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

**Thirty-eighth session**

**Bonn, 3–14 June 2013**

Item 8(a) of the provisional agenda

**Impact of the implementation of response measures**

**Forum and work programme**

## **Subsidiary Body for Implementation**

**Thirty-eighth session**

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Item 14(a) of the provisional agenda

**Impact of the implementation of response measures**

**Forum and work programme**

## **Report on the in-forum workshop on area (a)**

### **Note by the Chairs of the subsidiary bodies**

#### *Summary*

This report presents the outcome of the in-forum workshop on area (a) of the work programme on the impact of the implementation of response measures, “Sharing of information and expertise, including reporting and promoting understanding of positive and negative impacts of response measures”, which was held on 27 November 2012 at the Qatar National Convention Centre in Doha, Qatar. The workshop provided an opportunity for Parties and relevant organizations to exchange information, experiences, best practices and views in relation to the impact of the implementation of response measures. Such information, experiences and views will serve as input to the relevant discussions of and consideration by the subsidiary bodies, in particular when conducting the review of the work of the forum on the impact of the implementation of response measures at their thirty-ninth sessions, with a view to providing recommendations to the Conference of the Parties at its nineteenth session, as mandated by decision 8/CP.17.

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## **I. Introduction**

### **A. Mandate**

1. The Conference of the Parties (COP), by decision 8/CP.17, adopted a work programme on the impact of the implementation of response measures (hereinafter referred to as the work programme) and modalities for its operationalization, under the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI), with the objective of improving the understanding of the impact of the implementation of response measures in eight areas.<sup>1</sup>
2. The COP, by the same decision, established a forum on the impact of the implementation of response measures (hereinafter referred to as the forum), to be convened by the Chairs of the subsidiary bodies, to implement the work programme.
3. At their thirty-sixth sessions, the SBSTA and the SBI requested<sup>2</sup> the secretariat to support, under the guidance of the Chairs of the subsidiary bodies, the implementation of the work programme. In response to that request, an in-forum workshop on area (a) of the work programme, “Sharing of information and expertise, including reporting and promoting understanding of positive and negative impacts of response measures”, was organized.

### **B. Possible action by the subsidiary bodies**

4. The subsidiary bodies may wish to take note of the information contained in this report when conducting the review of the work of the forum, including the need for its continuation, at their thirty-ninth sessions, with a view to providing recommendations to the COP at its nineteenth session, as mandated by decision 8/CP.17.

## **II. Proceedings**

5. The in-forum workshop referred to in paragraph 3 above was held at the Qatar National Convention Centre in Doha, Qatar, on 27 November 2012 and was co-chaired by Mr. Richard Muyungi, Chair of the SBSTA, and Mr. Tomasz Chruszczow, Chair of the SBI. It was attended by 105 participants representing Parties, international organizations, research institutions and the private sector.
6. The workshop was divided into four parts, namely:
  - (a) Overview presentation by an expert;
  - (b) Information, experiences, best practices and views presented by Parties;
  - (c) Information, experiences, best practices and views presented by organizations;
  - (d) Concluding remarks made by Parties.
7. The in-forum workshop agenda and the presentations made are available on the UNFCCC website.<sup>3</sup>

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<sup>1</sup> Decision 8/CP.17, paragraph 1.

<sup>2</sup> FCCC/SBSTA/2012/2, paragraph 46, and FCCC/SBI/2012/15, paragraph 168.

<sup>3</sup> <<http://unfccc.int/7114.php>>.

## A. Overview presentation

8. An overview presentation made by a consultant, Mr. Aaron Cosbey, highlighted that area (a) of the work programme is central to the forum's mandate and purpose and identified six basic tasks for the forum in the various areas<sup>4</sup> of its work programme. The presenter was of the opinion that the outcomes from areas (a) and (h) of the work programme may help the understanding of the possible response measures that can be taken, as well as which measures are of priority. The outcomes from areas (c) and (e) may help the understanding of the nature of the impact of response measures, while the outcomes from area (b) may help the understanding of the possibility of improving response measures or using better alternatives. Finally, areas (d) and (g) deal with enhancing the resilience of Parties to the impact of the implementation of response measures; however, there is also a need to deal with residual impacts.

