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# **Subsidiary Body for Scientific and Technological Advice**

Sixty-third session

Belém, 10–15 November 2025 Item 9 of the provisional agenda Matters relating to the forum on the impact of the implementation of response measures serving the

Convention, the Kyoto Protocol and the Paris Agreement

# **Subsidiary Body for Implementation** Sixty-third session

Belém, 10–15 November 2025 Item 10 of the provisional agenda

Matters relating to the forum on the impact of the implementation of response measures serving the Convention, the Kyoto Protocol and the Paris Agreement

# 2025 global dialogue on the impacts of the implementation of response measures

### Summary report by the secretariat

#### Summary

This report captures the discussions held and views expressed during the 2025 global dialogue on the impacts of the implementation of response measures, which took place in Istanbul, Türkiye, from 29 to 30 September 2025 in hybrid format. The dialogue focused on the topic of advancing the implementation and mainstreaming of response measures in the context of nationally determined contributions, and managing synergies and trade-offs to create jobs, enhance co-benefits and promote equitable approaches to critical minerals.



SDG

### Abbreviations and acronyms

CMA Conference of the Parties serving as the meeting of the Parties to the Paris

Agreement

CMP Conference of the Parties serving as the meeting of the Parties to the Kyoto

Protocol

COP Conference of the Parties

KCI Katowice Committee of Experts on the Impacts of the Implementation of

Response Measures

NDC nationally determined contribution

REDD+ reducing emissions from deforestation; reducing emissions from forest

degradation; conservation of forest carbon stocks; sustainable management of forests; and enhancement of forest carbon stocks (decision 1/CP.16, para. 70)

Sustainable Development Goal

UNDP United Nations Development Programme

### I. Introduction

#### A. Mandate

- 1. COP 28, CMP 18 and CMA 5 requested the secretariat to organize a two-day global dialogue on the impacts of the implementation of response measures in conjunction with intersessional meetings of the KCI in 2024 and 2025, in collaboration with relevant organizations and stakeholders and acknowledging the work that has been carried out by the KCI, noting that such dialogues will be conducted in hybrid format to allow both in-person and virtual participation.<sup>1</sup>
- 2. COP 28, CMP 18 and CMA 5 also requested the secretariat to prepare a summary report capturing the discussions held at each of the global dialogues.<sup>2</sup>

#### B. Scope

3. This report, prepared under the guidance of the Chairs of the subsidiary bodies, reflects the discussions held and views expressed, including key findings, opportunities and barriers identified relevant to the topic, during the 2025 global dialogue referred to in paragraph 1 above. The views reflected in this report are those of the individuals who expressed them during the dialogue and do not necessarily represent a collective position taken by participants. No judgment has been made on the views expressed by the participants, and the report does not provide an exhaustive account of all interventions or attempt to capture every detail or remark.

### II. Proceedings

- 4. The 2025 global dialogue on the impacts of the implementation of response measures took place in Istanbul, Türkiye, from 29 to 30 September 2025 in hybrid format, with 75 registered in-person and 83 registered virtual participants.<sup>3</sup>
- 5. The topic of the dialogue was advancing the implementation and mainstreaming of response measures in the context of NDCs, and managing synergies and trade-offs to create jobs, enhance co-benefits and promote equitable approaches to critical minerals, as decided on and communicated by the Chairs of the subsidiary bodies on the basis of views submitted by Parties, observers and other stakeholders.<sup>4</sup>
- 6. The modalities at the dialogue were:
- (a) Plenary gatherings for all participants, including scene-setting presentations by experts that provided the foundation for the discussions in the world café and breakout group sessions;
- (b) World café groups, where participants were divided into two hybrid and six inperson groups to discuss the topics of sessions 1 and 4. A number of guiding questions were prepared and shared with participants ahead of the dialogue to guide the discussions;
- (c) Breakout groups, during which three groups of participants took turns in discussing the three topics of sessions 2 and 3 respectively. A number of guiding questions were prepared and shared with participants ahead of the dialogue to guide the discussions;

<sup>&</sup>lt;sup>1</sup> Para. 16 of decisions <u>13/CP.28</u>, <u>4/CMP.18</u> and <u>19/CMA.5</u>.

<sup>&</sup>lt;sup>2</sup> Para. 17 of decisions  $\overline{13/\text{CP.28}}$ ,  $\overline{4/\text{CMP.18}}$  and  $\underline{19/\text{CMA.5}}$ .

<sup>&</sup>lt;sup>3</sup> Information on the dialogue, including the agenda, recorded webcasts and presentations, is available at <a href="https://unfccc.int/event/rm-global-dialogue-2025">https://unfccc.int/event/rm-global-dialogue-2025</a>.

<sup>&</sup>lt;sup>4</sup> Pursuant to paras. 18–19 of decisions <u>13/CP.28</u>, <u>4/CMP.18</u> and <u>19/CMA.5</u>. The submissions are available at <a href="https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx">https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx</a> (in the search field, type "global dialogue").

