



Joint SB forum on the impact of the implementation of response measures
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OPEC Presentation

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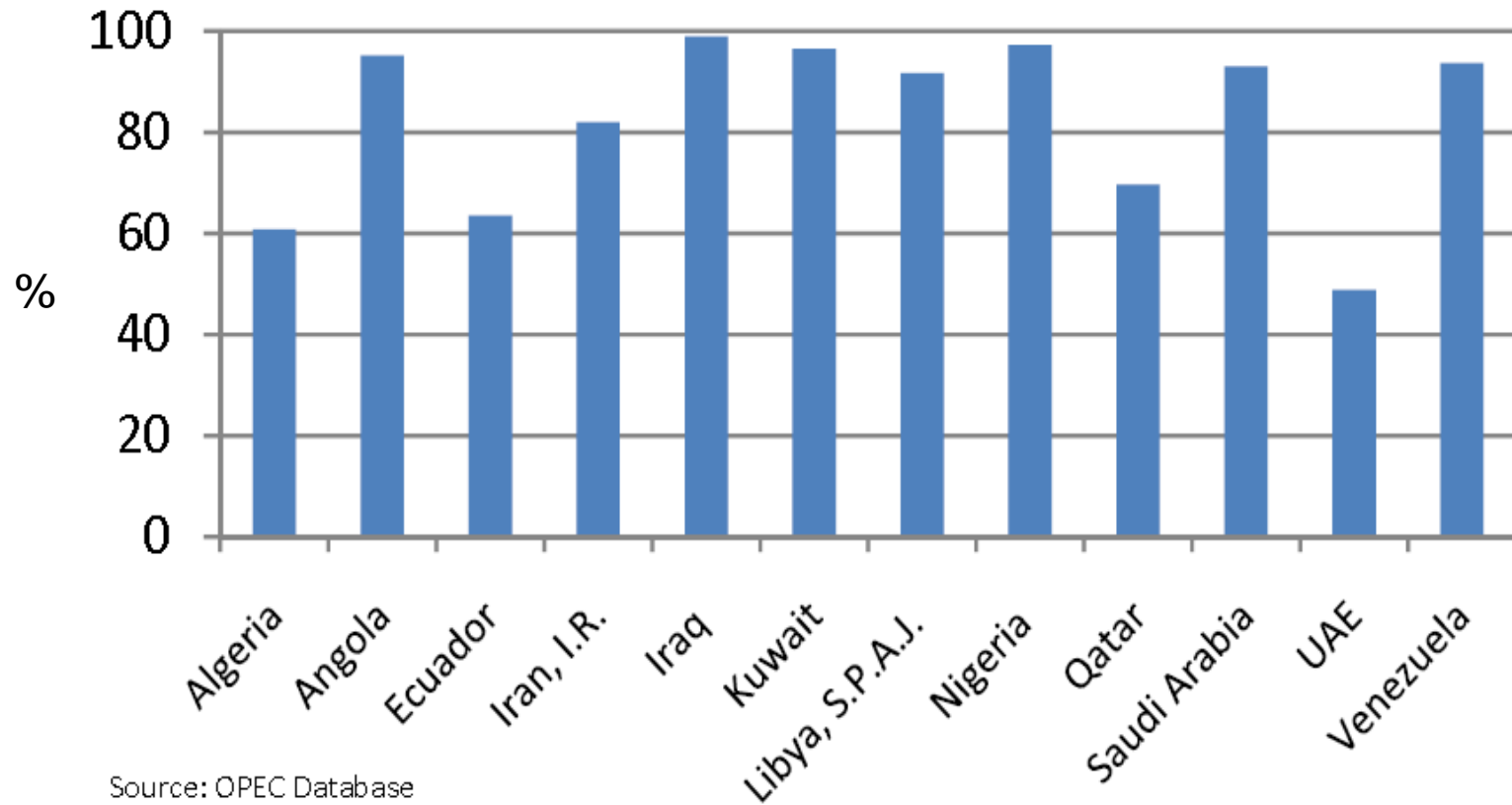


OPEC is a 12 developing-country IGO

- **OPEC Member Countries: Algeria, Angola, Ecuador, Iraq, Iran, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, UAE and Venezuela**
- **OPEC Member Countries are developing countries, with a rapidly growing and very young population and whose economies are highly dependent on oil export revenues:**
 - Average GDP per capita of US\$ 5200 (2009)
 - More than 400 million inhabitants, with 45% of the population less than the age of 19
 - Share of the oil sector in the GDP and exports very high.



