which is to enhance action on, and support for, adaptation and mitigation. Such work could be usefully informed by and include inter-linkages between climate change and food security, some of which are highlighted below, for the perusal of Parties.**

### **Food security could be considered within the context of economic and social consequences of response measures**

In the Cancun Agreements, Parties *“decided to provide a forum on the impact of the implementation of response measures...”*. The Chairs of SBSTA and SBI are to convene a forum (at the thirty-fourth and thirty-fifth sessions of these bodies) in order to develop a work programme under the subsidiary bodies to address these impacts, *“... with a view to adopting modalities for the operationalization of a work programme and a possible forum on response measures”* at COP 17.



Meeting increasing demand for fuel, food and carbon storage in terrestrial sinks cuts across biofuels, food security and REDD+. National policy-makers will be challenged to capture synergies and manage trade-offs inherent in these competing land-uses.

Already biofuels (a mitigation response measure) from food crops were associated with spiking food prices in 2007-2008. While different country contexts result in different impacts, biofuel crops can potentially result in competition for land and water resources with food crops and removal of potential food from food systems. A number of international organizations have flagged the importance of taking measures to avoid the potential negative impacts of biofuels on food security in certain national contexts and globally, and enhancing the potential positive impacts. To this end, FAO has developed “A decision support tool for sustainable bioenergy”, which aims to assist decision makers in the process of developing a national bioenergy policy and strategy and/or assessing investment opportunities. Utilizing agricultural residues to produce biofuels may divert their use as soil amendments, contributing to reduced fertility or water retention in some soils. This is not to say that in countries where land, water and food are plentiful, biofuels may have a negligible impact on food security and a beneficial impact on the income of farmers, including smallholders. What is important is that countries assess the potential implications of this response measure for their food security.

The success of REDD+ could well depend on how successfully its interface with agriculture is managed. Agriculture is a major driver of deforestation due to positive returns to converting forests to agricultural uses - including biofuels. Financial incentives provided by a REDD+ instrument to conserve and sustainably manage forest land would need to provide at least the same level of income or benefits to the land users to be effective in reducing agricultural expansion onto forest lands. Intensification of agricultural systems could be a substitute for agricultural expansion - although by increasing the returns to agricultural lands - it could also increase the incentives to continue deforesting. This highlights the importance of considering the dynamic opportunity costs that farmers and forest communities may face with foregoing agricultural production on forested areas. Countries will increasingly have to grapple with competing land-uses and to explore measures to achieve a desirable balance among carbon storage in forests, increased agricultural productivity and the safeguarding of food security.

Ensuring that incentives do not lead to perverse outcomes will be important, as will more comprehensive land-use planning and landscape approaches, which look holistically at land-use and attempt to integrate multiple goals or targets within spatial planning to determine the optimal balance across different land uses in order to meet, on a sustainable basis, national economic, environmental and social goals. Also, some improved agricultural management and production practices can offer multiple benefits for adaptation, mitigation and productivity and integration of trees into agricultural production systems through agroforestry can benefit both mitigation and agriculture. However, in many places such approaches and practices are not yet at a scale to make an appreciable difference and adoption faces a number of barriers.

**Increasing awareness within climate change and food security policy agendas of the linkages across these two areas can be a first step in helping countries to maximize potential synergies and minimize trade-offs and perverse outcomes. Article 2 of the United Nations Framework Convention on Climate Change already makes this linkage and current spiking food prices connected to extreme events underlines the urgency of this step. For this reason, Parties may wish to consider the positive and negative socio-economic consequences of response measures for food security in an eventual forum to address the impacts of implementation of response measures.**

## International Labour Office (ILO)<sup>1</sup>

### Submission on Section E of the Cancun Agreement: Economic and social consequences of response measures

According to *Par 94*: Invites Parties and relevant intergovernmental organizations to submit to the secretariat, by 28 March 2011, **their views on the issues referred to in paragraph 93** above for consideration by the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation at their thirty-fourth sessions;