- (d) Reporting back to the plenary on the outcomes of the discussions of the world café and breakout groups.
- 7. A representative of the secretariat facilitated the opening plenary, which began with opening remarks, delivered virtually by the Chair of the Subsidiary Body for Implementation and in person by representatives of the secretariat, the UNDP Istanbul Regional Hub, the COP 29 Presidency and the Government of Türkiye. The Chair of the Subsidiary Body for Scientific and Technological Advice delivered remarks virtually at the end of the first day of the dialogue.
- 8. **Session 1** of the dialogue covered four topics pertaining to navigating the impacts of climate policies, including synergies and trade-offs (see paras. 23–42 below).
- 9. The first topic was managing the socioeconomic impacts of climate policies on key economic sectors, with discussions guided by the following questions:
- (a) In your country or region, what approaches have been effective in managing socioeconomic impacts at the sectoral level while supporting resilience and inclusiveness?
- (b) How have stakeholders in your national or regional context (e.g. workers, communities and industries) cooperated to strengthen the achievement of just and sustainable transitions?
- 10. Discussions on the second topic, maximizing the co-benefits of climate action through climate policy design, were guided by the following questions:
- (a) In your national or regional experience, how have climate policies been designed to generate co-benefits for health, food security, biodiversity or other development goals?
- (b) What lessons from your country or region could be shared on balancing tradeoffs arising from the implementation of climate actions while realizing multiple benefits?
- 11. Discussions on the third topic, global and national linkages of climate policy implementation, were guided by the following questions:
- (a) From your country or regional perspective, what impacts, including cross-border effects, have you observed from climate policies, and how are these being addressed?
- (b) What support mechanisms and approaches for cooperation have you seen that help align global actions with national development priorities in your national or regional context?
- 12. The fourth topic covered tools and methods for assessing the impacts of climate policies, with discussions guided by the following questions:
- (a) What approaches, tools or methods has your country or region used to assess the socioeconomic and sectoral impacts of climate policies, and what has been the experience of using them?
- (b) How can institutional capacities and stakeholder engagement in your country or region be strengthened to improve the effectiveness of these assessments?
- 13. **Session 2** focused on three topics pertaining to critical minerals for climate action, as well as associated opportunities and risks (see paras. 43–54 below).
- 14. The first topic focused on equitable participation in value chains, exploring how countries, especially developing countries and mineral-dependent economies, can maximize synergies in value chains close to source of critical minerals. Discussions were guided by the following question: in your country or region, what approaches have helped or could help to maximize participation in critical mineral value chains, including participation in value addition and beneficiation of critical minerals, in ways that support inclusive economic development and NDC implementation, while ensuring that these value chains enable, rather than constrain, the transition to low-emission technologies?
- 15. The second topic was managing the environmental, socioeconomic and community impacts of critical mineral value chains, with a focus on strategies for addressing those impacts and the use of environmental de-risking to strengthen socioeconomic and business

resilience. The discussions were guided by the following question: from your national or regional perspective, what strategies are being used to ensure that critical minerals are sourced responsibly and their value chains are developed responsibly, in a way that also addresses socioeconomic and environmental impacts, safeguards ecosystems and ensures benefits for local communities?

- 16. The third topic explored international cooperation and enabling support for the sustainable management of critical minerals. Discussions were guided by the following question: in your experience, how can international cooperation, including finance, technology transfer and partnerships, best support the sustainable management of critical minerals in your country or region?
- 17. In **session 3**, participants shared their experience, best practices and perspectives pertaining to three topics covering equity, sustainable development and economic diversification in the context of a low-emission transition (see paras. 55–73 below), with the discussions guided by the following elements pertaining to each topic:
  - (a) Key challenges;
  - (b) Promising practices or approaches;
  - (c) Innovative ideas for scale-up or replication;
  - (d) Partnerships and support needed.
- 18. The first topic focused on equity in and the distributional impacts of response measures across regions, including cross-border effects, and on identifying approaches to implementing such measures transparently, equitably and in support of sustainable development.
- 19. The second topic was economic diversification strategies and approaches that are consistent with sustainable development and low-emission pathways, including those that foster innovation and development of nationally appropriate technological solutions aimed at reducing emissions while pursuing poverty eradication and sustainable growth.
- 20. The third topic covered building capacities to conduct evidence-based assessments of the impacts of response measures, with a focus on strengthening institutional and technical capacity for, and sharing national experience of, conducting such assessments, and mobilizing partnerships with international organizations that support just and inclusive transitions.
- 21. **Session 4** of the dialogue covered mainstreaming consideration of the impacts of implementing response measures in NDCs and national policies, with a focus on good practices in this regard, tools for conducting assessments of the socioeconomic impacts of response measures, and institutional arrangements that foster policy coherence and resilience, with discussions held on the following four elements that will support mainstreaming such consideration (see paras. 74–83 below):
  - (a) Integration mechanisms;
  - (b) Institutional coordination;
- (c) Tools and methodologies for assessing the socioeconomic impacts of response measures;
  - (d) International cooperation and support.
- 22. The closing plenary was moderated by a representative of the secretariat, and a representative of the incoming COP 30 Presidency delivered closing remarks.

