Submisison by the Republic of Uganda on behalf of G77 & China

Regarding views on the first Global Dialogue on response measures

This submission outlines the Group of G77 & China views on the main themes that should underpin the discussions that will take place in the Global Dialogues (GD), which were mandated from the Dubai COP through Decision 13/CP28, G77 & China sees these themes as essential and critical for the Global Dialogues to fulfil their objectives of futhering the work on response measures and contributing to a transformation in line with Sustainable Development, whereby all three axis; social, economic and environmental dimensions, progress in harmony

As the global community accelerates climate action under the Paris Agreement, it is crucial to recognize the disproportionate vulnerability of developing countries to the economic and social impacts of response measures undertaken by other parties, in addition to increased pressure for enhanced ambition for developing countries. While aimed at reducing emissions, measures such as carbon pricing, and fossil fuel subsidy reform are likely to undermine the competitiveness, employment opportunities, public finances, trade and sustainable development efforts of developing countries if not carefully considered and supported.

In line with Article 3.14 of the Kyoto Protocol, Article 3.5 of the Convention, and Article 4.15 of the Paris Agreement, this submission reaffirms the deep concern of developing countries about the negative impacts of climate change response measures implemented both domestically and internationally. Climate measures, as well as other policies aimed at reducing emissions in one jurisdiction must not come at the expense of economic growth and job creation, or eroded competitiveness in export & import dependent developing country economies- that is, climate action should not be masked as trade actions. Instead, developing countries should be supported in effectively assessing and addressing the negative impacts of response measures, in order to implement climate action in line with their poverty eradication, sustainable development and economic diversification efforts and within the wider context of the principles and objectives of the UNFCCC and its Paris Agreement, and their Natioanlly Determined Contribution.

Despite its importance, the response measures agenda remains under-prioritized within UNFCCC processes and is not widely recognized by those most affected in developing nations. By enhancing understanding and visibility of this issue, we can ensure that the unique needs and circumstances of developing countries are fully considered and integrated into our global climate strategies.

The first element that critically needs to be addressed is the assessment and reporting on the negative impacts of the implementation of response measures to climate change, especially, on developing countries. This is an issue that has not received adequate attention, has been generally and in some cases overlooked and disregared, with limited resources dedicated to documenting and assessing it. We call for comprehensive, systematic and part of the process literature review and impact assessments of the social, economic, and environmental consequences that such measures may have on developing countries. Any policies that aim to reduce emissions must have sustainable development for all at their forefront and should not, by any means, hinder economic prosperity, especially for developing nations.

This submission highlights the gaps that currently exist in reporting and assessment mechanisms of the impacts of the implementation of response measures, in order to adequately inform decision-making processes

The second element emphasizes the need to empower stakeholders and raise awareness about the potential impacts of climate response measures on developing countries, through technical training and capacity building. As global climate action accelerates, there is also a pressing need for developed countries to improve their capacity to conduct thorough impact assessments, ensuring that the consequences on developing economies are carefully considered to support equitable and just energy transitions.

The third element of this submission is to explore synergies and linkages with other agenda items under the UNFCCC and its Paris Agreement. By integrating the Response Measures agenda into various processes and initiatives, such as the Mitigation Work Programme, the Global Stocktake, the Standing Committee on Finance, and the transparency framework, we can ensure a comprehensive and holistic approach to addressing the concerns of developing countries. This is not to support the dissolution of the stand alone Response Measures Workign Group, but to rather, enhance is objectives and implementation actions approach – streamlining its activities and output in other working groups.

By focusing on these key points, our submission will underscore the importance of these elements in advancing the response measures agenda, addressing potential negative ramifications, especially for developing countries, as we pursue our ambitious climate action under the Convention and its Paris Agreement.

G77 & China highlights the following topics to be examined and debated at the first Global Dialogue:

1. **Document the negative impacts of response measures.**

It is crucial to prioritize high-quality documentation and data of the negative impacts of response measures on developing countries in the Global Dialogue discussions. While the positive effects of these measures are well-documented and supported globally with substantial resources, their adverse and negative impacts remain largely unexplored and undocumented. This oversight persists in both UNFCCC sessions and other international forums, due largely to a lack of awareness and analytical capacity in developing countries.