9. During the overview presentation, the taxonomy of response measures and their impacts were explained and the measures were classified either as inward- or outward-focused. The inward-focused measures, such as carbon taxes, mandates for conservation, the promotion of renewables and environmental education, aim to bring about changes in the domestic behaviours of the implementing country citizens and producers. The outward-focused measures, such as border carbon adjustments (BCAs), aviation and shipping levies and product carbon footprint labelling, are trade-related climate policies that directly penalize emission-intensive exports. The impacts of the various measures differ, but several models have indicated reductions of income in some countries, which may lead to a reduction in their ability to buy exports from traditional trading partners.

10. In addition, information from other regimes on how to assess and address the impacts of measures taken was provided, and the adoption of some of the ideas from such regimes in the work of the forum could be considered. In particular, the World Trade Organization (WTO) Trade Policy Review Mechanism provides countries with the opportunity to discuss and resolve difficult questions on trade policies. While the WTO Technical Barriers to Trade Committee is a body to which countries submit notification of new trade policies that they intend to implement so that they are discussed beforehand. The Intergovernmental Panel on Climate Change (IPCC) regular reports could also be utilized to report information on response measures. However, the reporting of information was emphasized as the basic foundation of the forum's work, as the reports from Parties will describe: the impacts of response measures in practice; the needs of those experiencing such impacts; and the measures being implemented to reduce impacts. All of this information will enrich the work of the forum.

11. Acknowledging that the current state of reporting by Parties on the impact of the implementation of response measures is problematic owing to the absence of detailed guidance, it was noted that Parties have no option but to interpret their obligations as they see appropriate. Some of the shortfalls in the current models for reporting on policies and measures and other aspects in the current "Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications"<sup>5</sup> were mentioned, and the presenter stressed the need for agreement on a reporting structure.

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<sup>4</sup> Decision 8/CP.17, paragraph 1.

<sup>5</sup> FCCC/CP/1999/7, Part II, tables 1 and 5.

## **B. Information, experiences and views presented by Parties**

12. A representative of the Group of 77 and China stated that the in-forum workshop would help to identify what actions are necessary to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures in a context in which:

- (a) All developing countries face economic and social consequences of response measures (actual and potential) in different ways;
- (b) Research on the impacts of response measures is a new field of work.

13. The importance of area (a) of the work programme was stressed, as it promotes understanding of the economic and social consequences for developing country Parties of different response measures taken by developed country Parties. The work under area (a) will also: assist developing country Parties in identifying and addressing the impact of response measure taken by developed country Parties by sharing information; and facilitate cooperation and technical collaboration among Parties and experts in order to help developing country Parties to address the impact of response measures. Furthermore, discussions under area (a) can address trade-related measures, in line with Article 3, paragraph 5, of the Convention, as well as the integration of economic diversification into sustainable development strategies, which will facilitate efforts to achieve economic diversification in developing countries.

14. The presenter noted the lack of clear guidelines for Parties included in Annex I to the Convention (Annex I Parties) on their reporting on the impact of response measures, citing a source that indicated that 11 of 25 Annex I Parties reported nothing on the impact of response measures in their national communications for 2006 and that some of the Parties that did report information only reported on their domestic efforts, such as technology cooperation. Other Parties described the response measures taken by them but not their impacts.

15. In order to tackle this gap in reporting, it was proposed that Parties' reporting on their efforts to implement policies and measures in such a way as to minimize adverse effects on developing countries should include:

- (a) The special social and economic conditions of developing countries taken into consideration when designing and implementing the measures;
- (b) Information derived from consultations with potentially affected developing countries;
- (c) The scientific basis of the measure, and an assessment of whether it is the most effective means of achieving the objective of combating climate change;
- (d) Information on the specific support provided to developing countries in relation to the measure, such as technology transfer, financial resources and capacity-building.

16. The following general framework for addressing social and economic consequences of responding to climate change was advocated:

- (a) To observe the guiding principles and provisions of the Convention, in particular the principle of common but differentiated responsibilities, Article 3, paragraph 5, Article 4, paragraph 8, and Article 4, paragraph 9, of the Convention and Articles 2, paragraph 3, and 3, paragraph 14, of the Kyoto Protocol;
- (b) To bear in mind that the UNFCCC discusses the economic and social impacts of response measures, including unilateral ones;

(c) To take duly into consideration the special needs and concerns of developing countries.