### III. Summary of presentations and discussions

# A. Session 1: navigating the impacts of climate policies, including synergies and trade-offs

23. Session 1 examined how the implementation of climate policies and response measures creates ripple effects, with both positive and negative consequences, across economies, communities and sectors. Participants were invited to identify and share strategies that enhance synergies and manage trade-offs arising from the implementation of climate policies, including strategies for assessing, mitigating and adapting to negative impacts and maximizing positive outcomes.

#### 1. Scene-setting presentations

24. Session 1 opened with three scene-setting presentations on how climate measures influence global systems, public health and sustainable development. Experts from Columbia University, UNDP and the World Health Organization highlighted the economic and regulatory implications of climate policies; the health and financial benefits of air quality improvements; and innovative tools for aligning NDCs with the SDGs. They emphasized the need for integrated approaches to and data-driven analysis and inclusive planning for maximizing the co-benefits of climate policies and addressing challenges in policy implementation.

### 2. First topic: managing the socioeconomic impacts of climate policies on key economic sectors

- 25. The discussions covered the impacts of climate policies on a wide range of sectors, including energy, forestry, health, agriculture, tourism, fisheries and industry, with participants emphasizing the importance of including vulnerable groups, such as Indigenous Peoples, and gender equality considerations in the design of climate policies. Participants described public pushback as a commonly encountered challenge when introducing climate policies, highlighting the need for transparent, participatory and equitable policy design processes. Some shared that they have developed tools and methodologies for assessing and managing the socioeconomic impacts of climate policies, while others face limitations in developing them owing to lack of resources and insufficient technical capacity.
- 26. Good practices shared for managing the socioeconomic impacts of climate policies included exempting vulnerable sectors from participation in decarbonization policies; ensuring coordination across line ministries; carrying out local consultations accounting for different local languages or dialects; and defining macroeconomic indicators of socioeconomic impacts tailored to local contexts. Participants highlighted the importance of access to finance for managing socioeconomic impacts, with calls for stronger public–private partnerships and engagement with international financial institutions in this regard. International cooperation and knowledge transfer were seen as essential for managing socioeconomic impacts, particularly for addressing the cross-border impacts of climate policies. Participants stressed the importance of aligning NDCs and national adaptation plans with broader development strategies to ensure the sustainability and coherence of climate action.
- 27. Whole-of-government and whole-of-society approaches to stakeholder cooperation were highlighted as key to managing the socioeconomic impacts of climate policies, with participants emphasizing the need to raise awareness of impacts arising from climate policies and build capacity to assess them at both the national and the local level. Disaster risk management platforms, which connect national Governments, municipalities and communities, were cited as an example of mechanisms that enable such cooperation. The discussions concluded with a shared recognition that managing socioeconomic impacts is a cross-cutting issue that intersects with many aspects of climate policy and planning, and thus requires integrated approaches and sustained cooperation among all stakeholders.

## 3. Second topic: maximizing the co-benefits of climate action through climate policy design

- 28. Participants shared that, in many countries, climate policies are increasingly being designed to deliver cross-sectoral co-benefits, particularly in areas such as energy, health, biodiversity, food security and gender equality. Examples are emission reduction policies improving air quality and public health, reforestation and forestry initiatives supporting biodiversity and tourism, and industrial decarbonization contributing to cleaner and more affordable energy. Gender-responsive approaches to designing climate policies were also highlighted, with participants recognizing that women often benefit directly from inclusive climate policies.
- 29. However, it was noted that, in many developing countries, progress in integrating the consideration of co-benefits into climate policies varies. There is a need for improved data and methodologies, as well as localized assessments, to ensure that the impacts of climate policies are identified accurately. Participants emphasized the importance of aligning new climate policies with existing frameworks such as NDCs and national adaptation plans, thereby ensuring coherence and avoiding duplication of work.
- 30. Reflecting on lessons learned from efforts to balance the trade-offs of implementation of response measures while realizing their multiple benefits, participants emphasized the importance of assessing the potential negative impacts of response measures before their implementation. In this context, Indonesia's local emissions trading scheme was cited as an example. The scheme is a revenue-generating initiative, but results in opportunity costs in relation to forest conservation, underscoring the importance of modelling and assessing both benefits and trade-offs to inform decision-making.
- 31. Transparency and communication were also noted as key to realizing the multiple benefits of climate policies and balancing any trade-offs. Participants highlighted the role of local innovation ecosystems and skill development in enabling new sectors that can deliver co-benefits in the long term. They noted that climate policies that are aligned with the SDGs are more effective in ensuring transformative outcomes.
- 32. Regional and cross-border coordination was considered important for addressing any negative impacts of implementation of response measures, especially if ecosystems or resources are shared across borders. Finance was mentioned as essential, with calls for enabling environments and incentives to be created to encourage private sector engagement, such as under the mechanism established by Article 6, paragraph 4, of the Paris Agreement and under REDD+ initiatives. Participants stressed the importance of technology transfer, capacity-building and coherent policy frameworks for ensuring sustainable and equitable climate transitions.