*Par 93*. Further decides to provide a **forum on the impact of the implementation of response measures**, and to that end requests the Chairs of the Subsidiary Body for Scientific and Technological Advice and the Subsidiary Body for Implementation to convene such a forum at the thirty-fourth and thirty-fifth sessions of these bodies, **with the objective of developing a work programme under the subsidiary bodies to address these impacts**, with a view to adopting, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the work programme and a possible forum on response measures;

#### Introduction

The ILO welcomes the opportunity to share its views on the issue of economic and social consequences of response measures, in particular on i) the forum on the impact of such measures and on ii) the development of a work programme under the subsidiary bodies to address these impacts.

ILO's contribution will center on the importance of **promoting a just transition of the workforce, the creation of decent work and quality jobs** in accordance with nationally defined development priorities and strategies, and contributing to building new capacity for both production and service-related jobs in all sectors, promoting economic growth and sustainable development recognized by Parties in the introduction of subsection E of the Cancun Agreement<sup>2</sup>.

In ILO's view, in order to achieve a truly sustainable development, a **just transition** should be ensured for all those whose livelihoods and jobs are at stake or will need to change due to climate change or response measures, as well as providing opportunities for decent and green jobs for all through a development path which protects the climate and promotes social inclusion.

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<sup>1</sup> The International Labour Office is the permanent secretariat of the International Labour Organization which is responsible for drawing up and overseeing international labour standards. The mission of the ILO is the promotion of Decent Work for all. It is the only 'tripartite' United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programmes.

<sup>2</sup> Page 15: <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>.

As recognized in paragraph 10 of the Cancun Agreement, “*addressing climate change requires a paradigm shift towards building a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a just transition of the workforce that creates decent work and quality jobs*”.

Our economies and societies are undergoing major shifts towards a low-carbon and more sustainable world. The needed changes in the production and consumption patterns to reduce the GHG emissions have far-reaching and long-lasting consequences in labour markets, enterprises and workers in both developed and developing countries, and therefore impacts and opportunities on the world of work should be considered when designing and implementing climate policies.

Climate policies and measures can be **beneficial in terms of job creation** and are capable of meeting social challenges such as unemployment, poverty and social inequalities provided they are designed and implemented in a coherent manner. Both socio-economic challenges and opportunities need to be better understood and anticipated in order to maximize benefits for development and achieve a socially fair transition. However, if **labour, employment and incomes are not included** among the socio-economic information taken on board when defining and implementing mitigation measures, these measures may become drivers for increasing already existing vulnerabilities. This would exacerbate the difficulties that many countries are already facing in providing decent work for all, which is fundamental for achieving a truly sustainable development.

## **Forum of implementation of response measures**

In the ILO’s view, the forum described in paragraph 93 should be based on paragraph 91 which affirms that *Parties should cooperate fully to **enhance understanding** of the economic and social consequences of response measures, taking into account the **need for information** from those affected, and evidence of actual impacts, and of both positive and negative effects.*

The ILO believes that two main approaches are helpful to this end: dialogue and socio-economic impact assessments:

- **Dialogue** with relevant actors related to response measures which are:
  - Decision-makers, including but not only, labour and employment ministries and related institutions such as labour inspectorates, occupational health officials and vocational training institutions;
  - Employers’ and workers’ organizations, who are the first witnesses of these socio-economic consequences, have an in-depth understanding of implications and options and play a key role for the effective implementation of mitigation policies and measures;
  - Technical experts in academia, international organizations and others.

This type of dialogue is being used in several countries in different forms: inter-ministerial committees like in India, social dialogue round-tables with unions, employers associations and labour, environment and industry ministries like in Spain, local, regional and national stakeholder conferences on climate change and sustainable development like in Brazil or in a green economy like in South Africa. Knowledge-sharing platforms are a way to better understand socio-economic impacts of climate change policies; a good example is the Nairobi Work Programme under the UNFCCC dealing with adaptation to climate change.

Dialogue may be applied to identify impacts at the international and national level.