17. A representative of the European Union (EU) stated that tackling climate change entails: keeping the global mean temperature increase below 2 °C compared with pre-industrial levels; decreasing greenhouse gas (GHG) emissions; ensuring sustainable development for all within climate- and carbon-related constraints; benefiting from the positive impacts and minimizing the adverse impacts of response measures; and ensuring meaningful broad participation. In addition, the presenter reminded the workshop participants that Parties need to bear in mind that the world is going through a transition which needs to be managed.

18. Participants were informed that the EU endeavours to assess the specific impacts of its response measures that may affect other countries. In addition, the EU analyses how the undesired effects can be avoided, minimized or mitigated and then examines its policy options in such cases. Trade-offs are determined for the purpose of making the final choice of policy. These actions are carried out for both internal and external impacts.

19. The representative also informed the workshop participants that the EU is active in information-sharing through: active engagement with partners (both bilateral and regional); and open exchanges and consultations (on EU Green Papers and White Papers, impact assessments and environmental information). In addition, joint participation in international conferences, meetings and workshops and research programmes is ongoing.

20. Furthermore, the presenter provided relevant examples of the assessment of the impact of the use of biofuels, a case in the context of the renewable energy strategy of the EU. He described that a problem was spotted (an unforeseen effect on the agriculture sector in developing countries), consultations were held and a new impact assessment was carried out, which led to the legislation being changed. In addition, he mentioned examples of common research programmes, such as the Seventh Framework Programme, which is open to all countries and in which specific international cooperative actions are dedicated to developing countries and emerging economies, and of bilateral and regional cooperation, such as the European Neighborhood Policy initiatives and the South Africa–European Commission Forum on Environment and Sustainable Development, which has a working group dedicated to climate change.

21. The priorities of the EU related to information-sharing were summarized as follows:

(a) Developing policies so as to maximize the positive impacts and minimize the negative ones through direct and active involvement at the international level, extensive reporting on the potential impacts of response measures, extensive consultations with all relevant stakeholders, including developing countries, non-governmental organizations and citizens, and enabling broad access to all relevant information;

(b) Staying open, with a view to finding new ways of effectively improving the manner in which the EU collects and shares information used in the context of policy development with third parties.

22. A representative of Saudi Arabia stated that positive impacts of response measures are very welcome and that the environmental cause should be the driver, while the distortion of trade and imbalance in competition should be avoided and neutral and balanced actions should be encouraged. He stated that developing countries' concerns are related to the negative impacts of response measures and that the relevant articles of the Convention (Article 4, paragraphs 8 and 9) and of the Kyoto Protocol (Articles 2, paragraph 3, and 3, paragraph 14) are all about the negative impacts, as are decisions 5/CP.7, 1/CP.10 and 31/CMP.1.

23. Stressing the fact that climate change response measures are being implemented now and are affecting resources, the presenter indicated that some policies and measures taken by Annex I Parties to reduce GHG emissions could harm developing countries, such as taxation, levies, duties, subsidies, border tariff adjustments, trade and market barriers, etc. He pointed out that negative impacts on developing countries' exports cause adverse spillover effects on the social, environmental, economic and international trade aspects of sustainable development.

24. Climate change policies and measures may negatively affect key economic sectors, as follows:

(a) For agriculture: subsidies, taxation and ecolabelling have an impact on developing countries' exports, including food security concerns, whereby poor countries and segments of society will be the most affected;

(b) For industry: new standards and policies negatively affect the fossil fuel industry in developing countries, which, for some countries, is their single source of income, on which they are heavily dependent;

(c) For tourism: unilateral actions cause higher prices of flights and additional transport costs, as well as affecting growth opportunities for local carriers, etc.;

(d) For trade: protectionism and ecotrading barriers cause disruption to production, supply and export chains, as well as higher costs of transporting resources and goods around the world, etc.;

(e) For food security: the use of fuels from food crops (as a mitigation response measure) was associated with pushing up food prices in the period 2007–2008;

(f) For socioeconomic development: major shifts towards a low-carbon world and mitigation policies have far-reaching and long-lasting consequences for labour markets, enterprises and workers in both developing and developed countries;

(g) For the environment: there is degradation of biodiversity due to biofuel production and trade activities.