In developed countries, although climate change policies undergo impact assessments, these often fail to consider the broader social and economic repercussions on developing economies. Moreover, even domestic negative impacts within developed countries are poorly documented, as evidenced by recent public reactions to policy changes in France and the Netherlands.

The issue of response measures and their impacts has received limited attention and resources in developing countries, especially when compared to the focus on mitigation, NDC updates, and fuel subsidy phase-outs. Despite some studies by think tanks and international organizations like the IMO, UNCTAD, and the World Bank, the allocation of resources for documenting negative impacts is disproportionately low.

The introduction of specific response measures, now clearly identifiable, has led to emerging studies, particularly in countries like the Republic of South Africa where the capacity and political will to undertake such documentation exist. However, many countries still lack these capabilities.

As the scope and impact of response measures increase, it is imperative that the Global Dialogue focus on developing tools and strategies to document and address these impacts comprehensively. This will ensure that developing countries are not disproportionately disadvantaged by policies intended to combat climate change.

**2. Facilitating the empowerment of developing countries through technical assistance and capacity building for assessing the impacts of response measures :**

The Global Dialogue should include sessions dedicated to facilitating and enabling the provision of technical assistance required to conduct policy impact assessments tailored to developing countries.

 Ensuring developing countries have the technical capabilities to conduct comprehensive impact assessments of response measures is crucial. Robust capacity-building and technical assistance programs must be established to equip these nations with the expertise, tools, and methodologies necessary to evaluate and quantify the potential economic and social impacts arising from climate policies and actions.

The need for expertise, tools, and methodologies to evaluate and quantify these impacts, as well as to develop appropriate response strategies, is inherently crucial in order to have a sustainable and equitable climate action. These can include elements such as:

* Building a cadre or teams of local experts well-versed in economic modeling, social impact assessment, climate policy analysis, and sectoral evaluations (energy, agriculture, industry etc.)
* Training programs to enhance technical skills in data collection, analysis, and interpretation of assessment results
* Knowledge sharing between developed and developing countries on best practices
* Frameworks and guidelines for conducting comprehensive response measure impact assessments
* Integration of climate, economic, and social models to capture cross-cutting effects
* Scenario-based analysis to evaluate different mitigation pathways and policy responses
* Localized methodologies accounting for national/regional contexts and priorities

With enhanced technical capabilities, developing countries can quantify potential job losses/gains, identify vulnerable communities, assess fiscal implications, and model effects on key industries like tourism, agriculture and energy. This evidence-base is vital for developing appropriate response measures, informed policy and strategy formulation.

Only through enhanced capacity can developing countries thoroughly assess how response measures may affect key sectors, communities, and priorities aligned with their national circumstances and sustainable development goals. Quantifying impacts allows for the formulation of appropriate response strategies to address negative ramifications and promote a just transition that leaves no one behind.

By prioritizing capacity-building and technical assistance, the global community can help level the playing field and ensure developing countries can effectively assess, address, and voice concerns over impacts from response measures as we collectively pursue decisive climate action under the Paris Agreement.

3. **Explore linkages of existing mandates, and the evaluation of outcomes from relevant agenda items to ensure comprehensive policy development under the Paris Agreement:**

The Global Dilaogue should explore the current role that the impacts of the implementation ofresponse measures play in the existing structures and mandates and in the development of new climate change policies.

In general, any new policies that are introduced in a jurisdiction are accompanied by an impact assessment, which includes domestic, and in some cases international, impacts. The Paris Agreement process, and the UNFCCC process in general, reaches decisions without any examination of the impacts they may have at global, regional or national levels, and no guidance on how to address them.Hence, the impact assessment must also be wide and inclusive, drawing in assistance from other international bodies, such as the exiting research units of the International Labour Organisation, International Marinetime Organization and the World Trade Organisation.

One of the key provisions of the Paris Agreement is Article 4.15, which recognizes the importance of considering the concerns of parties with economies most affected by the impacts of response measures, particularly developing countries. Further actions have been taken through the creation of the forum on the impacts of the implementation of response measures, as well as its Katowice Committee of Experts (KCI).

