

SUBMISSION BY SAUDI ARABIA

February 21, 2011

Views on the Issues Relating to Article 2.3 and Article 3.14 of the Kyoto Protocol

Saudi Arabia welcomes the opportunity to submit its views on the issues that need to be addressed at the joint SBSTA and SBI workshop on matters relating to Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol.

GENERAL

- Articles 2.3 and 3.14 of Kyoto Protocol irrevocably entrust Annex I Parties with the responsibility to minimize the adverse social, environmental and economic impacts on developing country Parties, particularly those countries identified in Article 4, paragraphs 8 and 9, of the Convention.
- The Articles further explicitly call for the establishment of funding, insurance and transfer of technology to help minimize such adverse impacts so that these measures would not harm developing countries. As part of the developed countries' obligations and commitments to minimize the impacts of any policies and measures they take on the developing countries' vulnerable economies, the developed countries would need to provide details regularly and demonstrate how they are implementing their Article 2.3 and 3.14 commitments. Saudi Arabia firmly believes that the above provisions should also govern any past, current or future mitigation responsibilities and actions by Annex I countries.
- The convention fully recognizes that economic and social development and poverty eradication are the first and overriding priorities of the developing country Parties,
- The Convention also fully recognizes the special difficulties of countries like Saudi Arabia whose economies are particularly dependent on fossil fuel production, use and exportation, as a consequence of action taken to limit greenhouse gas emissions

Article 2, Paragraph 3

- There are a number of issues that need to be addressed, along with the implementation of current and future Annex I mitigation commitments, and with respect to commitments under Article 2.3, including:
 - Assessment of the impacts of response measures
 - The impact of the proposed means and Annex I Parties' policies and measures on Developing Country Parties;
 - Whether there are alternative policies and measures available for Annex I Parties that achieve the same mitigation effort but may be associated with lower impacts on Developing Country Parties;
 - Assess the adequacy and effectiveness of funding, insurance and technology transfer arrangements to minimize these adverse impacts.
 - Options and different possible funding, insurance and technology transfer arrangements to be provided by Annex I Parties to help minimize the adverse impacts of their policies and measures on Developing Country Parties.
 - Enhance reporting, monitoring and verification.
 - Enhanced reporting and verification of the assessment made, as well as the models and tools used, by Annex I countries
 - Enhanced reporting and verification the support provided to Developing Countries to cope with the adverse impacts of the mitigation policies and measures.

Article 3, Paragraph 14

- Saudi Arabia remains deeply concerned about the lack of a comprehensive framework to assess progress of compliance with 3.14. It is therefore quite important to establish a process for this purpose in order to ensure and monitor the compliance, and in particular the provisions set out in Article 3, paragraph 14 of the Kyoto Protocol.
- Decision 31/CMP.1 clearly calls for the establishment of a process for the implementation of Article 3.14, including exchange of information and the development of methodologies on the assessment of adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, and of their minimization; among the issues to be considered shall be the establishment of funding, insurance and transfer of technology.

Such a process would need to establish tools and methodologies for the three levels of the Article's provisions, namely;

- the assessment of impacts from response measures;
- assessment of the cost-effectiveness of the proposed as well as the implemented response measures;
- assessment of availability, effectiveness and adequacy of funding, insurance and technology transfer arrangements to minimize these impacts.

As such, it was agreed that Annex II Parties and also Parties included in Annex I in a position to do so, should give priority to the following actions:

- a) The progressive reduction or phasing out of market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors.
- b) Removal of subsidies associated with environmentally unsound and unsafe technologies.
- c) Cooperation and support in the technological development of non-energy uses of fossil fuels; and in the development, diffusion and transfer of less GHG advanced fossil fuels technologies.
- d) Strengthen developing countries capacity to improve efficiency in upstream and downstream activities relating to fossil fuels.
- e) Assist developing countries that are highly dependent on the export and consumption of fossil fuels in strengthening resilience and diversifying their economies.

A road map needs to be developed for a comprehensive approach on the implementation of Article 3.14, of the Kyoto Protocol, to further its implementation and in accordance with decision 13.CMP.1.

- A key outcome is the development of methodologies on the assessment of adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention.

There is a clear gap in methodology to incorporate information on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1. The following is required to rectify this problem:

- Annex I Parties to provide information of the different ways used for reporting on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1.
- The establishment of a common reporting methodology to incorporate information on actions to minimize the adverse impacts of response measures, in particular actions related to the areas listed in Paragraph 8 of Decision 31-CMP1.
- Such common reporting methodology needs to be guided by Transparency, consistency, Comparability, Completeness, and Accuracy

It is also important to engage the expertise of the IPCC in these efforts,

- The IPCC can develop guidelines to help determine if Parties included in Annex I are striving to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties, and in particular those identified in Article 4, paragraphs 8 and 9 of the Convention.