25. The presenter suggested several ways of addressing the negative impacts of response measures, such as the need to take responsibility (as stipulated in Article 4, paragraph 8, of the Convention and Articles 2, paragraph 3, and 3, paragraph 14, of the Kyoto Protocol) and to be proactive (by minimizing adverse effects). It was pointed out that it is important: to address the adverse impacts of unilateral trade measures against goods and services from developing countries; to share experiences and opportunities for the development and dissemination of measures, methodologies and tools aimed at increasing economic resilience; to exchange experiences in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity; and to establish a mechanism for facilitating efforts to achieve economic diversification.

26. Finally, he asked the following questions, which could facilitate the identification of issues that need to be addressed: what information needs to be reported by Parties to enhance our understanding of the impacts of response measures? What are the available modelling tools to assess the impacts of the implementation of response measures? How are uncertainties and risks addressed in the existing methodologies that are used to study the impacts of response measures and how should those issues be quantified and reflected? In this context, what recommendations can the Parties make for improving the effectiveness of the methodologies? What approaches could minimize the adverse effects of response measures on developing countries? And what mechanisms are available to communicate progress in relation to these issues?

27. A representative of China stressed that unilateral measures are harmful to developing countries and gave examples of such measures, including: the inclusion of aviation in the European Union emissions trading scheme (EU ETS); border tax adjustment; and carbon footprint labelling. He described how such measures negatively affect China by recalling a study conducted by the Chinese Academy of Social Sciences which indicated that in 2006 the embodied energy export of the eight major energy-intensive products to the EU and the United States of America was 112 and 120 million tonnes of carbon dioxide equivalent (t CO<sub>2</sub> eq), respectively. If a tax of USD 50 per t CO<sub>2</sub> eq were to be imposed, the costs of the carbon tariff would reach USD 5.6 and 6 billion, respectively, and if aviation were to be included in the EU ETS, an approximate cost of USD 2.9 billion would be imposed on Chinese air companies before 2020, which is a huge burden on a developing country.

28. In relation to the existing argument justifying the need for unilateral measures as a way to minimize loss of competitiveness, the presenter felt that innovation would help to generate additional profits to offset the cost of carbon and could also lead to a world of high efficiency and low-carbon development. The free allocation of emission permits and subsidies could be utilized, in addition to carbon tariffs. He mentioned that, according to the International Energy Agency, the EU ETS has not, so far, triggered observable carbon leakage in energy-intensive sectors, such as steel, cement and primary aluminium. In addition, he referred to the World Bank's publication that indicated that, although globalization promotes industry transfer, developed countries are still the net exporters of major energy-intensive products and developing countries are the net importers.

29. The presenter underlined that the priority of developing countries is development and that they should not bear extra costs, as their socioeconomic development remains at a low level. A fast urbanization process is taking place, as well as industrialization, which may result in some increase in emissions.

30. The presenter informed the workshop participants that, in spite of China being the second largest economy in the world, in 2010 it had USD 4,300 per capita, which is one third of the global average. In addition, he mentioned that a remarkable disparity in economic development exists among different regions of China and that poverty eradication remains an urgent task. A total of 36 million people in China live on less than USD 0.5 per day.

31. In relation to the urbanization process in China, the presenter noted that the process requires 20 years to be optimal and that the absorption of the urbanized residents requires many more years. He noted that urban per capita consumption is 1.8 times higher than rural per capita consumption. In relation to concerns regarding emissions from industrialization in China, he mentioned that the average annual growth in gross domestic product (GDP) in China has been around 10 per cent over the past 30 years. In addition, he explained that China's industrialization has shifted from labour-intensive to capital-intensive and he informed the workshop participants that China's cement and steel production capacity rank number one in the world. Furthermore, he noted that the export volume accounted for 26 per cent of the country's GDP in 2010 and that the embodied energy associated with export commodities accounted for 30 per cent of the country's total national energy consumption in 2005.

32. In relation to resource endowment and energy mix, the presenter noted that China relies heavily on coal, which constituted 72 per cent of its total energy consumption in 2010, far exceeding the global average of around 30 per cent. He also noted that nuclear and renewables constitute 3.5 per cent of China's total energy consumption, versus 39.1 per cent in France and the global average of 6 per cent. He stressed that the energy mix in China is unlikely to change in the near future.



33. With regard to inefficient facilities and the lock-in effect of technologies, the presenter explained that out-of-date technologies still occupy a relatively high proportion of China's key industries. In addition, he mentioned that China's energy efficiency is about 10 per cent lower than that of developed countries, and its per unit energy consumption of energy-intensive products is about 40 per cent higher compared with international standards.

