

United Nations Conference on Trade and Development

LAUNCH OF THE COMMODITIES AND DEVELOPMENT REPORT 2019: COMMODITY DEPENDENCE, CLIMATE CHANGE AND THE PARIS AGREEMENT

11 September 2019, Geneva

**The Paris Agreement and its impacts on the implementation of response measures on
commodity dependent developing countries**

by

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The Paris Agreement and its impacts on the implementation of response measures on commodity dependent developing countries.

UN Trade Forum

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Outline

- Understanding the impacts of response measures on commodity dependent countries
- Response Measures : Status under the UN Climate Change Framework Convention
- Assessing and addressing the impacts of mitigation actions: Areas of work programme



Recognition and provisions under the Paris Agreement

- ❑ Recognizes that Parties may be affected not only by climate change, but also by the impacts of the measures taken in response to it;
- ❑ Takes into account the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities;
- ❑ Parties shall take into consideration in the implementation of this Agreement the concerns of Parties with economies most affected by the impacts of response measures, particularly developing country Parties (**Article 4.15 of the PA**);
- ❑ The forum established under the Convention shall continue and shall serve the Paris Agreement (**paragraph 33, decision 1/CP.21**).



*Understanding the impacts of response
measures on commodity dependent countries*

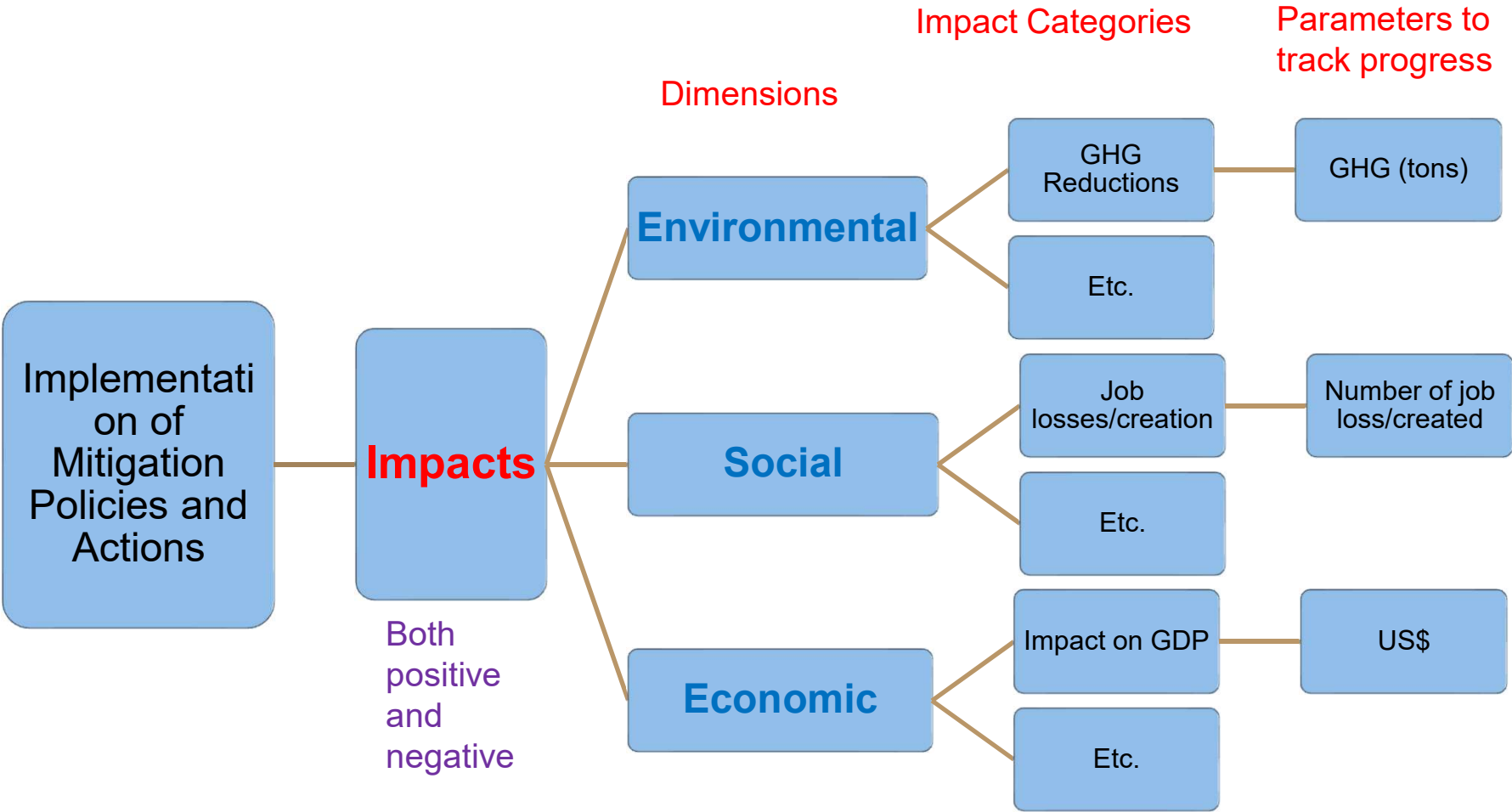


Response Measures: What it is!

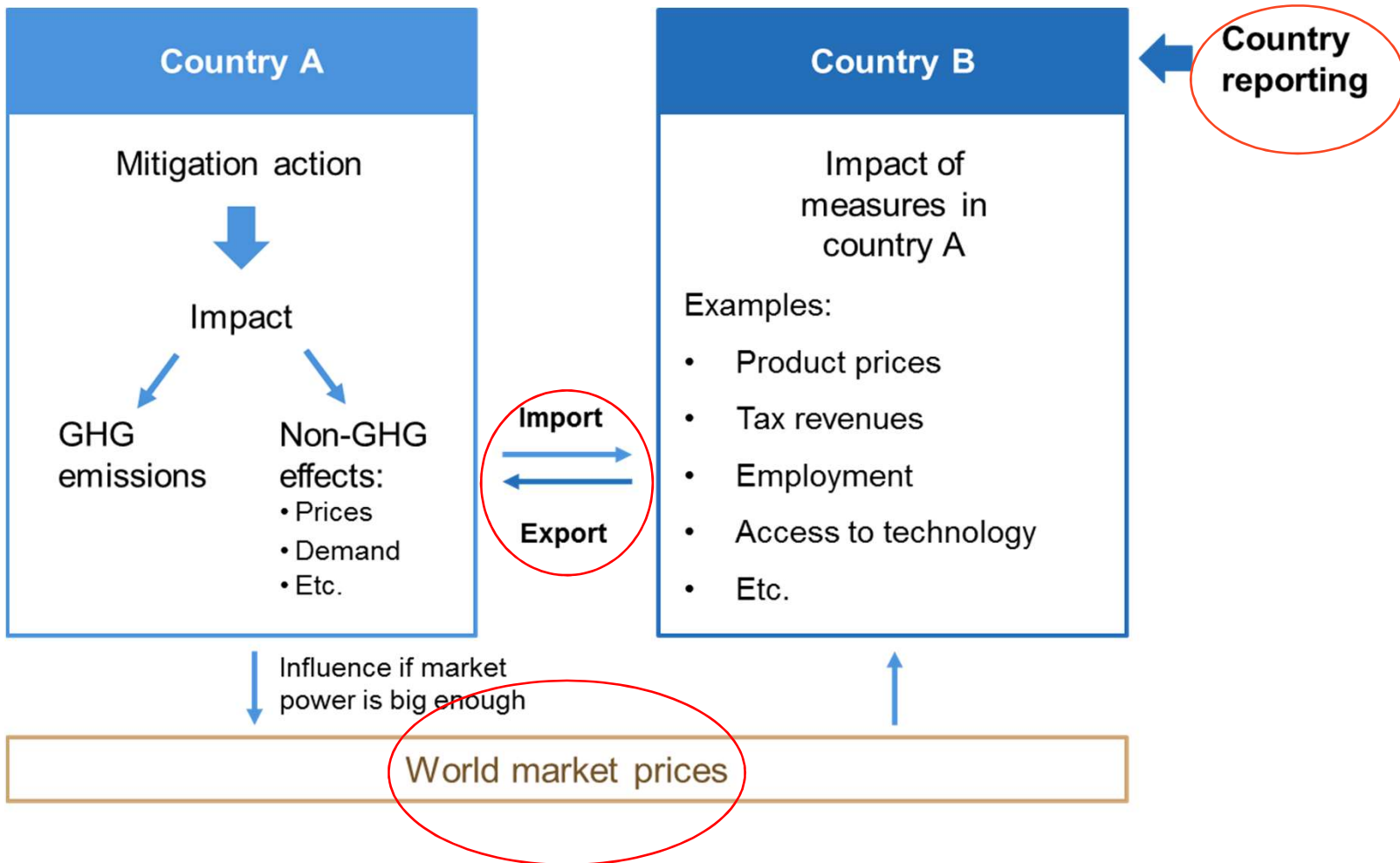
- ❑ Impacts of implementation of response measures is understood under the Convention as the effects arising from the implementation of **mitigation actions** taken by Parties under the Convention and now the Paris Agreement
- ❑ Basically these impacts could be **positive or negative**, and the Convention and its related instruments seek to minimize the negative impacts and maximize the positive ones



