

MWP submission
2023 Dialogues on Just Energy Transitions
Submission by the Arab Group
May 2023

Saudi Arabia, on behalf of the Arab group, would like to share the group views on opportunities, best practices, actionable solutions, challenges, and barriers relevant to the topic for the Global Dialogues in 2023, “Accelerating Just Energy Transitions”.

Context

The **just** component of energy transitions must be at the heart of all discussions. With the impacts of energy transitions being felt differently across regions, it is paramount that **different national circumstances, equity considerations, and Common but Differentiated Responsibilities (CBDR)**, all of which underscore what it means to have a just and inclusive transition, are emphasized and highlighted in order to avoid introducing new hardships and deepen inequalities.

With the above pillars acting as our guiding principles, the global dialogues this year must **ensure inclusivity of topics, solutions, and technologies** that are fit for purpose for different national and regional circumstances, needs, and priorities.

According to the decision -/CMA.4 (Matters relating to the work programme for urgently scaling up mitigation ambition and implementation referred to in paragraph 27 of decision 1/CMA.3)¹, at least two global dialogues shall be held each year as part of the mitigation work programme (MWP), with one to be held prior to the first regular sessions of the subsidiary bodies of the year, starting at their fifty-eighth sessions, and one prior to the second regular sessions of the subsidiary bodies of the year, starting at their fifty-ninth sessions (November–December 2023), and that such dialogues should be conducted in hybrid format to allow both in-person and virtual participation

The co-chairs of the MWP decided that the MWP dialogues in 2023 will focus on “Accelerating Just Energy Transitions”, including by:

1. Implementing policies and measures with global overview and country-specific experience;
2. Addressing financial, technological, and capacity-building needs in this area, such as through international cooperation, including with non-Party stakeholders, and provision of support to developing countries;

¹ Note: At the time of submission, the official version of the decision has not been given the number.

3. Promoting sustainable development and understanding socioeconomic effects.

Principles

The MWP and all its dialogues and events should be operationalized as stated in the decision:

“Decides that the work programme shall be operationalized through focused exchanges of views, information and ideas, noting that the outcomes of the work programme will be non-prescriptive, non-punitive, facilitative, respectful of national sovereignty and national circumstances, take into account the nationally determined nature of nationally determined contributions and will not impose new targets or goals”.

Accordingly, the dialogues must be conducted in line with the mandated, as a focused-exchange of views, information, and ideas, providing a platform to share best practices and experiences on voluntary settings, while avoiding:

- 1) Any policy prescription or calling for any actions following top-down approaches.
- 2) Outcome of scenarios and projections or targets set for specific dates for actions, as these are beyond the mandate of this program. Other processes such as GST can motivate a discussion, however, no UNFCCC process should impose a target against national sovereignty of countries including this program.
- 3) Infringing on nationally determined nature of the NDCs. The dialogues should rather incentivize party's ambitions through the investment-focused events, in particular to support developing countries implementation of their NDCs.

Topics

This submission provides the views of the Arab group on the topics for the just energy transitions for the Global Dialogues in 2023. The group suggested topics are focused on the main technical solutions required for the just energy transitions during this critical decade. This is in line with expectations of a solution-oriented outcome which considers implementation on the ground and incentivizes the ambitions and addresses opportunities and technologies which could be adopted for implementations and on-ground barriers and challenges, specially support to mitigation action in developing countries and investment to enable their NDCs.

In that sense, the global dialogues must also be inclusive of all technologies which address emissions. It is important to support technology development and dissemination without discrimination against any particular technology, approach, or solutions. As different countries take action based on different national circumstances, the technologies they use will differ.

The focus on “promoting sustainable development and understanding socioeconomic effects” has to be treated as a cross-cutting topic in every dialogue. As these topics are within the scope of work of the forum on the impacts of the implementation of response measures and its KCI,

the dialogue must consider the relevant work produced. These include KCI recommendations, reports, and forum decisions.

Topic 1: Opportunities for Abatement and Removal technologies (including Carbon Capture and Storage (CCS), Carbon Capture and Utilization (CCU), Carbon Capture Utilization and Sequestration (CCUS), Direct Air Capture (DAC), and all Carbon Dioxide Removal (CDR) approaches and technologies), and implementation challenges and barriers

Just energy transitions require the recognition and the deployment of the broadest range of technologies and possible solutions. Abatement and Removal technologies including Carbon Capture and Storage (CCS), Carbon Capture and Utilization (CCU), Carbon Capture Utilization and Sequestration (CCUS), Direct Air Capture (DAC), and all Carbon Dioxide Removal (CDR) approaches and technologies, are key solutions to achieve net zero and to meet our climate temperature goals.