Share of petroleum exports in OPEC countries (2008)



Source: OPEC Database



OPEC Member countries are extremely vulnerable to response measures

● Many transmission channels:

- Loss in exports revenues
- Loss from shifting OPEC's economies toward industries where they have less of a comparative advantage
- Reduced domestic demand for goods and services
- Higher costs of imports

● Other transmission channels :

- Trade barriers
- Higher financing costs
- Social spillover effects



Adverse effects have been widely recognized

- **Many previous model-based studies**
- **IPCC TAR**
- **Recent model-based study using CRA MS-MRT model:**
 - Under 550 ppm scenario, export revenue per capita is halved and the GDP is lower by 23% in 2050
 - Under 450 ppm, adverse impacts are even higher



Environment and economic vulnerability have 40 years of evolving history

- **Principle 11, the UN Conference on the Human Environment (UNCHE), Stockholm, 1972**
- **Article 9.11, Agenda 21, 1992**
- **UNFCCC, 1992, Articles 3.2, 4.8, 4.9, 4.10, Paragraphs 20 and 21 in the Preamble**
- **Kyoto Protocol, 1997, Articles 2.3 and 3.14**

Adverse effects of response measures have been addressed from different perspectives in the past 40 years



However, there is a lack of progress in implementation

● **Decision 3/CP.3 in 1997**

- Assigning SBI to work on Art 4.8, 4.9 and in 1998 to include working on Art 2.3 and 3.14

● **Follow-up**

- Technical workshops and expert group meetings
- 5/CP.7: 2001
- 1/CP.10: 2004

● **Lack of progress in implementation**

- SBI has consistently reported that further work is needed

1/CP.16, paragraph 93:

“Decides to provide a forum on the impact of the implementation of response measures, and to that end requests the Chairs of the SBSTA and the SBI to convene such a forum at the thirty-fourth and thirty-fifth sessions of these bodies, with the objective of developing a work programme under the subsidiary bodies to address these impacts, with a view to adopting, at the seventeenth session of the Conference of the Parties, modalities for the operationalization of the work programme and a possible forum on response measures;“



Developing a work programme

- **The programme should lead to the operationalization of provisions in the Convention that are related to response measures, particularly, Art. 4.8, 4.9, and 4.10**
- **It should help in relation to:**
 - The understanding and identification of adverse effects of response measures
 - The Annex I Parties commitment to strive to minimize adverse social, environmental and economic impacts on developing countries
 - How the concerns of developing countries Parties stemming from the adverse effects of response measures are addressed, including through actions related to funding, insurance and transfer of technology



Developing a work programme

- **The work programme could include, but is not limited to, the following components:**
 - **Dialogue**
 - Improvements in the reporting by Annex-I Parties could help understanding of how they strive to minimize the adverse effects of implementing their policies and measures
 - Exchange of views and experiences in modeling the adverse effects of response measures as well as capacity-building in terms of modeling capabilities
 - **Capacity-building**
 - Human and institutional development
 - Exchange of experience and best practices in economic diversification, technology transfer, risk management and insurance, private-public sector partnerships, trade and environment, etc.
 - **Cooperation**
 - Building resilience to the adverse effects of implementation of response measures through cooperation in economic diversification, technology transfer, risk management and insurance, private-public partnerships, trade and environment, sustainable development, etc.



The need to establish a permanent Forum on the Impacts of Response Measures

- Importance and diversity of adverse effects of response measures
- Developing countries are affected
- Variety of transmission channels
- The need to be forward-looking
- This issue will be continuously with us

Call for the establishment of a permanent Forum on the adverse impacts of response measures,



Thank you