34. He emphasized that negotiations under the UNFCCC provide a good platform for discussing solutions and enhancing international cooperation and multilateral approaches instead of unilateral measures.

35. A representative of Venezuela (Bolivarian Republic of) described the specific circumstances of the country resulting from it being a mono-exporting country, which causes a high dependence on exports of fuels and hydrocarbons, which account for about 95 per cent of the country's total merchandise exports, posing significant challenges to the Venezuelan economy. He noted that such difficulties are recognized by several international organizations, including WTO, which, in its Trade Policy Review, mentioned three related characteristics: total economic dependence on hydrocarbons, 'Dutch disease' and 'contagion' to other areas of the economy.

36. Furthermore, he stated that, owing to its special circumstances and vulnerabilities, the country is in a disadvantaged position in the light of policies and measures to address climate change. He mentioned that, although the country contributes to the world's energy security, there are a number of issues which point to the fact that the implementation of response measures may result in a reduction of oil demand due to policies for GHG emission reduction. This will cause less production of Venezuelan hydrocarbons, which will lead to a reduction in the national net income.

37. Commenting on how the impacts of response measures can be addressed, including ways of reporting them, the presenter recalled decision 1/CP.16 relating to the forum, and Article 7, paragraph 1, of the Kyoto Protocol, which emphasize that reporting related to GHG inventories should be based on common guidelines that engender transparency, consistency, comparability, completeness and accuracy.

38. With regard to policies that have negative impacts, he cited unilateral aviation taxes, which do not take into account differences between national air companies. The presenter was of the view that small and young airlines should not pay the same price as the major players in the industry.

39. In addition, he pointed out that the use of biofuels from crops or food waste as a substitute for hydrocarbons was a negative policy, as processing plants into biofuel consumes a lot of energy and for that reason it is not quite clear whether crops provide more energy than that required to grow and process them. He added that, given the fact that most of the energy used in production comes from fossil fuels, biofuels do not replace as much oil as they use.

40. He concluded his presentation by mentioning that new political guidelines have been developed to improve the Bolivarian Republic of Venezuela's industries for petrochemicals, processed food, textiles and for products from iron and aluminium. He noted that the implementation of the guidelines is based on financial support that comes from oil income. It is therefore imperative to depend on oil revenues before becoming non-oil dependent.

41. A representative of South Africa described its national policy context: a middle-income developing country confronting the triple developmental challenges of unemployment, poverty and inequality (25–40 per cent unemployment), within the context of environmental sustainability. He mentioned that the national ratio of trade to GDP is at

60 per cent, implying that South Africa is highly dependent on international trade, but with a heavily carbon-intensive economy, in which 90 per cent of the electricity is generated from coal, and with 40 per cent of its embodied GHG emissions due to the export of carbon-intensive goods. In this regard, he informed the workshop participants about the significant growth in exports of carbon-intensive goods in 2011, representing 67 per cent of the national exports, which poses a challenge related to the possible impact of some response measures. He also informed participants of another challenge caused by the country's geography: South Africa is the second most vulnerable country on a trade-weighted distance basis.

42. In relation to BCAs, he stated that, although there are no BCA arrangements currently in place, South Africa is vulnerable to potential BCA regimes, because its exports contain high levels of embodied carbon. He mentioned that, according to the International Centre for Trade and Sustainable Development, 28.1 per cent of South Africa's exports to the EU may attract taxes, where 30.75 per cent of the exports of the country go to the EU. He also mentioned that, according to the South African Renewables Initiative, the potential costs of BCAs to South African exporters could rise to over USD 720 million per annum. The most affected sectors will be mining and 'beneficiated' minerals, manufactured goods, and food and beverages, having an impact on South Africa's key growth sectors. The presenter noted that a proposed carbon tax may have a reduced impact on South Africa in comparison with the impact of BCAs.

43. In relation to environmental sustainability, the presenter stated that South Africa supports sustainable production and consumption, and the fact that environmental standards have a key role to play and may create opportunities (e.g. catalytic converters). However, he described the blurring between official 'public' and 'private' standards as non-tariff barriers (i.e. quasi-regulatory). He stressed that South Africa shares the concern about the growth in 'voluntary' one-size-fits-all environmental labelling schemes, because many of the schemes are not based on robust and internationally agreed science and methodologies and may create obstacles to market access (e.g. the imposition of requirements such as bulk wine exports from South Africa on climate-related grounds undermine the 'just transition' of South Africa's workforce).