The latest science (IPCC Synthesis Report AR6) clearly states that we will rely on these technologies to achieve our net zero targets. The science also shows that deployment rates of CCS are far below the required rates even though that the geological storage capacity is higher than the required capacity through 2100. Enabling conditions such as policy instruments and technological innovation could reduce current barriers for CCS.

“Currently, global rates of CCS deployment are far below those in modelled pathways limiting global warming to 1.5°C to 2°C. Enabling conditions such as policy instruments, greater public support and technological innovation could reduce these barriers. (high confidence)” - IPCC AR6

Beyond existing mitigation and adaptation response options, additional innovative approaches are proving to be more and more necessary and indispensable options in reducing emissions and managing overshoot. A comprehensive portfolio, that includes these technologies and measures, is most needed to manage overshoot. With that said, removal technologies need urgent development and widescale deployment as well as removing all barriers, uncertainty and stigma around these technologies to promote their inclusion in different country's long-term planning.

As renewable energy will constitute an important solution for many to reduce their emissions. This necessitates a discussion on how to accelerate renewable energy capacities, in a nationally determined manner, and in a manner that preserves energy security and affordable energy access for developing countries. The discussion should include examining several challenges, including means of cutting lifecycle emissions associated with renewable energy, but also addressing challenges of intermittency and limitations of batteries, environmental and justice concerns associated with supply chains, insufficient global mining needed to meet projected demand (and no market-scale solutions currently to decarbonise these industries). This would also require closer synergy between discussions on renewable energy and abatement and removal technologies, in order to address some of these challenges.

The scalability curve of CCS and DAC (and all other technologies) depend on the institutional support and investments, all of which will provide reduced initial costs (i.e., planning, and deployment), operational costs, and the infrastructure needed (i.e., transport, storage, and utilization) to maintain. The COP adopted KCI recommendations under the forum of response measures to encourage the deployment and expansion of these technologies.² As these solutions provide developing countries space to mitigate the negative impacts of mitigation actions. Parties should work together to facilitate knowledge diffusion and exchange on these technologies, develop national regulations and policies, and explore opportunities for international collaborations and strategic partnerships on long-term investments in these technologies.

Topic 2: Opportunities for Hydrogen and Ammonia in Just Energy Transitions, and implementation challenges and barriers

There is significant potential for both Hydrogen and Ammonia to be competitive net zero energy sources and reliable energy carriers for a number of applications, especially as technology and production costs are gradually falling. Both fuels will be critical in achieving our climate goals while also advancing an affordable, equitable and more sustainable transitions for all.

As a best practice, in September 2020 Saudi Arabia and Japan successfully demonstrated the production and shipment of blue ammonia from Saudi Arabia to Japan forty tons of high-grade blue ammonia were dispatched to Japan for use in zero-carbon power generation. A year later, UAE sent its first low-carbon ammonia shipment to Germany. Further research, development, demonstration, and deployment is required to identify the areas where hydrogen and ammonia have the highest potential. International collaboration, building on current pilot projects, are needed to drive further deployment and innovation.

Topic 3: Opportunities for Advancing Energy Efficiency for Just Energy Transitions, and implementation challenges and barriers

Energy efficiency is not only a key area in clean energy transitions but also beneficial in terms of improving energy access, inducing job creation, and boosting economic activity. Although many energy efficiency measures are available, they face barriers to adoption and require additional policy support and technological innovation. Innovation in Energy Efficiency remain critical to build the highest efficiency energy systems and to harvest further improvements.

²UNFCCC Report of the forum on the impact of the implementation of response measures https://unfccc.int/sites/default/files/resource/RM_decision_5.pdf

Topic 4: Linkages with SDGs and Minimizing Trade-offs

There are numerous synergies between mitigation actions and sustainable development, specifically as just energy transitions are considered. Just energy transitions must be achieved without compromising energy security or economic development if contextualized within a larger framework, that is the achievement of the Sustainable Development Goals (SDGs). An integrated approach tailored to specific country conditions will increase positive synergies and reduce trade-offs across the SDGs.

The IPCC AR6 report states: “Climate change mitigation action designed and conducted in the context of sustainable development, equity, and poverty eradication, will be more acceptable, durable and effective.” This means an inclusive approach to integrating adaptation, mitigation and development so as to advance sustainable development in the long term.