#### 4. Third topic: global and national linkages of climate policy implementation

- 33. Participants reflected on the impacts of climate policies from their national and regional perspectives, with particular attention given to cross-border effects and how these are being addressed. The discussion highlighted the complex and often uneven impacts of climate policies, and support mechanisms that facilitate the alignment of global climate action with national development priorities. Participants emphasized that climate policies can have unintended domestic consequences, such as increased capital costs and reduced credit ratings for the affected country, as well as environmental trade-offs, such as biodiversity loss from land conversion and pollution from resource extraction. Energy security challenges were also highlighted.
- 34. Cross-border impacts, especially in relation to sector-specific standards (e.g. aviation fuel, and environmental, social and governance criteria), were seen as potentially undermining competitiveness, particularly among small and medium-sized enterprises. Participants noted that global rules or standards often overlook local realities, result in high costs for those mandated to comply with such rules or standards and risk exacerbating unemployment and social inequality. Concerns were raised about the lack of transparency in global carbon markets and their failure to deliver benefits to local communities.

- 35. Regional dynamics were also discussed, including the vulnerability of landlocked countries dependent on neighbouring trade routes and value chains. Examples given of mechanisms for addressing cross-border impacts were domestic carbon pricing systems and regional initiatives such as power pooling and the African Continental Free Trade Area, which harmonizes trading standards across the region and reduces costs.
- 36. In terms of approaches to facilitating cooperation on aligning global actions with national development priorities, positive outcomes arising from the linkage between national and international initiatives were noted, such as Türkiye's carbon pricing system, which is influenced by international standards, and Indonesia's green certification scheme. Examples of sectoral shifts that demonstrate global and national linkages were also shared, such as investments in renewable bioethanol production driven by a mandated increase in the share of bioethanol in aviation fuel, which have also in turn catalysed investments in forest conservation and agriculture sectors, contributing to poverty eradication efforts.
- 37. The Climate Club, the Brazil Climate and Ecological Transformation Investment Platform, and Just Energy Transition Partnerships were mentioned as examples of approaches to addressing the impacts of climate policies. However, some participants acknowledged gaps in those approaches, particularly with regard to technology transfer, flexibility for certification systems, and South–South cooperation, noting that closing those gaps may help to further address cross-border impacts. Some participants called for the codevelopment of low-emission technologies to avoid intellectual property barriers and emphasized the need for closer collaboration among climate negotiators to ensure that any cross-border impacts arising from the implementation of climate policies can be addressed.
- 38. It was also noted that there is currently no agreed methodology for assessing crossborder impacts of implementation of response measures, and many governments lack the capacity to do so, underscoring the need for a structured and coordinated framework.

#### 5. Fourth topic: tools and methods for assessing the impacts of climate policies

- 39. Participants noted that cross-governmental coordination, stakeholder engagement and data availability are critical to the effectiveness of assessments of the socioeconomic impacts of climate policies. Although tools and methods exist for such assessments, most assessments are conducted in parallel using different tools and methods, resulting in disconnected, uncoordinated processes. To improve effectiveness, a suggestion was made to develop integrated tools that can be used to simultaneously assess both climate and socioeconomic impacts.
- 40. Several challenges in performing assessments were shared. These include insufficient access to the necessary data, lack of access to the localized models needed for the assessments and lack of technical capacity, with many countries reliant on international models that are not adapted to local contexts and local experts often lacking the training or ownership to use them effectively. The KCI toolbox was mentioned as a potentially helpful resource in this regard. Participants also stressed the importance of conducting ex ante assessments to evaluate socioeconomic impacts before, and not after, climate policies have been implemented.
- 41. In terms of strengthening institutional capacities and stakeholder engagement, participants emphasized the importance of involving civil society actors, trade unions and industry at an early stage in order to build trust in climate policies. Education and tailored communication strategies were seen as key to fostering local ownership of climate policies and creating a domestic narrative about climate impacts. Some country examples illustrated how planning processes for national development plans have helped mainstream climate assessments in the climate policy design process, for example by tagging development projects when they have climate implications.
- 42. The discussions also touched on the external effects of domestic climate policies, including cross-border impacts. Participants noted that there is currently no agreed methodology for assessing these effects, and many governments lack the capacity to do so. This gap emphasizes the need for a structured and coordinated framework to support more effective assessments of those effects.

# B. Session 2: critical minerals for climate action, as well as associated opportunities and risks

43. The session built on the discussions under session 1 on synergies and trade-offs arising from the impacts of climate policies to focus on the rising demand for critical minerals to support climate action, a key response measure in the context of NDCs. Participants were invited to explore approaches to ensuring that the critical mineral value chain supports sustainable development while minimizing socioeconomic and environmental risks.

#### 1. Scene-setting presentations

44. Scene-setting presentations set the stage for the breakout group discussions by highlighting the pivotal role of critical minerals in climate action. Experts from the International Labour Organization, Johns Hopkins University and the United Nations Environment Programme emphasized the need for strong environmental, social and governance standards, circular economy approaches and inclusive labour practices to ensure that mineral supply chains support sustainable development, health and decent work. They highlighted the risks of environmental harm and social inequity resulting from poor management of critical minerals, also pointing to opportunities for economic growth, job creation and climate finance integration, calling for collective responsibility, traceability and global cooperation across the critical mineral value chain.