44. The presenter emphasized that South Africa shares the view that public and private schemes for environmental labelling should:

- (a) Be effective (i.e. the best means of achieving a legitimate policy objective);
- (b) Be accurate and transparent around methods and data;
- (c) Be based on sound scientific principles and scientific evidence and on appropriate and practicable international standards, with multilateral solutions preferable;
- (d) Be gradually introduced to permit producer adaptation;
- (e) Be outcome-focused and avoid overly prescriptive approaches;
- (f) Promote innovation, enable producers to dynamically convey improvements in their environmental performance and adopt a 'holistic' approach.

45. The presenter stated that South Africa requires a massive technological shift from a capital-intensive and resource-dominated economy to a relatively more value-adding, labour-intensive and less carbon-intensive economy, bringing important opportunities for supporting local content, industries and jobs and attracting foreign direct investment. Furthermore, he noted that South Africa has a strong focus on: renewable energy (i.e. wind and solar photovoltaic), energy efficiency (e.g. solar water heaters), emission and pollution control through transport (e.g. bus rapid transit) and development finance.

### C. Information, experiences and views presented by organizations

46. A representative of the South Centre stated that all response measures are meant to have positive effects, but that actions and policies may tend to have negative impacts on developing countries. She noted that there are many classes and categories of response measures, namely fiscal (subsidies and taxation) and non-fiscal (standards and labelling, and alternative fuel production), with different implications for developing countries.

47. Regarding how subsidies, BCAs and ecolabelling may affect developing countries negatively, the participant suggested the following positive approaches to addressing the negative impacts of BCAs:

(a) The type of trade measures in relation to the climate and environment should be negotiated multilaterally;

(b) Unilateral measures should be avoided as far as possible;

(c) The avoidance of trade protection is a most important aspect that enables the diversification of developing economies;

(d) Ex ante assessment of the impact of carbon tariffs or border adjustment taxes should be undertaken.

48. The presenter discussed how standards and labelling, in terms of carbon content and of being ecological, may disadvantage developing countries' exports unduly and suggested the following development-friendly approaches to addressing such negative impacts:

(a) Design national or international measures in a manner that does not disadvantage developing countries;

(b) Avoid the use of standards and labels as trade protection measures;

(c) Assist developing countries to upgrade their standards, so that they can diversify into new products and technologies.

49. The dependency on a single commodity, such as oil/minerals, agriculture or tourism, of many developing countries was noted, together with the associated vulnerability to specific types of response measures. Furthermore, it was noted that most developing countries have a limited capacity to respond to or recover from the negative impacts of response measures without prolonged and sustained damage to the economy and the associated adverse impacts in relation to society, poverty and employment. The presenter suggested a way forward whereby response measures implemented by developed countries must be based on a precautionary approach and operate on the principle of 'do no harm'. In addition, she elaborated on how the concepts of responsibility, accountability and transparency should be applied in designing and implementing response measures on climate grounds, including a process for their consideration by the COP and more specific reporting by both developed and developing countries.

50. A representative of the Organization of the Petroleum Exporting Countries recalled decision 5/CP.7, which mandated the first workshop on response measures under the UNFCCC, aimed at identifying the impacts of the implementation of response measures, the specific needs and concerns of developing countries in relation to such adverse impacts, and the actions required, including those related to funding, insurance and the transfer of technology, to meet those specific needs and concerns. He stated that the need to address these issues has consistently been raised at many workshops and experts meetings under the Convention and its Kyoto Protocol over the past 14 years. They remain valid even today.

51. When considering the actions that may be required to minimize the impact of response measures, he presented a list of specific questions related to:

(a) The sharing of information (What type of information? Is it appropriate for the end-use? Does it exist already or should it be generated? How and by whom? Where should the information be held? How should it be shared? Can existing institutions address these needs? Is there a need for a new institution? etc.);

(b) The sharing of expertise (What type of expertise? Is it appropriate for identifying how to minimize the negative impacts of response measures? How should expertise be identified and mobilized? How should it be shared? What are the costs and modalities? etc.);

(c) Reporting (What should be reported? Information or analysis? What if the information or analysis is incomplete? What if reports do not follow consistent and uniform guidelines? What if developing countries do not have the capacity for such reporting? etc.);

(d) Promoting understanding (Why promote understanding? What tools and modalities are needed to promote understanding? How often should understanding be promoted? What platform should be used to promote understanding? etc.);

(e) Positive and negative impacts (How should positive and negative impacts be identified? Who should identify these impacts? What guidelines should be followed? What platform should facilitate the identification of impacts? etc.).