Manifestation of impacts of mitigation policies and actions



Understanding the impacts of response measures on commodity dependent countries



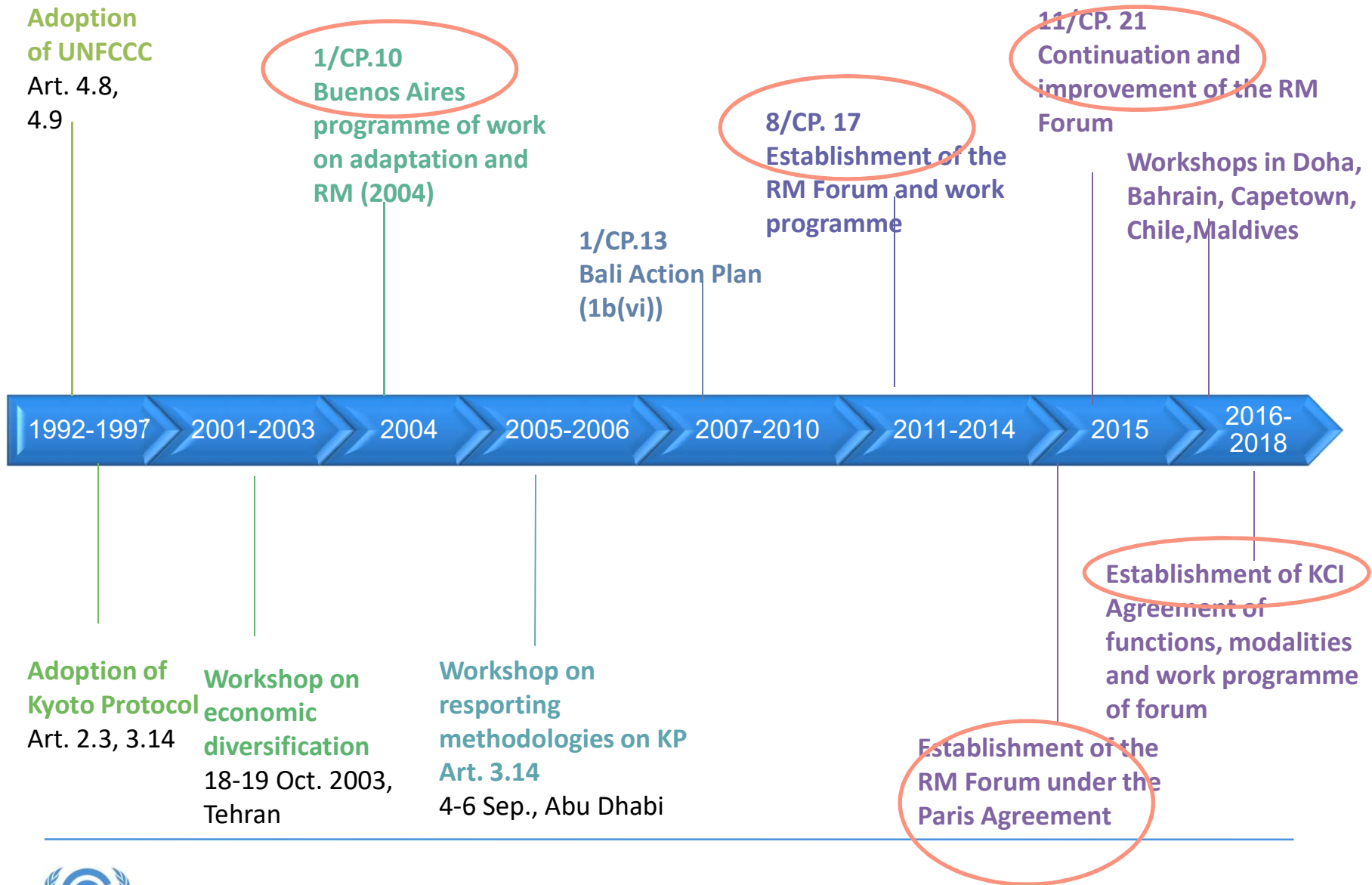
Developing country Parties are encouraged to report on impacts received from implementation of response measures by developed countries