#### 2. First topic: equitable participation in value chains

- 45. The discussions emphasized that maximizing equitable participation in critical mineral value chains requires a comprehensive, whole-of-economy approach, which can be achieved, for example, by adopting circular economy principles to enhance value addition and promote fairness throughout supply chains and by shifting from traditional extractive models towards more upstream activities, such as activities involving industrialization, digital technologies and green manufacturing.
- 46. Economic diversification was highlighted as essential, with strategies for ensuring this to be tailored to local contexts and supported by robust infrastructure and skills development initiatives. Examples from countries such as Brazil, Burkina Faso, Colombia, Romania and South Africa illustrated how local innovation and expertise can drive more impactful participation in global mineral supply chains.
- 47. Stakeholder education and engagement at both the national and the subnational level were seen as vital for ensuring that communities are informed about, involved in and able to benefit from opportunities associated with critical mineral value chains. Participants stressed the importance of inclusive governance and domestic policy ownership pertaining to critical minerals, while recognizing the role of international cooperation, technology transfer and capacity-building in supporting activities related to critical minerals. Additionally, safeguards against child labour and respect for the rights of Indigenous Peoples were repeatedly described as essential in the development of equitable and sustainable value chains.

### 3. Second topic: managing the environmental, socioeconomic and community impacts of critical mineral value chains

- 48. Participants emphasized that the responsible development of critical mineral value chains requires robust environmental and social safeguards, designed with consideration given to local governance and community buy-in. They further emphasized that legal frameworks, thorough environmental impact assessments, and compliance with recognized standards, such as the Gold Standard and water management standards, play an essential role in minimizing negative environmental and social impacts of critical mineral value chains and ensuring responsible and sustainable practices.
- 49. Setting up agreements with local communities, focusing on job creation and avoiding informal mining practices were highlighted as effective strategies for ensuring that mineral value chains safeguard ecosystems and support local livelihoods.

- 50. Social inclusion, a recurring theme throughout the dialogue, was also mentioned in the discussions under this topic, with participants stressing the importance of consulting Indigenous Peoples, and calling for policies that guarantee that local communities can share in the benefits of resource development, which extend beyond financial benefits to include improved infrastructure, skills development and equitable access to opportunities.
- 51. Circular economy approaches were also discussed as means to minimize negative environmental impacts of critical mineral value chains and maximize resource efficiency. Overall, participants advocated for a holistic approach to developing critical mineral value chains and sourcing critical minerals that integrates social, economic and environmental considerations.

# 4. Third topic: international cooperation and enabling support for the sustainable management of critical minerals

- 52. Participants discussed the role of international cooperation in the context of supporting the sustainable management of critical minerals, including in the context of finance, technology transfer and capacity-building. Multilateral forums and organizations, such as the Group of 20 and the Organisation for Economic Co-operation and Development, and international frameworks were noted as key means of ensuring harmonization among initiatives related to critical minerals, including investment initiatives, and in advancing global discussions on the topic of critical minerals.
- 53. Participants stressed the importance of aligning financial mechanisms with the goals of greening supply chains and supporting workforce transitions, ensuring that workers are equipped with the necessary skills for just transitions. At the national level, they noted that it is important to establish country platforms that can support capacity-building efforts for local experts in critical minerals, particularly for developing countries.
- 54. Participants also highlighted the needs for effort-sharing and to translate international climate goals into locally relevant actions, ensuring that countries are empowered to build their own capacities through international cooperation, while climate actions are aligned with national development priorities. Participants ultimately called for international cooperation in fostering a sustainable and equitable global mineral value chain that delivers tangible benefits for both people and the planet.

# C. Session 3: equity, sustainable development and economic diversification in the context of a low-emission transition

55. The session explored how response measures interact with development priorities, with a focus on how to ensure equitable outcomes, support economic diversification and build capacities to assess, manage and respond to the socioeconomic impacts of response measures, including cross-border impacts. Participants were invited to consider opportunities for economic diversification and access to sustainable technologies, particularly in developing countries.

#### 1. Scene-setting presentations

56. Scene-setting presentations emphasized the need for equitable, inclusive and future-ready approaches to the low-emission transition. An expert from the United Nations Industrial Development Organization highlighted the role of green industrial transformation in aligning climate action with development goals, while an expert from the King Abdullah Petroleum Studies and Research Center stressed the need to integrate equity into climate scenario modelling to avoid deepening global disparities. Lastly, an expert from the United Nations Conference on Trade and Development focused on the importance of minimizing unintended impacts of climate-related measures on developing economies, calling for fair access to technologies, inclusive policymaking and stronger international cooperation to support just and diversified transitions.

# 2. First topic: equity in and the distributional impacts of response measures across regions

#### (a) Key challenges

57. Participants highlighted the importance of tailoring climate transition strategies to country-specific circumstances, especially for small island developing States, the least developed countries and economies dependent on fossil fuels. A major challenge was noted as balancing the long-term benefits of climate action with short-term political implications and economic costs. The lack of comprehensive impact assessments for climate policies, covering both domestic and cross-border impacts, was identified as a critical gap by some participants, along with limited understanding of the distributional effects of climate policies. To address these gaps, participants called for improved tools and disaggregated data to support more informed and equitable policymaking.

