

Non-paper No. 44^{1,2}

06/11/2009 @ 16:00

SUBGROUP ON LCA 1 (b) (vi)

Economic and social consequences of response measures

Non-paper by the facilitator

1. [Parties reaffirm the importance of the objective, **principles and provisions of the Convention**. In particular Article 2, Article 3, paragraphs 1, 2, 3, 4 and 5, Article 4, paragraphs 3, 7, 8, 9 and 10, as well as the Bali Action Plan, adopted as decision 1/CP.13 by the Conference of the Parties (COP).]
2. [Parties recognize that economic and social consequences may result from response measures taken by any Party.]
3. [[Recognizing the broad nature of the impacts of response measures, particularly on developing country Parties,] Parties acknowledge that negative economic and social consequences of response measures can adversely **affect all Parties**], especially developing country Parties, and in particular those whose economies are dependent on fossil fuel production, use and exportation, tourism and the exportation of agricultural and energy intensive products, and trade dependent on international transport.]]
4. [Parties affirm that sustainable development is essential for adopting measures to address climate change and that there is a need to ensure that response measures **do not undermine** the achievement of economic and social development, taking into account the special needs of developing countries and the consequences for women and children.]
5. [Parties recognize that action on the adverse effects of climate change is a **priority**, and that response measures in this regard may result in negative economic and social consequences for Parties, in particular developing country Parties as referred to in paragraph 2 above. [In light of this, efforts to reduce or avoid the adverse impacts of the implementation of response measures should be consistent with the need for action to address climate change.][Parties recognize that the efforts to reduce or avoid negative impacts of response measures should **not constrain or hinder progress** in addressing climate change.]]
6. [Parties affirm that responses to climate change should be coordinated with social and economic **development** in an integrated manner, with a view to avoiding adverse impacts on the latter, taking fully into account the legitimate priority needs of developing country Parties for the achievement of sustained economic growth and the eradication of poverty.]
7. [Parties recognize the importance of avoiding and minimizing negative impacts of response measures on social and economic sectors, promoting a gradual and **just transition** in the most affected

¹ Reissued for technical reasons.

² This non-paper supersedes non-paper No. 32.

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE
CONVENTION**

**Resumed seventh session
Barcelona, 2–6 November 2009**

sectors, the creation of decent work and quality jobs, and contributing to building new capacities for both production- and service-related jobs.]

8. [Developed country Parties shall strive to implement policies and measures to respond to climate change in such a way as to avoid negative social and economic consequences for developing country Parties, taking fully into account Article 3 of the Convention. In order to assist developing country Parties in addressing negative social and economic consequences, developed country Parties shall provide **financial resources**, including for access to and development and transfer of technology, at agreed full incremental costs in accordance with Article 4, paragraphs 3, 5 and 7, of the Convention.]

9. [Parties agree to cooperate to promote a supportive and open international economic system that would lead to sustainable economic growth and development in all Parties, particularly developing country Parties, thus enabling them better to address the problems of climate change. Measures taken to combat climate change, including unilateral ones, should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international **trade**.]

Alternative 1

[Developed country Parties shall not resort to any form of unilateral measures, including fiscal and non-fiscal border measures against goods and services imported from other Parties, in particular from developing country Parties, on grounds of stabilization and mitigation of climate change. Such measures would violate the principles and provisions of the Convention, including, in particular, those related to the principle of common but differentiated responsibilities (Article 3, paragraph 1), to trade and climate change (Article 3, paragraph 5), and to the relationship between mitigation actions of developing countries and the provision of financial resources and technologies by developed countries (Article 4, paragraph 3 and 7)]

Alternative 2

[In relation to the economic and social consequences of response measures, Parties shall take into account the principles of the Convention.]

10. [Parties decide that action relating to response measures should be **institutionalized** in a structured manner, in accordance with Article 4.1 (g) and (h) of the Convention recognizing the needs of developing country Parties identified in Article 4, paragraphs 8, 9 and 10. [A permanent forum][other institutional arrangements] will be established by the Conference of the Parties (COP) to undertake activities including identifying [vulnerability to] negative economic and social consequences of response measures, sharing information, promoting and cooperating on issues relating to response strategies and minimizing negative consequences, in particular in developing country Parties.]

Alternative 1

[Parties decide that information on action relating to response measures should be considered in a **structured** manner and that, for this purpose, Parties should cooperate fully to enhance understanding of economic and social consequences of response measures, taking into account the need for information from those affected, and evidence of actual impacts, and of [both positive and] negative effects.]

11. [Parties agreed to consider how existing channels, such as national communications [as reviewed] under the SBI, could serve as a platform for discussions on the information provided by Parties.]

12. [Parties agree to adopt the modalities for the operationalization of the **forum** by COP 16, taking into account elements contained in the annex and other relevant information.]

13. [Placeholder for other issues to be discussed –

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE
CONVENTION**

**Resumed seventh session
Barcelona, 2–6 November 2009**

(a) [Emphasizing that the issue of **adaptation** to the adverse impacts of climate change is a separate issue and one to be addressed under the adaptation building block of the Bali Action Plan, while the discrete issue of the impacts of response measures is to be addressed under enhanced action on mitigation under the mitigation building block of the Bali Action Plan.]

(b) [Developed country Parties shall provide **compensation** for damage to African and LDC economies, and for lost opportunities, resources, lives, land and dignity, as many people in African and LDC countries will become environmental refugees, in the context of environmental justice of environmental, social and economic losses arising from the implementation of climate change response measures.]]

**AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION
UNDER THE CONVENTION
Resumed seventh session
Barcelona, 2–6 November 2009**

[Annex¹]

Institutional Arrangements (e.g. a forum on response measures)

Possible questions to be asked to further shape options

1. **Mandate** (From where?, BAP, Articles 4.1 (g) and (h), 4.10, 3.5, etc.)
2. **Nature** (Executive/advisory; coordination/consultative, etc.)
3. **Scope** (What? (TOR), How? How long?, etc.)
4. **Functions** (Non-paper of LCA Chair, table 7, page 10 (see also Non-paper 32, paras. 11-12))
 - Information / knowledge-sharing, networking
 - Coordination
 - Consultative / advisory
 - Evaluation, assessment and/or screening
 - Facilitation
 - Capacity-building support
 - Reporting
 - Technical advice and/or support
 - Implementation
5. **Financing** (How much? How assessed? Where from?, etc.)
6. **Support** (What? How?, etc.)
7. **Composition** (Who?, etc.)
8. **Meetings** (How often?, etc.)
9. **Reporting** (Who? Who to? How often?, etc.)
10. **Evaluation** (How? Criteria?, etc.)
11. **Any other matters]**

¹ This annex was prepared by the facilitator and has not been discussed during this session.