Response Measures : Status under the UN Climate
Change Framework Convention



Journey so far...



Organizational arrangements for the operation – Post COP 24

COP/CMP/CMA

Supreme decision making body

Subsidiary Bodies

SBI: To assist the assessment and review of the effective implementation (Art. 10.1)

SBSTA: To provide information and advice on scientific and technological matters, including, to prepare scientific assessments on the effects of measures taken in the implementation of the Convention (Art. 9.1 and 2b)

forum on the Impact of the implementation of RM

As contact group and a platform to address the effects of mitigation actions, to understand, exchange information and experiences; and share best practices

Katowice Committee of Experts on the impacts of RM

To support the work programme of the forum



Forum's work programme

- **Four areas of work programme were agreed on:**
 - Economic diversification and transformation
 - Just transition of the workforce and the creation of decent work and quality jobs
 - Assessing and analyzing the impacts of the implementation of response measures
 - Facilitating the development of tools and methodologies to assess the impacts of the implementation of response measures



Assessing and addressing the impacts of mitigation
actions: Areas of work programme

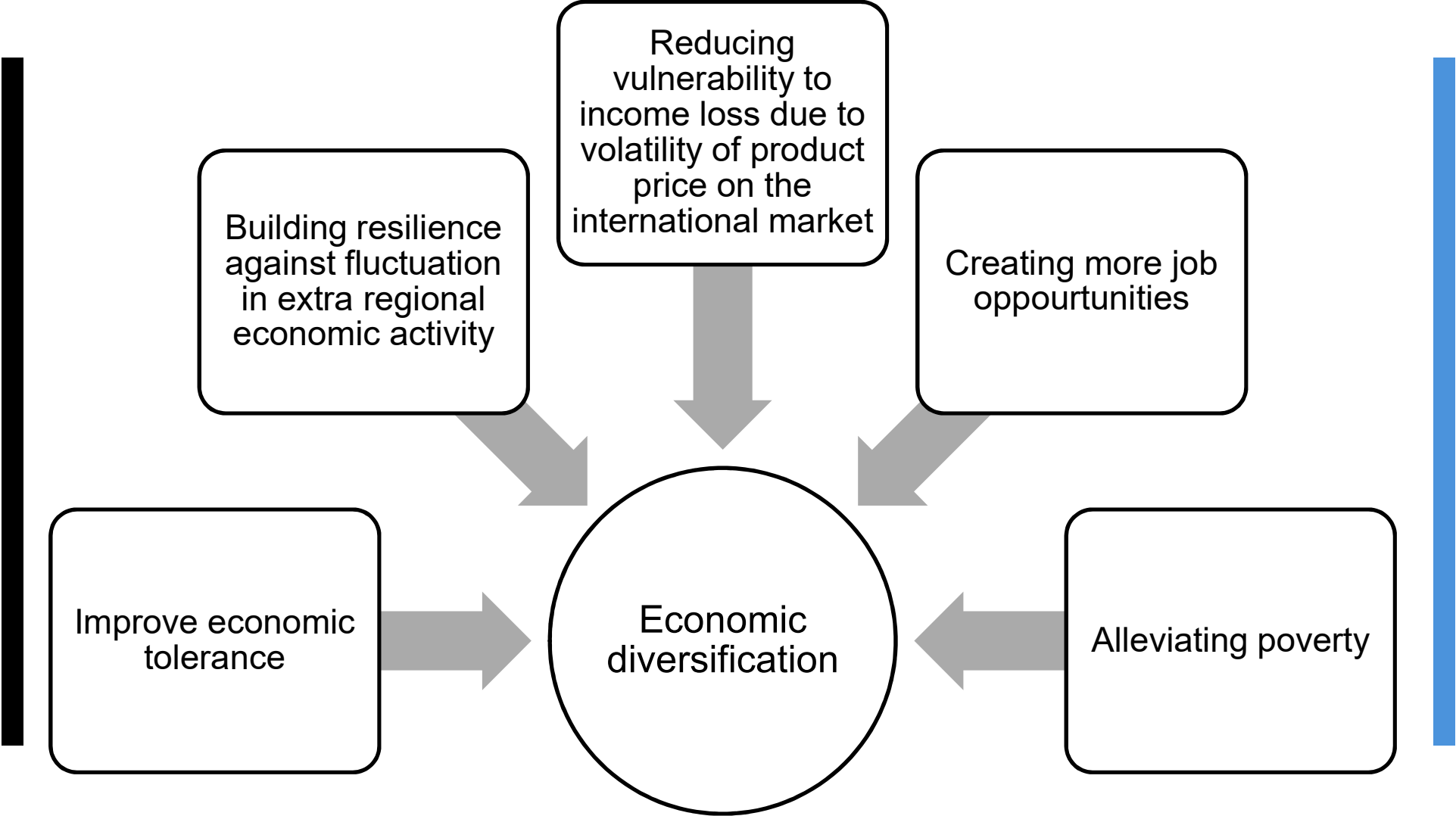


Economic Diversification: Why?

- Important for economic, environmental, and energy sustainability
- Type of economic diversification that is beneficial to an economy will depend on the specific national circumstances
- Economic diversification matters for:
 - a) Countries that depend on exporting fossil fuels and energy resources;
 - b) Countries that depend on exporting other natural resources of fisheries and agricultures;
 - c) Countries that import energy sources
 - d) Countries that emit very little carbon, but are affected:
 - e) Landlocked developing countries (LLDCs)

