

***Forum on the
Impacts of the Implementation of
Response Measures***

Structured Approach

Presentation by Saudi Arabia

Aysar Tayeb

June 13, 2011 (Bonn)

Forum on the Impacts of the Implementation of Response Measures

Mandate

- **Interim Forum**
- **Detailed Work Programme**
- **Modalities for Operationalization**
- **Permanent Forum**

Vulnerability to Response Measures

● All Developing Countries

n Trade Restrictions – Protectionism

n Negative terms of trade

n Revenue loss

n Higher Costs

Vulnerability to Response Measures

● **Exacerbated when:**

- n High dependence on single commodity or service
- n Large share of Revenue and/or GDP
- n Limited chances for diversification
- n Resource Constraints

● **Further exacerbated when:**

- **Other Domestic Challenges**
 - **Poverty,**
 - **Development**
 - **Unemployment**
 - **Growing population**
 - **Inflation**

Addressing the Problem

Key Elements for Structured Approach

1. Examining the Policies
2. Examining the Impact
3. Reducing the Impact
4. Building Resilience

Detailed Work Programme

1. Examining the Polices

- **Modeling the different policies**
 - n Modeling Tools
 - n Assumption
 - n Cost analysis
- **Bilateral and multilateral dialogue on findings**
 - n Comparison of modeling results
 - n Improving understanding
- **Reporting**
 - n Reporting on modeling efforts
 - n Reporting on dialogue

Detailed Work Programme

2. Examining the Impact

● Economical Impacts

- n Revenue Loss – Varying stringencies
- n Higher Costs of imports products and services

● Social Impacts

- n Higher living Costs
- n Lower living standards
- n Unemployment

● Development Impacts

- n Sustaining growth and development

Detailed Work Programme

3. Reducing the Impact : OBLIGATION

● From Policy Makers (Annex I)

- **Policy Choices**
- **Focus on:**
 - **Positive Solutions**
 - **Technology Options**
 - **Efficiency Measures**
- **Avoiding :**
 - **Biased Policies**
 - **Market Measures**

Detailed Work Programme

4. Building Resilience : NEED

- **Impacted Developing Countries**

- **The Need for Adaptation**
 - **Short Term :**
 - **Insurance – financial Risk Management**
 - **Addressing shocks and Loss and Damage**
 - **Long Term :**
 - **Economic Diversification**
 - **Building Technical and Economic Resilience**

Detailed Work Programme

- 1. Examining the Polices**
- 2. Examining the Impact**
- 3. Reducing the Impact**
- 4. Building Resilience**

Developing Country Needs

- Improving Understanding**
- Specific and Concrete Implementing Activities**

Detailed Work Programme

Developing Country Needs

● Improving Understanding

- n Workshops and Expert Meeting**
- n Regional and sub-regional Perspectives**
- n Studies and Technical Papers**

● Specific and Concrete Implementing Activities

- n Capacity Building**
- n Financial Support**
- n Technology Transfer**

Modalities for Operationalization

Permanent Forum

- Carrying out detailed Work Programme
- Producing COP Decisions
- Assigning Specific Tasks to SBSTA and SBI
- Reviewing progress on Implementation
- Follow-up and Updates

Modalities for Operationalization

Permanent Forum

- Meet 4 Times / Year
- Other events and Intercessional Activities
- Continuous Venue to Dialogue
- Participation of Experts / Civil Society / NGO / IGO

Examples of Activities for
Detailed Work Programme

Detailed Work Programme

Examples on Activities

- Evaluate & analyze different economic modeling (best option for each of differing case of developing countries vulnerabilities)
- Sharing experiences and opportunities on the development and dissemination of measures, methodologies and tools aimed at increasing economic resilience.
- Promote a supportive economic system leading to sustainable economic growth and development in the developing countries.

Detailed Work Programme

Examples on Activities

- ⑩ Integration of economic diversification into national sustainable development strategies;
- ⑩ Building new capacity, at the national level for economic diversification and sustainable development.
- ⑩ Appropriate options addressing response measures adverse impacts consistent with nationally defined development priorities.
- ⑩ Removal of trade barriers and promoting foreign direct investment in developing countries to improve the global allocation of resources and encourage transmission of technology across international borders.

Detailed Work Programme

Examples on Activities

- ⑩ Annex II provide financial capital inflows and know-how.
- Improving financial resilience and leveraging financial assistance thru existing institutions.
- Hedging mechanisms against potential losses/risks, including: hedging with market instruments/ stabilizing funds, etc.
- Promoting preferential market access and differential treatment.

Detailed Work Programme

Examples on Activities

- ⑩ **Promote and provide training for adaptation technologies.**
- **Provide training for technology transfer to manage Intellectual Property issues related to technology transfer,**
- **Encourage and commission inputs from technical experts, international organizations and others, and**
- **Improve communication between industry and academia.**

Example of Impact on
International Trade

Impact on International Trade

**Policies impact a wide range of vital economic sectors
These impacts are already happening**

- **Agriculture**

- **Subsidies and taxation impacted Cotton exports from Developing Countries**
- **This is true for other agricultural products**
- **Eco labeling impacted exports of various product from Developing Countries (Flower export is one example)**
- **Bio fuel goals (and associated subsidies) in industrial countries, causing food security concerns and higher food prices**

Impact on International Trade

- **Industry**

- **Impact on the fossil fuel industry in developing countries which is a major source of government revenue in many Developing Countries**
- **New Standards in for vehicles in EU resulted in old vehicles being dumped to Africa. Thus adding to the increase of emissions in our countries and also negatively impacting local manufacturers. This is also true for some appliances.**

Impact on International Trade

- **Tourism**

- **Unilateral action by EU on aviation**

- **Cause higher prices of flights**
- **Impact the growth opportunities for our national carriers, that are far from reaching their potential**
- **With higher costs for flights, tourism will be reduced, which provide a major source of revenue for many Developing Countries**

Impact on International Trade

- **Trade in General**

- **Protectionism**

- **Eco-Trade Barriers**
- **Disruption to Production , Supply , and export Chains**
- **Multiples of Associated economic and social Looses**

***Forum on the
Impacts of the Implementation of
Response Measures***

Structured Approach

Presentation by Saudi Arabia

Aysar Tayeb

June 13, 2011 (Bonn)