However, creating abstract structures and governance is not enough. These structures need to be put to use and their outcomes must be integrated into the decision making process of the UNFCCC and its Paris Agreement each step of the way

To effectively address the impacts of response measures on developing countries, it is crucial to leverage synergies and establish linkages with other relevant agenda items and processes under the UNFCCC and Paris Agreement frameworks, and potential linkages with other global agendas. We have to understand that addressing climate impacts is inevitably a cross-cutting issue. By taking a comprehensive and integrated approach, parties can ensure that concerns related to response measures are appropriately considered and addressed across various mechanisms and initiatives.

Furthermore, the Global Stocktake process and the dialogue under Article 2.1(c) of the Paris Agreement offer opportunities to integrate linkages to response measures. The Global Stocktake assesses collective progress towards achieving the Agreement's long-term goals. The dialogue under Article 2.1(c) facilitates discussions on aligning financial flows with these pathways. By incorporating considerations related to response measures in these processes, parties can identify financing needs and support mechanisms to assist developing countries in addressing adverse impacts, promoting just transitions.

Additionally, Paragraph 78 of the MPGs (18/CMA.1) outlines specific requirements for Parties to report on social and economic impacts of climate response measures. This provision underscores the importance of transparency in understanding and addressing these impacts.

Countries with higher levels of transparency tend to have more robust and equitable response strategies. To fully realize the potential of transparency in informing and improving response measures, it is essential to establish robust institutional frameworks for data collection, analysis, and dissemination. By strengthening transparency mechanisms, policymakers can enhance the overall effectiveness of climate action and better address the social and economic challenges associated with climate change.

The Paris Agreement's transparency framework and the Capacity-building Initiative for Transparency (CBIT) offer opportunities to strengthen the response measures agenda. The transparency framework (ETF) requires parties to report on their efforts to address the impacts of response measures, promoting accountability and information-sharing. However, proper guidance on how to report (including the positive and negative impacts) needs to be established in order for the Parties to report in a coherent manner. The CBIT provides support to developing countries in building their institutional and technical capacities for transparency-related activities, including reporting on the impacts of response measures. By leveraging these mechanisms, developing countries can effectively participate in discussions and decision-making processes related to response measures.

By exploring these synergies and linkages, parties can integrate the response measures agenda into various processes and initiatives under the UNFCCC , Paris Agreement frameworks and other global agendas , as well as actively monitor and assess the outcomes of these agenda items, further enhancing the effectiveness of strategies and ensuring alignment with broader environmental and socio-economic goals.

This comprehensive approach will enable a more holistic consideration of the concerns of developing countries, facilitating informed decision-making and promoting a just and equitable transition, and effective climate action.

 **Setting the agenda for the Global Dialogues, and proposed modalities**

The global dialogues are an opportunity to highlight the achievements in addressing the impacts of the implementation of response measures, while also raising the issues and the gaps that remain. It is also an opportunity to help outline the workplan content and set the stage for the discussions that will be had later this year at COP29.

Recommendations:

* The sessions should be interactive, with one presentation followed by extensive opportunity for moderated discussions among all participants. Sessions with a long line up of presentations do not contribute to a good result or a meaningful exchange.
* While inviting experts from international organizations and academia, also ensure that a significant number of experts from developing countries and regional organizations and academia are included. This inclusion would balance the narrative and highlight local challenges and solutions.
* The explicit inclusion of social equity, economic diversification, and sustainable development as key dimensions within the dialogue is essential and should be at the forefont of the dialogue. This would ensure that, socioeconomic considerations, sustainable development, and other cross-cutting aspects directly benefit from and contribute to climate action in developing countries.
* A structured feedback process, where the effectiveness and inclusivity of the dialogue are assessed, and areas of concerns for parties can be voiced is essential to the efficacy and success of the dialogues, particularly for developing countries.
* Enough time should be allocated for each session to allow a meaningfull discussion. Less sessions with more depth should be the guiding approach.
* Active participation of non Party stakeholders should be encouraged and ensured.
* Each session should lead to clear outcomes and conclusions.
* Participation should be ensured and assisted for all geographical regions.
* Allow for both personal and virtual participation, to overcome logistical barriers especially for developing countries.
* A meeting report should be done by the secretariat under the guidance of the SB chairs and discussed at the next forum in Baku.