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UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**AD HOC WORKING GROUP ON FURTHER COMMITMENTS
FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL**

Seventh session

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Item 5 (c) of the provisional agenda

Other issues arising from the implementation of the work programme of the Ad Hoc

Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol

Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties

**Information on potential environmental, economic and social consequences,
including spillover effects, of tools, policies, measures and methodologies
available to Annex I Parties**

Submissions from Parties

1. The Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol, at its resumed sixth session, invited Parties and relevant organizations to submit to the secretariat, by 15 February 2009, views on the potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (FCCC/KP/AWG/2008/8, para. 55 (a)).¹

2. The secretariat has received five such submissions. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.

¹ Previous submissions from Parties that included information on this subject are contained in documents FCCC/KP/AWG/2008/MISC.5 and FCCC/KP/AWG/2008/MISC.1 and Add. 1–5 and Add.1/Corr.1.

*These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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* This submission is supported by Bosnia and Herzegovina, Croatia, Montenegro, Serbia and the former Yugoslav Republic of Macedonia.

** The paper contained in this miscellaneous document has been extracted from a consolidated submission from the Party.

Министерство природных ресурсов и охраны окружающей среды
Республики Беларусь

**Сообщение по вопросам рассмотрения информации о
потенциальных экологических, экономических и социальных
последствиях, в том числе побочном воздействии, применения
средств, политики, мер и методологий, имеющихся в распоряжении
Сторон, включенных в приложение I**

в соответствии с пунктом 11 (а) документа FCCC/КР/АWG/2008/L.19
Специальной рабочей группы по дальнейшим обязательствам для Сторон,
включенных в Приложение I, согласно Киотскому протоколу

Введение

Республика Беларусь приветствует предложение Специальной рабочей группы по дальнейшим обязательствам для Сторон, включенных в Приложение I, согласно Киотскому протоколу (СРГ-КП) предоставить свои соображения по вопросам рассмотрения информации о потенциальных экологических, экономических и социальных последствиях, в том числе побочном воздействии, применения средств, политики, мер и методологий, имеющихся в распоряжении Сторон, включенных в Приложение I в соответствии с пунктом 11 (а) документа FCCC/КР/АWG/2008/L.19. и полагает, что обмен мнениями по этой теме при согласовании дальнейших обязательств для Сторон, включенных в Приложение I, согласно Киотскому протоколу является очень важным.

**Соображения по поводу потенциальных последствий
и побочных эффектов**

Одним из опасных последствий применения средств, политики и методологий в области смягчения воздействия на климат является увеличение социальной напряженности в условиях, когда в большом масштабе и ускоренно внедряются высокоэффективные низкоуглеродные технологии, приводящие к высвобождению значительного количества рабочей силы, переориентировать и задействовать которую в других отраслях стране зачастую не хватает возможностей. Очень быстрая реализация мер по сокращению выбросов может привести к снижению конкурентоспособности, к повышению стоимости товаров и услуг.

Республика Беларусь считает, что подобные отрицательные последствия представляют собой существенные барьеры на пути реализации потенциала смягчения многих развивающихся стран и стран с переходной экономикой. В то же время, страны с развитой социальной инфраструктурой и продвинутой

экологической политикой смогут практически безболезненно осуществлять новый вид природоохранной деятельности.

Мы считаем, что необходимо проанализировать опыт внедрения мероприятий по смягчению воздействия на климат в различных странах. Важным результатом такого анализа должна стать методология оценки последствий и критерии приемлемости отрицательных эффектов при реализации мер по смягчению воздействия на климат.

В отношении побочных эффектов, Республика Беларусь придерживается мнения, что любая национальная стратегия, направленная на смягчение последствий изменения климата, не должна оказывать отрицательное воздействие на другие Стороны. В частности, право Стороны на участие в механизмах гибкости не должно рассматриваться как ущемление в какой-либо степени прав других Сторон на реализацию этих механизмов.

Более подробная информация была предоставлена Республикой Беларусь в феврале 2008 года в документе “Информация и соображения относительно средств для достижения целей по смягчению воздействия на климат, включая информацию относительно потенциальных экологических, экономических и социальных последствий и побочных эффектов” в соответствии с документами СРГ-КП FCCC/KP/AWG/2007/2, параграф 24 и FCCC/KP/AWG/2007/4, параграф 24.