#### (b) Promising practices or approaches

58. Some encouraging developments were shared, including improvements to the policymaking process, particularly as a result of enhanced knowledge of climate policy design and alignment, and increased understanding of ways to address the impacts of climate policies. Local governments and municipalities were recognized as key drivers of change, implementing impactful policies at the subnational level. Business networks and alliances were also seen as influential, often catalysing innovation and policy shifts more rapidly than national Governments. Facilitating knowledge-sharing across regions was noted as a valuable mechanism for accelerating equitable transitions, with sectors such as transportation offering solutions delivering fast results, including through the shift to electric vehicles.

#### (c) Innovative ideas for scale-up or replication

59. Several forward-looking concepts for integrating equity considerations into climate policies were highlighted for their potential scalability. One notable idea involved the use of network-based approaches at the regional level, as exemplified by African economic blocs that have successfully pooled investments and coordinated infrastructure development. These networks promote resource-sharing, collective learning and policy alignment. Another innovative approach involved the integration of equity considerations into public procurement systems, positioning them as tools for stimulating inclusive market demand and supporting industries aligned with climate goals.

### (d) Partnerships and support needed

60. Participants emphasized the need for strengthened collaboration and support mechanisms to enable an equitable transition. Access to finance, particularly at the household level, was identified as crucial for reducing the high costs of renewable energy and ensuring inclusive participation in the transition. South—South cooperation was highlighted as a vital avenue for coordinating support among developing countries. Overall, the discussions underscored that technical solutions alone are insufficient; robust institutional and financial support systems tailored to regional and local contexts are also essential for an equitable transition.

### 3. Second topic: economic diversification strategies and approaches consistent with sustainable development and low-emission pathways

#### (a) Key challenges

61. Participants identified several persistent challenges hindering economic diversification and sustainable development. Financial pressures, including debt, inflation and reliance on commodity-based economies, were seen as a major constraint, particularly for developing countries. Weak governance, regulatory gaps and weak institutional systems were noted as further complicating the implementation of economic diversification strategies. Further, high energy costs, particularly in African countries, were noted as a major obstacle to adopting low-carbon technologies owing to the transactional costs involved. In addition, the uneven capacity of countries to diversify their economies across regions contributes to

imbalanced competition and policy misalignment, which underscores the need for tailored support and coordination for economic diversification.

#### (b) Promising practices or approaches

62. Several promising practices for supporting economic diversification were shared during the discussions. Along with modernization and digitization, fiscal and monetary stabilization was emphasized as a foundational strategy for economic diversification. Solar electrification was identified as a key enabler of rural industrialization, particularly in areas with limited energy access. Participants also discussed the potential of decarbonizing agrifood sectors through targeted policy and pricing reforms with the aim of reducing production costs and attracting private sector investment. Circular economy models, including the use of captured carbon in cement production, were presented as innovative ways to support industrial transformation, while regional cooperation, demonstrated by Singapore's example of cross-boundary power-sharing, was cited as offering a practical solution for enabling energy-deficient regions to access clean technologies.

#### (c) Innovative ideas for scale-up or replication

63. Participants proposed several forward-looking concepts with potential for broader application. One idea involved the strategic use of financial instruments to leverage debt for climate action and make energy systems more attractive for investment. Treating carbon dioxide as a commodity, particularly through carbon capture, utilization and storage, was another innovative approach, with the establishment of innovation hubs adding value to similar innovations. Green hydrogen was identified as a frontier technology with replication potential. To address capability gaps, participants suggested reskilling and retooling initiatives, drawing on Indigenous and local knowledge and engaging the informal sector with a view to designing inclusive policies.

### (d) Partnerships and support needed

64. Strengthening partnerships and support mechanisms was seen as essential to advancing the development of economic diversification strategies. Blended finance and technology transfer were highlighted as key tools for mobilizing the necessary resources and bridging the relevant capacity gaps in this regard. The discussions highlighted the role of public–private partnerships in ensuring that economic diversification strategies are responsive to local needs and backed by strong governance and cross-sectoral collaboration. Aligning efforts to advance economic diversification with long-term climate strategies, including NDCs, was viewed as critical to achieving climate and economic diversification goals. Participants also stressed the importance of bottom-up approaches that reflect countries' diverse development timelines and local realities, ensuring that implementation of climate policies enhances economic resilience and inclusivity.

# 4. Third topic: building capacities to conduct evidence-based assessments of the impacts of response measures

#### (a) Key challenges

- 65. Participants identified several barriers to undertaking effective, evidence-based assessments of the impacts of response measures. Limited data and modelling capabilities at the country level, particularly in determining sector-specific greenhouse gas emissions and the co-benefits and trade-offs of climate policies, were seen as major constraints in this regard.
- 66. It was noted that many capacity-building initiatives are not localized to a specific context and fail to address the specific needs of beneficiary countries, reducing their effectiveness. The absence of clear criteria for selecting institutions for capacity-building raised concerns among participants about accountability and resource misallocation, and short-term, project-specific capacity-building models were noted as undermining long-term capacity development.