Moreover, minimizing the above trade-offs, will require to enhance developing countries capacities in assessing, addressing, and understanding of the impacts of the implementation of response measures. It is important that Policymakers have access to information about the full range of possible impacts of policy decisions. Arab and other developing countries are underrepresented in the use and development of tools and methodologies in capacity-building partnerships and network.³

Challenges and constraints in quantifying the implication of response measures includes data collection/reliability, and technological availability, (models) and the required training. As considered “Data-Poor Environment” Such capacity constraints can contribute to hesitancy in implementing climate action. Developed countries support is required in facilitating the creation of customized tools and methodologies recognizing regional and national differences.

Topic 5: Addressing Enhancing Sinks as Key Mitigation Response

Mitigation is defined as reduction of emissions from sources and enhancing absorption of emissions by sinks. However, the second part of the definition remain undermined in mitigation action. Some of the natural sinks include nature-based solutions/measures for not only managing emissions but also addressing environmental issues such as reducing the impact of desertification and supporting ecosystems. The IPCC indicates that afforestation and reforestation are among the most widely practiced CDR methods. Forest can act as sinks, absorbing about 2 billion tonnes of carbon dioxide annually. Such nature-based solutions are critical to reducing emissions and regaining balance within our natural ecosystems. The Middle East Green Initiative (MGI) for instance, implements nature-based solutions to mitigate ecosystem and biodiversity loss through

³ KCI 2022, 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>

restoring degraded land, enhancing conservation and sustainable management of natural vegetation cover, terrestrial habitats and related natural resources. MGI's ambition of planting 50 billion trees is equivalent to 5% of the global afforestation target. We hope to promote more initiatives as such, that deploy innovation and best practices, leverage regional collaboration and harness regional and international support.

Topic 6: Linkages to Response Measures and full consideration of the impacts of response measures including socioeconomic effects

Article 4, paragraph 15, of the Paris Agreement states that, in implementing the Agreement, "the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties, should be taken into consideration".

Developing countries in particular face serious concerns of response measures actual and potential depending on national and regional circumstances. Therefore, any mitigation action and related policies shall give full consideration to 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 accordance with the principles and provisions of the Convention, in particular its articles 3.1, 3.4, 3.5., 4.1. g) and h), 4.3. 4.5, 4.7, 4.8, 4.9 and 4.10, and articles 2.3 and 3.14 of the Kyoto Protocol, as well as relevant COP decisions.

Moreover, any mitigation action under the Mitigation Work Program shall fully consider sustainable development in its entirety with full consideration of national and regional circumstances poverty eradication, food and water security, economic development, energy access and any socioeconomic impacts and effects.

Topic 7: Implementation Challenges and Barriers in Developing Countries including the Need for Equity and CBDR-RC Operationalization

In the above, we provided discussion on some of the implementation challenges and barriers across the different technical topics, however, implementation challenges and barriers in developing countries have a much wider scope and need to be addressed as a separate topic. Some of these in addition to the above mentioned under all the topics listed, include, reducing cost of capital, addressing currency risk, grid interconnection, upgrading of the grid and others. A due focus should be given on operationalizing and integrating equity and CBDR principles throughout the global climate action. Equity and CBDR principles should not stop at broad overarching statements without elaborating on their actual operationalization in every aspect of our climate actions including mitigation action.

Process

The main purpose of these dialogues is to provide participants with sufficient opportunity to explore best practices and technologies, identify gaps, and discuss solutions.

- Participants should include the parties in addition to the industry experts, for an informative and inclusive discussion.
- Dialogues should be structured to facilitate learning and exchange of knowledge via expert addresses, panels, breakout sessions, and summary session.
- There should be no more than 2 parallel breakout sessions, as to allow for in depth discussion and dialogue.
- A Summary of the discussions that took place in the breakout sessions, can be presented in the final part of the main session to conclude each day.
- Arab group does not support introducing additional regional dialogues, such as Regional Climate Weeks, since there is the need to keep the dialogues under the formal setting and with equal opportunity for participation of all Parties. As per the decision, additional **global** dialogues can be held in conjunction with existing events while ensuring inclusive and balanced geographical representation at these dialogues.

Investment-Focused Event

The investment-focused event should be scheduled after the dialogue, taking advantage of the dialogue discussions to identify investment opportunities that are inclusive and comprehensive examples such as all Clean Technologies including CCS, Energy Efficiency, Hydrogen, and Circular Carbon Economy, etc.

The event should address barriers related to the lack of inclusivity of all technology solutions, solutions to address the cost of mitigation implementation to ensure mitigation ambitions are fulfilled, and other barriers.