Заключение

Все мероприятия, направленные на борьбу с глобальным изменением климата, должны быть реализованы согласованно с другими мерами социально-экономического развития. То есть, несмотря на важность достижения максимально возможных результатов по смягчению воздействия на климат, крайне актуальной задачей является оценка возможных положительных и отрицательных последствий.

The Ministry of Natural Resources and Environmental Protection
of the Republic of Belarus

**Submission on consideration of information on potential
environmental, economic and social consequences, including
spillover effects, of tools, policies, measures and methodologies
available to Annex I Parties**

in accordance with document FCCC/KP/AWG/2008/L.19 para 11 (a)
of the Ad Hoc Working Group on Further Commitments
for Annex I Parties under the Kyoto Protocol

Introduction

The Republic of Belarus welcomes the proposal of Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP) to provide its views on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties, as contained in document FCCC/KP/AWG/2008/L.19, and believe that the exchange of views in this field is very important when agreeing in further commitments for Annex I Parties under the Kyoto Protocol.

Considerations on potential consequences and spillover effects

One of the dangerous consequences of application of tools, policies, measures and methodologies to the field of climate change mitigation is increase of social strain in the conditions when large scale and accelerated introduction of the highly efficient low-carbon technologies leads to release of significant human labor resources, which reorientation and employment in the other fields of activity is often difficult for a country due to limited capacity. Very fast implementation of emission reduction measures can lead to reduction of competitiveness and increase of cost of goods and services.

The Republic of Belarus considers that similar negative impacts of suggested measures are substantial barriers for implementation of climate change mitigation potential for many developing countries and countries with economy in transition. At the same time, the countries with developed social infrastructure and advanced system of environmental policy can almost painlessly implement the new type of environmental protection activity.

We consider that it is necessary to analyze experience of implementation of climate change mitigation activities in different countries. The important result of such analysis would be a methodology of assessment of consequences and acceptance criteria for negative effects of implementation of climate change mitigation actions.

Regarding the spillover effects, the Republic of Belarus supports the opinion that any national strategy directed to climate change mitigation should not render negative effect on other Parties. Particularly, the legal right of the Party to participate in flexible mechanisms should not be considered as impaction to some extend of the rights of other Parties on implementation of their policy of application of such mechanisms.

More detailed information on this matter was submitted by the Republic of Belarus in February 2008 in “Information and views on the means to achieve climate change mitigation objectives, including information on the potential environmental, economic and social consequences and spillover effects” pursuant to FCCC/KP/AWG/2007/2, para 24 and FCCC/KP/AWG/2007/4, para 24 of AWG-KP.

Conclusion

All activities directed to combating global climate change should be implemented in coordination with other measures of social-economic development. That is, despite of the importance of achieving substantial results on climate change mitigation, it is of utmost importance to provide an assessment of positive and negative consequences.

PAPER NO. 2: CZECH REPUBLIC ON BEHALF OF THE EUROPEAN COMMUNITY
AND ITS MEMBER STATES

This submission is supported by Bosnia and Herzegovina, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro and Serbia.

Prague, 11 February 2009

Subject: AWG-KP: Consideration of the scale of emission reductions to be achieved by Annex I Parties in aggregate; Consideration of the contribution of Annex I Parties, individually or jointly, consistent with Article 4 of the Kyoto Protocol, to the scale of emission reductions to be achieved by Annex I Parties in aggregate; Other issues arising from the implementation of the work programme, with due attention to improving the environmental integrity of the Kyoto Protocol.

Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (hereafter referred to as potential consequences) [5(c)(ix)]

The EU welcomes the constructive discussions that took place during the Climate Change Conference in Poznan and welcomes the conclusions adopted by the AWG-KP on this important and complex issue. The EU has provided initial views on this issue in its submission of 10 October 2008¹ as well as during the resumed 6th Session of the AWG-KP.