67. Additional challenges shared include poor alignment between national and local policy design processes, inadequate needs assessments for skills related to transitions and NDC implementation, limited access to education for vulnerable groups, and restricted access to data held by United Nations entities. Moreover, participants noted that translating modelling results and research findings into policy remains difficult since insufficient consideration is given to the assumptions and uncertainties underlying such modelling and research.

#### (b) Promising practices or approaches

- 68. Participants highlighted several impactful strategies that are helping to build capacities for evidence-based assessments of the impacts of climate policies. Initiatives such as Climate Without Borders were praised for fostering cooperation and connecting local think tanks, academic actors and community groups with international organizations, enabling colearning across regions and institutions and helping to build capacity for impact assessments. Climate Promise 2025, a UNDP-led initiative, was highlighted as successful in mobilizing the United Nations system; under the initiative, developing countries are supported in developing their NDCs, on the basis of evidence, through localized knowledge and cocreation.
- 69. With regard to building long-term institutional capacity, participants emphasized the importance of involving the informal sector and strengthening institutions by using indicators that focus on organizational development instead of individual training for building capacity.

#### (c) Innovative ideas for scale-up or replication

- 70. Participants proposed several forward-looking ideas, with potential for replication, for encouraging the conduct of assessments of the impacts of climate policies. Piloting models and data-collection activities at the territorial level was seen as a way to document the real-world impacts of transition policies. Sectoral impact assessments and public engagement in the process, including through consultations and community outreach, were considered essential for building trust and ensuring inclusive policy implementation.
- 71. Countries such as Sri Lanka are exploring the co-benefits of mitigation and adaptation actions by integrating risk assessments into NDCs and involving local governments in the process. Strengthening the capacity of national statistical offices to manage data and leveraging existing data and modelling expertise were identified as key steps for conducting comprehensive evidence-based impact assessments.
- 72. Supporting emerging green markets through targeted subsidies and incentives, and adopting 'sustainable by design' approaches within circular economy frameworks, were seen as other scalable solutions. Platforms for dialogue on evolving issues, such as migration, peace and security, were viewed as vital to keeping NDCs dynamic and responsive.

#### (d) Partnerships and support needed

73. The discussion underscored the need to mobilize partnerships with international organizations to support just and inclusive transitions. Participants called for long-term funding models, capacity-building support and collaborative platforms that empower countries to build their own capacities. Strengthening institutional and technical capacities through inclusive partnerships was seen as essential for improving the effectiveness of evidence-based assessments of the impacts of climate policies and ensuring that climate policies are both equitable and impactful.

# D. Session 4: mainstreaming consideration of the impacts of implementing response measures in nationally determined contributions and national policies

74. Participants were invited to explore how countries can systematically integrate consideration of the impacts of response measures into NDCs, long-term strategies and national development plans. The session offered the opportunity to synthesize key insights

from the previous discussions during the dialogue and chart practical pathways for action, with a focus on translating those insights into implementation through strengthened institutional coordination, effective use of tools and enhanced international cooperation.

#### 1. Scene-setting presentations

75. Two experts set the stage for the world café discussions by emphasizing the growing importance of response measures for climate policy, especially under the Paris Agreement. The first expert, from the European Roundtable on Climate Change and Sustainable Transition, emphasized the need to mainstream response measures in climate policy, urging more integrated and granular assessments of their economic, social and environmental impacts, especially at the international level. The second expert called for assessments of the impacts of response measures to be conducted before climate policies are implemented, for more accessible tools and data, and for closer alignment between climate strategies and the SDGs, highlighting the importance of covering workforce transitions and economic diversification in reporting under the Paris Agreement.

#### 2. First topic: priority actions for integration mechanisms

- 76. Participants emphasized that integrating consideration of response measures into national planning frameworks, including NDCs, national development plans and long-term low-emission development strategies, is essential for ensuring their coherence, sustainability and long-term effectiveness. Participants noted that such integration should align with the SDGs and other international commitments to avoid fragmented implementation of climate action, as well as be inclusive and participatory, involving not only central governments but also local authorities, sectoral ministries, civil society and the private sector.
- 77. The use of existing environmental and strategic impact assessment frameworks was recommended to institutionalize integration of the consideration of the impacts of response measures into climate policies and ensure that response measures are reflected in national budgets and policy cycles. Participants emphasized the importance of inclusive and participatory integration, involving central governments, local authorities, sectoral ministries, civil society and the private sector. Leveraging digital platforms and accessible communication channels was seen as key to engaging communities and stakeholders, especially those traditionally excluded from policy processes. A whole-of-society approach to designing climate policies was strongly advocated to ensure that climate policies are not only technically sound but also socially grounded and politically supported.