Regarding 'the need for information', the ILO believes **comprehensive socio-economic impact assessments** should be developed to identify well in advance potential negative impacts as well as opportunities in social outcomes such as health, gender, employment and incomes and migration.

## Work programme

Regarding the work programme under the subsidiaries bodies, ILO's experience in member countries suggests that the following issues should be included in order to achieve a just transition of the workforce and the creation of decent work and quality jobs:

- **Labour market impact modelling**, that should be part of broader socio-economic assessments:
  - Labour market and employment assessment methodologies should be applied as modelling and mapping tools of the effort of mitigation policies;
  - Assessing current and future socio-economic consequences of response measures should include **both economic sectors** (agriculture, tourism, energy, etc) and **social groups** (workers in the formal and informal economy, women, youth, etc);
  - Regarding impacts on enterprises, special attention should be paid to **Micro, Small and Medium sized** enterprises because of their dominant role in job creation and income generation;
  - The broader socio-economic assessment should include among others the following areas: impacts on employment, incomes and livelihood, health, education, gender and migration;
  
- **Economic diversification programmes**:
  - Policies to mitigate climate change create an incentive framework designed by governments to guide entrepreneurs and workers to develop certain areas more than others. The policies with same climate benefits and **larger co-benefits in terms of employment** creation, social inclusion, and poverty reduction **should be identified and emphasized**. There is a growing body of evidence for the potential to achieve this;
  - Greening of enterprises: ways to minimize emissions level to keep enterprises viable and hence reduce the need for transitions of existing enterprises including cost-effective workplace-cooperation;

- In order to enhance positive impacts of **economic diversification programs**, they should count on the capacities of **local workforce**<sup>3</sup>, as well as using to the extent possible labour-based technologies. The ILO has extensive experience with this approach;
  - **Providing with appropriate skills** and training programmes to help redundant workers and enterprises at risk to reconvert to greener sectors. This is a key issue to achieve stable social support for different programs and policies, avoiding a backlash while assuring social stability;
  - **Enterprise development programmes**, including among other measures: the promotion of economic diversification, supporting enterprises to enter new markets, establishing institutional mechanisms for diversification and transitions, defining roles of governments, employers' and workers' organizations, developing tools and approaches for responsible restructuring of sectors, value chains and enterprises.
- Recognition of the **world of work actors** (workers, employers and labour-related institutions) as relevant actors and agents of implementation climate policies.
  - Distributional effects of mitigation policies on different types of households and **compensation measures** needed to address these effects. Climate change policies can be designed to provide sufficient protection to low-income households by introducing compensation strategies<sup>4</sup>.
  - Fundamental role of **social security policies, including basic social protection** is a well established mechanism for risk sharing with regards to loss of income in particular in times of transition. This aligns with the need of most developing countries to strengthen their social protection schemes as is reflected in the UN Social Protection Floor Initiative that promotes universal access to essential social protection and services. Social protection can be enhanced through mechanisms such as public works programmes and employment guarantees and cash transfer, as these can be effective in rural and low-income areas.

The ILO remains at the disposal of Parties to expand on the information of above areas, sharing experiences and contribute to an enhanced understanding of the social consequences of response measures and ways to deal with them in any form that Parties consider appropriate.

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<sup>3</sup> An **employment intensive investment and local resource-based approach** applies a needs-based, inclusive and participatory approach using appropriate technology, often minimizing capital-intensive equipment and applying environmental friendly construction methods. These approaches can contribute to environmental and private / public infrastructure preservation and improvement, soil conservation, or offer social services – both in rural and low-income informal urban settlements – in and out of times of crisis. They can also provide support to local SME contractors, offer community contracting tools and build effective local organizations for the management of these programmes.

<sup>4</sup> Such as income transfers, access to energy efficient housing, targeted subsidies (public transportation) or shift in burden tax (reducing labour cost). Using part of the revenues from carbon pricing with a redistribution objective is one of the most efficient ways to deal with the regressive effects on low-income households.