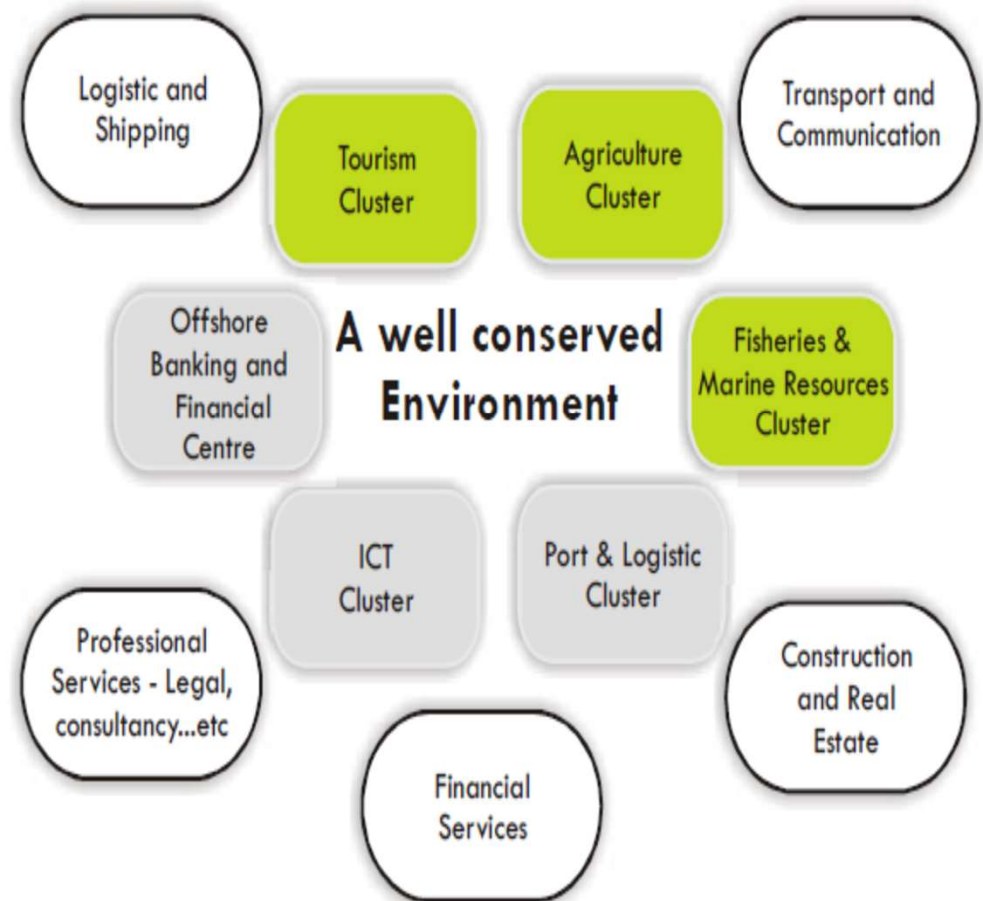


Economic diversification and sustainable development



Country Examples-Maldives

- The main contribution to the economy is tourism
- Heavy dependence on fossil fuel- Energy consumption, Transportation – sea and aviation
- Sensitive to international aviation taxes or carbon taxes
- % of domestic agricultural production is reducing
- High import dependence

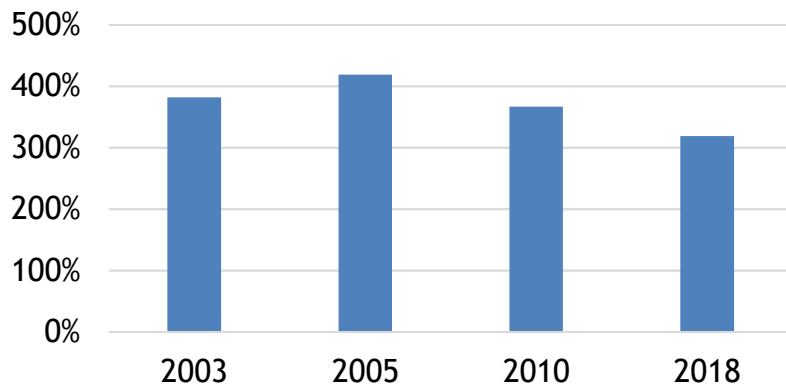


Source: Ministry of Planning and National Development, Maldives



Country Examples-Singapore

- Diversification challenges as an alternative energy disadvantaged country
- National circumstances



■ Total Trade as a % of Nominal GDP

Highly dependent on international trade



With small physical geography

- Small size (750km²)
- Densely populated
- Flat (Highest point - 165m)
- Low lying (Mostly <15m above sea)
- No natural resources



Implementing economic diversification strategies

- Not much literature on how economic diversification can be produced
- Takes a long time and requires long-term planning vision
- Designing economic diversification policies and integrating them into existing or new sustainable development strategies with specific and measurable targets
- Government intervention is necessary to make policies to promote export growth and diversification.
- Get the fundamentals right i.e. to maintain macroeconomic stability, invest in infrastructure, improve the business climate, encourage private investment and invest in people, especially in education at all levels



Just Transition

In the global transitions to a low-carbon, greener economy, it needs to be ensured that

- the employment effects and dynamics are understood well
- policy areas and institutional arrangements need to be identified to address issues related to the wellbeing of the affected workers



Challenges in lights of the Paris Agreement

- Job losses
- The absence of appropriate government policies, funds and structures for just transition
- Lack of formal social dialogue mechanisms
- Insufficient support for retraining, reskilling and formalization of work for vulnerable workers