#### 3. Second topic: priority actions for institutional coordination

- 78. Institutional coordination was identified as a foundational requirement for the effective implementation of response measures. Participants called for the establishment or strengthening of interministerial coordination mechanisms, such as technical working groups, intersectoral committees and dedicated climate units within key ministries. They noted that these mechanisms should be supported by clear legal mandates and high-level political backing to ensure continuity, accountability and long-term institutional memory in implementing response measures in NDCs. Participants stressed that coordination must be sustained beyond project cycles and embedded in national governance systems.
- 79. Participants emphasized the importance of fostering institutional partnerships at the local level to ensure that national climate policies are responsive to local needs and capacities. Those partnerships should extend across ministries, particularly those responsible for environment, finance, energy and planning, to ensure policy coherence and avoid conflict or duplication of work. Furthermore, aligning national coordination efforts with international frameworks and conventions was seen as essential for harmonized and effective climate governance. Participants also noted that enhancing the understanding of response measures at the domestic level is a prerequisite for effective institutional coordination and capacity-building for NDC implementation.

## 4. Third topic: priority actions for tools and methodologies for assessing the impacts of response measures

- 80. Participants expressed concern about the uneven availability and application of tools and methodologies for assessing the impacts of climate policies, particularly in developing countries. Many countries face challenges in conducting assessments of the socioeconomic impacts of response measures in particular owing to limited access to reliable data, insufficient technical capacity and inadequate financial resources. Participants called for the institutionalization of regular, systematic ex ante assessments of the impacts of response measures, including those that consider cross-border impacts, noting that the use of such assessments to inform the design and implementation of response measures under NDCs should be standard practice. The use of tools to be developed under the UNFCCC for conducting impact assessments was encouraged to ensure consistency and comparability across countries. At the same time, innovation was welcomed; participants highlighted the potential of artificial intelligence, digital platforms and regionally tailored economic models, such as the Green Jobs Assessment Model, to enhance the quality and relevance of assessments.
- 81. Strengthening the capacity of national statistical offices to manage data and build inhouse technical expertise were seen as prerequisites for effective measurement, reporting and verification systems. Academic collaboration and stakeholder dialogues were also recommended as ways to support evidence-based policymaking and foster a culture of continuous learning and improvement. Conducting assessments of the impacts of climate policies consistently was viewed as a way to enhance the transparency, accountability and overall effectiveness of climate policies.

#### 5. Fourth topic: priority actions for international cooperation and support

- 82. International cooperation and support were consistently highlighted as critical enablers for the successful implementation of response measures, especially in developing countries. Some participants proposed the establishment of an international platform for monitoring the cross-border impacts of response measures, which would complement domestic arrangements. Existing platforms and forums such as the NDC Partnership, the global stocktake and the Energy Community were recognized as valuable for mainstreaming response measures in NDCs, facilitating peer learning and supporting NDC implementation. South—South cooperation and multilateral support were emphasized as particularly important, in particular for countries with limited institutional capacity for mainstreaming response measures in NDCs, while accounting for the vulnerability of the countries.
- 83. Participants called for targeted technical and financial assistance to build domestic capacity in areas such as data collection, economic modelling, institutional strengthening, and the retention of skilled personnel in public administration. The KCI was identified as a key actor in supporting countries in identifying and addressing the socioeconomic impacts of the implementation of response measures and enhancing their capacity to assess and report thereon. Ministerial round tables, regional exchanges and international dialogues were recommended for raising awareness of, fostering political will for and promoting the development of common standards and methodologies for assessing the impacts of implementing response measures.

### IV. Closing session

84. At the closing session, a representative of the incoming COP 30 Presidency delivered closing remarks, expressing sincere gratitude to the Government of Türkiye for hosting the dialogue, acknowledging the assistance of UNDP in implementing mandates arising from the UNFCCC process and encouraging Parties and stakeholders to build on the momentum created through the dialogue and work together to ensure that impact assessments, equity considerations and international cooperation are central to climate strategies.

### V. Reflections from the discussions

During the dialogue, participants shared insights into the impacts of implementing response measures from their diverse national and regional perspectives. The dialogue emphasized that a holistic approach is necessary to advance on climate actions taking into account the impacts of implementing response measures. Participants noted that, while there are adverse impacts of implementing climate actions, well-designed response measures, when aligned with development goals, can generate significant co-benefits, particularly in the areas of health, food security and economic diversification. Participants' reflections highlighted the importance of engaging local communities, Indigenous Peoples, civil society and the private sector from the outset to foster trust, ensure fairness and build local ownership of climate policies. Integrating the assessment of impacts of response measures into national frameworks and strengthening institutional coordination were recognized as foundational for the sustainable implementation of climate policies. The development of robust tools and methodologies for the assessment of impacts of response measures, potentially under the UNFCCC to ensure consistency, comparability and transparency, as well as credible data systems, emerged as essential for evidence-based policymaking. The discussions emphasized that international cooperation, through finance, technology transfer and peer learning, remains indispensable for assessing and managing adverse impacts of response measures, particularly for countries with limited capacity. Ultimately, the dialogue pointed to the need for sustained investment in capacity-building, data infrastructure and stakeholder engagement in order for impact assessments to become an integral part of policy planning and implementation. With these, countries can better navigate the complexities of climate action and maximize positive outcomes.