

# Significance of Economic Diversification in Addressing the Adverse Impacts of Response Measures

Presentation by Saudi Arabia to the Forum and Work  
Programme on the Impact of the Implementation of  
Response Measures

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# Economic Diversification

Can be defined as...

- “The process in which a growing range of economic output is produced”
- “The diversification of markets for exports or the diversification of income sources away from domestic economic activities”

...Countries undertake economic diversification activities for their own national development reasons and according to their unique national circumstance

# How can Economic Diversification Help in alleviating the Adverse Effects of Response Measures?

- Reduces the vulnerability of single-commodity or single-sector economies
- Enhances economic resilience
- Limits exposure to market distortions
- Increases risk management options

# What Can the Work Under this Area Offer?

- Deliverables on long-term resilience
- Deliverables on short-term adaptive measures
- Take into account national circumstances and sustainable development priorities
- Be Attentive to the diversity of domestic economic activities and markets
- Build on experience of other mechanisms in assessing risks and promoting capacity building

# Partnership at the International Level

- a. Identify activities to assist developing Countries in economic diversification to address climate change component
- b. Examine barriers that affect their effort for economic diversification
- c. Sharing experiences on the development and dissemination of enabling measures, methodologies and tools
- d. Build a platform for learning and exchanging views on how to develop the capacity of developing country Parties
- e. UNFCCC Secretariat's role in preparing related reports

# Dimensions of Activities Coordinated at the National Level

## ***Social..***

(Job creation, employment, access to education and training..)

## ***Economic..***

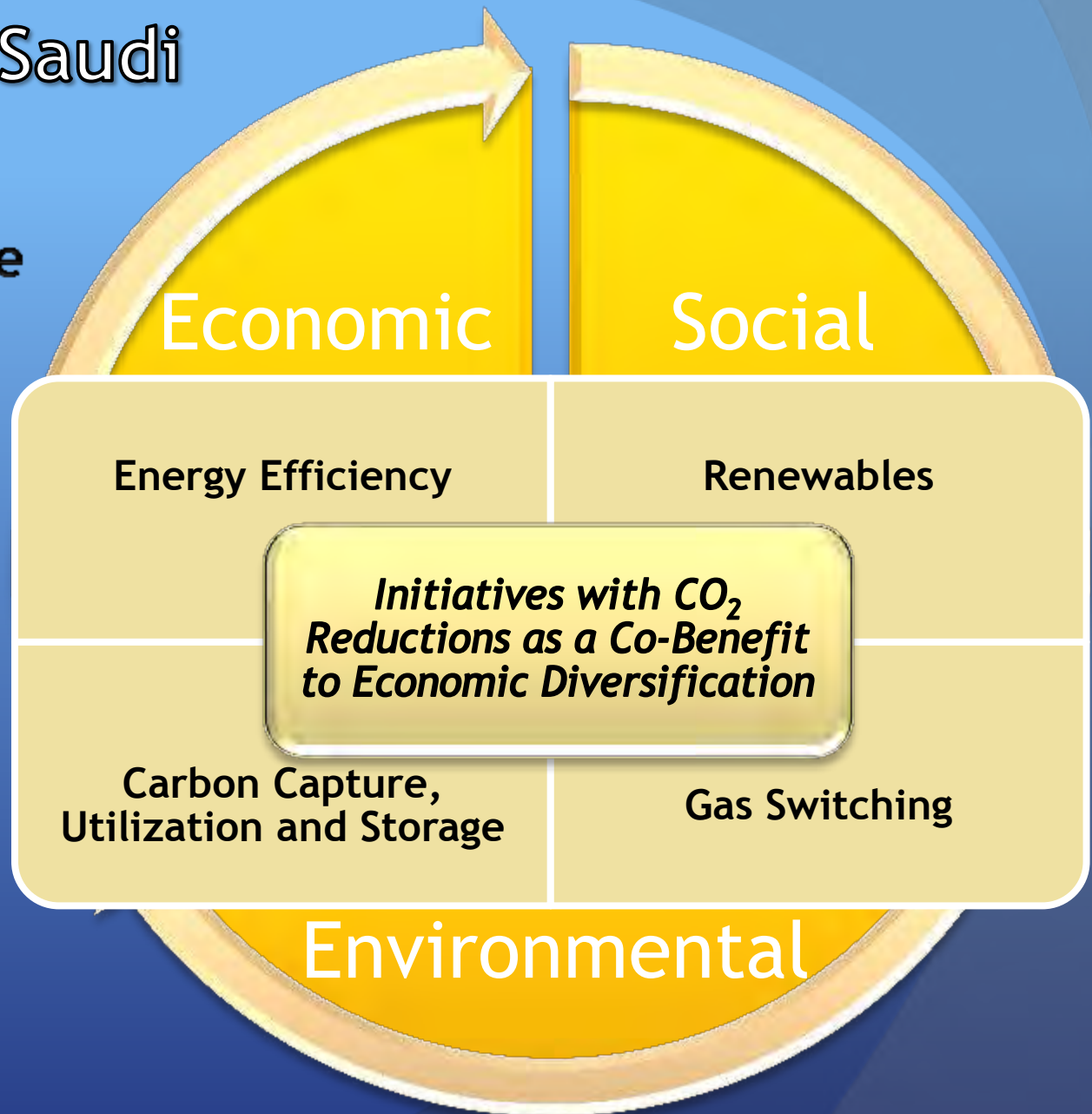
(Integration into national development plans, development of structural and institutional capacity to achieve economic diversification, promotion of initiatives to encourage private-public partnerships in various areas to support economic diversification..)

## ***Environmental..***

(Promotion of economic diversification activities that have the co-benefit of emission reduction..)

# A Case from Saudi Arabia

Diversifying the Energy Sector through..



# Messages to Take Home

- Climate change mitigation actions should not hinder developing Countries efforts to diversify their Economies
- Ambitious targets for economic diversification are linked to ambitious targets for climate change actions
- Economic diversification can cover wide range of sectors and activities depending on different national circumstances
- Economic Diversification is a meaningful tool for alleviating the negative impact of response measures but will not be sufficient on its own



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**Thank You!**