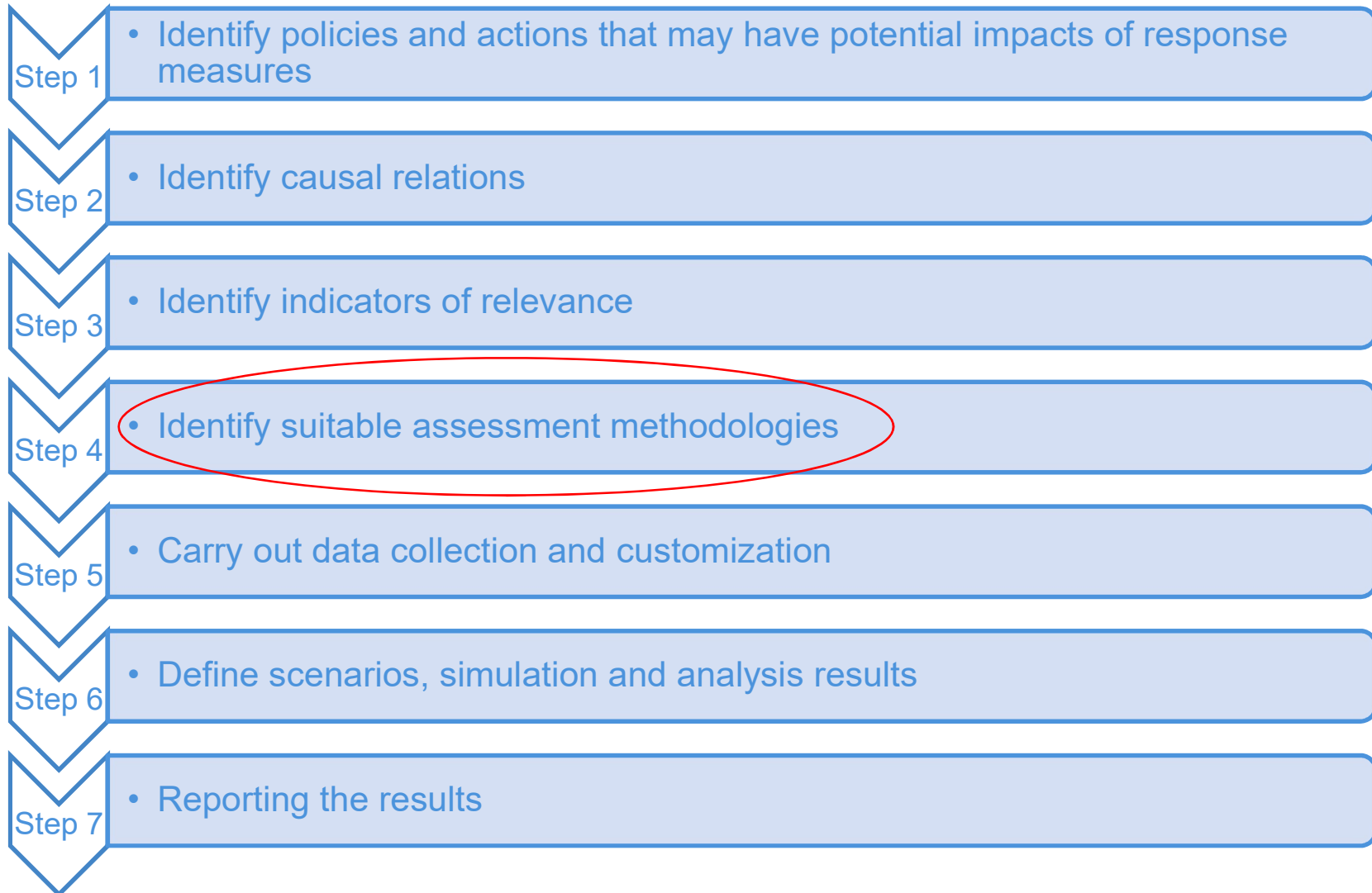


Countries adopted national employment policies that address environmental sustainability