52. The presenter suggested that the UNFCCC secretariat might be able to produce a synthesis report elaborating on the existing institutions under the Convention and its Kyoto Protocol that could address the questions listed in paragraph 51 above.

53. A representative of the World Health Organization (WHO) indicated that WHO estimates that the climate change that has occurred since the 1970s already kills over 140,000 people per year. She quoted the IPCC in stating that “health co-benefits from reduced air pollution as a result of actions to reduce GHG emissions may offset a substantial fraction of mitigation costs”.<sup>6</sup> She mentioned that, for example, improved stoves and cleaner energy could reduce the 2 million annual deaths from indoor air pollution and reduce the effect of global warming. She also mentioned that, for example, sustainable urban transport could cut heart disease by 10–25 per cent in developed and developing countries and indicated that there are many other examples of where measures to address climate change bring great health benefits.

54. The presenter recalled Articles 1 and 4, paragraph 1(f), of the Convention and stated that health is at the heart of the Convention. She stated that smart development and climate change response measures can reduce pollution and injury and improve health. She elaborated on how green urban transport can reduce chronic disease and injuries and improve health equity, on how clean household energy for the world’s poor is central to improving women’s and children’s health and on how ‘greening’ health facilities can expand coverage of maternal, child and emergency services.

55. Key messages suggested by the presenter in relation to the work of the forum include that:

(a) The impact on human health is among the most significant measures of the harm done by climate change – and health can be a driving force for public engagement in climate solutions;

(b) The protection and enhancement of health is an essential pillar of sustainable development and of the response to climate change. A more integrated and intersectoral approach can improve policy coherence and increase efficiency;

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<sup>6</sup> <[http://www.ipcc.ch/publications\\_and\\_data/ar4/wg2/en/ch8s8-7-1.html](http://www.ipcc.ch/publications_and_data/ar4/wg2/en/ch8s8-7-1.html)>.

(c) Well-designed policies to increase resilience and mitigate GHG emissions can also greatly enhance health, health equity and gender equality.

56. She underlined that health benefits are equal to economic benefits. She stressed that if the EU reduced carbon emissions by 30 per cent by 2020, there would be an associated reduction in health-care costs of EUR 30.5 billion per year.

#### **D. Concluding remarks made by Parties**

57. The Chairs of the subsidiary bodies invited the workshop participants to provide any comments related to the presentations made and/or to express their views on issues pertinent to the subject of the in-forum workshop.

58. A representative of South Africa commented on the existing limitations in the mandated reporting on response measures by Annex I Parties and requested that something be done to address them.

59. A representative of the United States of America appreciated the wealth of information presented at the workshop, but expressed her feeling that the forum is only at the beginning of its consideration of the impact of the implementation of response measures. She stressed the need to look also at positive impacts in order to enable a more broad consideration of the impacts. She felt that economic diversification is one of the topics that needs to be considered in detail. She requested that the forum consider what the UNFCCC process could do to best address economic diversification.

60. A representative of Argentina emphasized that it is necessary to combat climate change, but without transferring the costs of mitigation to developing countries. She stressed that all measures should be the best that they can be (i.e. the most effective, based on science and the least harmful), a quest for best practice. She underlined the need to agree on response measures on a mutual basis and not unilaterally. In addition, the representative noted the need for consultation on reliable environmental impact assessment and on the contribution to a just transition. Furthermore, she asked for clarification regarding the issue of biofuels described by the representative of the EU.

61. A representative of Saudi Arabia stressed the need to enhance the guidelines for reporting on the impact of response measures by developed and developing countries. He indicated the need for new institutions to address response measures and for discussing policies at the design stage.

62. The representative of the EU responded to the request from the representative of Argentina and informed her that the national communication of the EU for 2011 contains extensive reporting on how the issue of biofuels was addressed. He noted that further work needs to be done in order to understand the effect of policies and the experiences that the EU has gained in Europe. He also noted that developing policies that can ensure a balance between maximizing positive impacts and minimizing negative impacts is relatively new in certain policy areas. Therefore, it is necessary to learn by doing.