

Views on Efforts Related to Addressing the Social and Economic Impacts of Response Measures

Submission by the United States

March 2023

I. Background and Mandate

The United States welcomes the opportunity to submit views on efforts related to addressing the social and economic impacts of response measures as encouraged in -/CMA.4 para 11. This submission is designed to complement the U.S. submission on the approach to the “Consideration of Outputs” component of the first global stocktake.

II. Collective Progress

Since the Paris Agreement was adopted, Parties and non-Parties have taken significant action to assess and address the positive and negative socioeconomic impacts of response measures domestically and under the 6-year workplan of the response measures forum and its Katowice Committee of Experts on the Impacts of the Implementation of Response Measures (KCI). Just transition and economic diversification have emerged as two key strategies that Parties can undertake to maximize socioeconomic benefits and minimize negative impacts.

Action by the United States

- Many regions and countries, including the United States, have established national just transition commissions or task forces and related national policies to support creation of green jobs and reskilling and retraining workers. For example, the U.S. Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization, established by President Biden¹, coordinates the identification and delivery of U.S. federal resources to revitalize the economies of coal, oil and gas, and power plant communities in the U.S., develops strategies to reduce emissions while creating well-paying jobs, and assesses opportunities to ensure benefits and protections for coal and power plant workers in the United States.
- The U.S. Inflation Reduction Act includes \$370 billion in investments to lower energy costs for families and small businesses, accelerate private investment in clean energy solutions, strengthen supply chains for everything from critical minerals to efficient electric appliances, and create good-paying jobs and new economic opportunities for workers.

Under the UNFCCC

- The response measures forum and its KCI have helped Parties build capacity to implement domestic just transition policies, diversify their economies, and understand the available tools and methodologies for assessing and analyzing the impacts of the implementation of response measures.
- The KCI has published two technical reports: one paper details the possible impacts of selected mitigation policies and offers a process to assess those impacts, using qualitative and/or

¹ Established in Executive Order 14008: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

quantitative methods², and a second paper provides detailed information about tools and methods available to be developed, enhanced, customized, and used for modelling and assessing the impacts of the implementation of response measures³.

- The response measures forum has forwarded 35 recommendations to the COP/CMA/CMP for adoption⁴, including on:
 - Lessons learned and best practices from analysis and assessment of positive and negative impacts of the implementation of response measures by Parties;
 - Activities 1, 2, 3, 4, 5 and 11 of the workplan of the forum and its KCI as outlined in 4/CP.25.

III. Key Messages to be Reflected in GST Outputs

Considering collective progress made to date on assessing and analyzing the impacts of the implementation of response measures, several key messages have emerged that should be reflected in the GST's relevant outputs. These include:

- There are significantly more economic growth and job opportunities in pursuing a 1.5°C pathway than a BAU trajectory. Parties should therefore make efforts to maximize these opportunities by fostering domestic policy enabling conditions and maximizing such positive co-benefits from implementing response measures.
- Lack of implementation of response measures, especially by major emitters, and/or building new unabated fossil fuel infrastructure not only contributes to global GHG emissions, but also risks stranded assets and economic/job losses.
- Just transition of the workforce and economic diversification and transformation, supported by strong domestic policies and investments, can help to facilitate the transition to a net-zero GHG economy, in line with Article 2.1(a) of the Paris Agreement, and should be complementary policies to the implementation of response measures.
- The new work programme on just transition, established at COP27, should build on the work done on just transition by the response measures forum and its KCI and further highlight ways in which Parties can simultaneously undertake response measures while supporting their impacted workers and communities.

² KCI's technical paper on "Enhancing the capacity and understanding of Parties, through collaboration and input from stakeholders, on the assessment and analysis of the impacts of the implementation of response measures to facilitate the undertaking of economic diversification and transformation and just transition":

<https://unfccc.int/sites/default/files/resource/KCI%20technical%20paper%20on%20capacity-building.pdf>

³ KCI's technical paper on "Facilitating development, enhancement, customization and use of tools and methodologies for modelling and assessing the impacts of the implementation of response measures, including identifying and reviewing existing tools and approaches in data-poor environments, in consultation with technical experts, practitioners and other relevant stakeholders":

<https://unfccc.int/sites/default/files/resource/KCI%20technical%20paper%20on%20tools%20and%20methodologies.pdf>

⁴ Recommendations included in 23/CMA.3 (5 recommendations) and -/CMA.4 (30 recommendations).