Country	Year	Title
China	2017	Promotion of Employment and Entrepreneurship Policy
Comoros	2013	National Employment Policy Framework Document
Ghana	2015	National Employment Policy
Kenya	2013	Sessional Paper on Employment Policy and Strategy
Mauritius	2014	National Employment Policy, Fourth Draft
Mongolia	2016	State Policy on Employment
Morocco	2015	National Employment Strategy
The Philippines	2016	Green Jobs Act
Sri Lanka	2012	National Human Resources and Employment Policy



Assessing and analyzing the impacts of the implementation of response measures

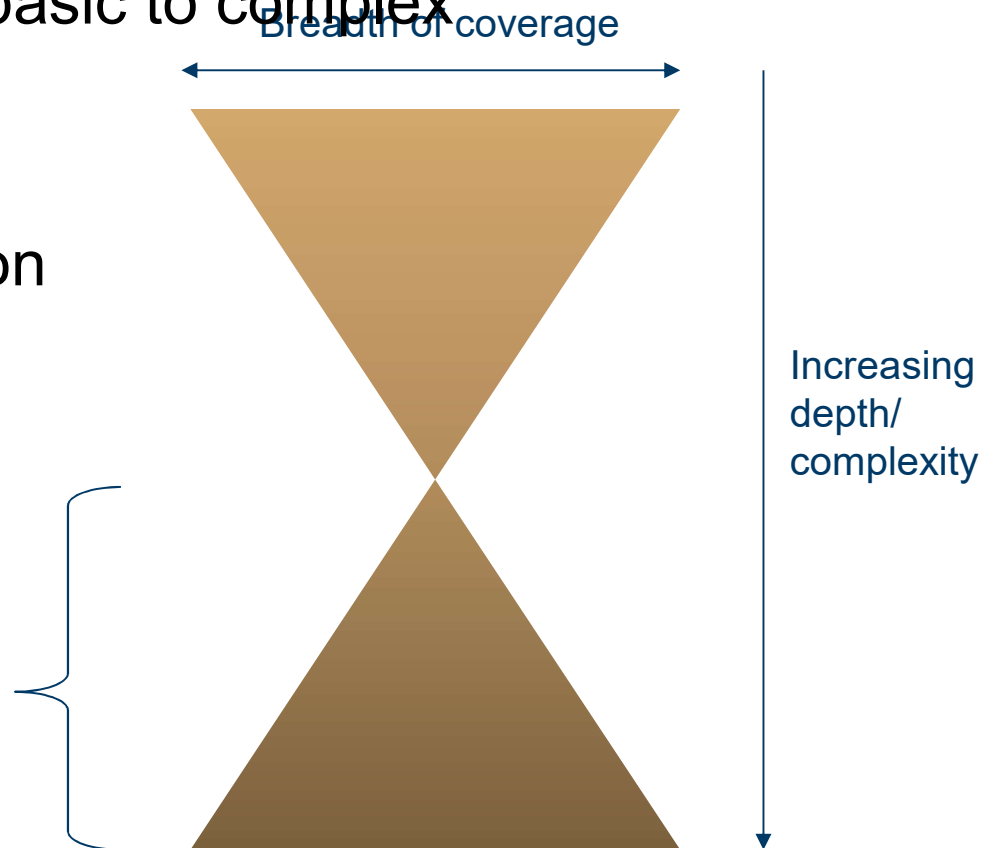


Types of Analytical tool

Qualitative Approach: simple analysis

Quantitative Approach: basic to complex

- Simple analysis
- Econometric estimation
- Systems of equations
- Input-output analysis
- Partial modelling
- General modelling



Important Takeaways

Challenges:

- Lack of experience in developing countries
- *Lack of case studies, specifically cross border impacts*
- Lack of methodological and analytical tools
- *ED* is nuanced and has different elements to it, all of which are important to policy making

However one has to act to make the most of the opportunities.

- Vulnerable sectors to response measures are agriculture, energy and energy intensive industries which are also biggest employers
- A **just transition framework** could be used by environmental policy makers to consider for a just transition of its national workforce to maximize the positive impacts and minimize the negative ones.



Thank you !

<http://unfccc.int/4908.php>