There is a general consensus on the need to undertake a global transition to a low greenhouse gas emitting economy in order to tackle climate change. Although this transition presents a major opportunity for all countries to follow a clean development path and implement sustainable policies, it also poses challenges for all countries, **particularly the most vulnerable.**

The EU acknowledges the need for cooperation to enhance the understanding of the potential consequences. It is important that any future analysis of spillover effects takes into account **both positive and negative effects**, e.g. for different Parties, sectors or on different time scales and depending on policy design in third countries.

Information on experiences from all Parties is crucial in order to achieve an increased understanding of the potential environmental, economic and social consequences, especially from those Parties who experience this kind of consequences. Modelling tools also need to be improved to manage the complexity of the different factors that affect economies and societies at large. The EU emphasises the importance that the continuous work within AWG-KP is guided by the best available information and **based on evidence of actual impacts and consequences.**

Efforts to assess potential effects of response measures should not constrain nor hinder mitigation policies and measures.

¹ on the potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (as contained in document FCCC/KP/AWG/2008/MISC.5)

The EU looks forward to further elaborate its views at the upcoming workshop on the issue, and supports the suggestion in the conclusions to hold the AWG-KP workshop on spillover effects back-to-back with the workshop on economic and social consequences of response measures under the AWG-LCA, as this would maximise synergies and avoid duplication of work.

The discussions in this workshop should focus on:

- Exchange on experiences and examples of both positive and negative potential consequences.
- Discussion on how to assess the potential effects of positive and negative consequences.
- Discussion on how capacity building can contribute to an enhanced analysis of possible impacts.

Submission by Panama on behalf of Colombia, Costa Rica and Mexico

- Consideration of information on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (AWG-KP)
 - Views on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties

The AWG KP at its fifth session requested Parties to submit their views on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties (See FCCC/KP/2008/L.19).

In the context of the planet's globalized economy, we welcome the opportunity to address concerns related to spillover effects, a broadly defined phenomenon which requires further clarification as to its real character and scope. The choice of specific instruments, policies, measures and methodologies available to Annex I Parties in their fight to curb climate change could have potentially significant side effects on the economies, livelihoods, and social networks, amongst others, of developing countries. At a time of economical instability, as our countries are increasingly suffering the impact of climate change, negative spill-over effects would increase our difficulties to respond to climate change and add economic burdens on our limited resources.

Because of the importance of the topic, we would like the COP to request the IPCC to develop a special report on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties to reduce their emissions and assess and rank their potential consequences. This report should identify, assess and quantify, when possible, all potential spillover effects at both regional and global levels. It should further provide ideas on alternatives and possible solutions at those levels. This information could serve to shape options to effectively address these issues in the negotiations and to improve decision making within developed and developing countries.

Recognizing the lack of information on spillover effects in our region, we recognize the need to immediately start working with different organizations, UN agencies and multilateral organisms and civil society, on a regional assessment to better understand the key issues that could affect us. Amongst others, and not exclusively, we are concerned about spillover effects on non-tariff barriers, dumping, tourism, food safety, forestry and employment; and on possible solutions to address them effectively. This regional assessment should not be considered as a substitute for an IPCC Special Report, but rather as an additional tool to address spillover effects, since there is a clear gap of knowledge in this area for our region.

SUBMISSION BY SAUDI ARABIA

February 15, 2009

Consideration of the information on potential environmental, economics and social consequences, including spillover effects, of tools, policies, measure and methodologies available to Annex I Parties(AWG-KP)

Saudi Arabia welcomes the opportunity to submit its views on the very important subject “ The Consideration of the information on potential environmental, economics and social consequences, including spillover effects, of tools, policies, measure and methodologies available to Annex I Parties(AWG-KP)” by 15 February, 2009 as requested in the document:

FCCC/KP/AWG/2008/L.19, paragraph 11(a)

Saudi Arabia believes that consideration of the various aspects of this issue should be given high priority, as it affects nearly all developing countries to varying degrees.

Based on the provisions of articles 2.3 and 3.14 of the Kyoto protocol, Annex I parties should aim at minimizing the adverse social, environmental , and economic impacts, including spillover effects of the tools, policies and measures available to them on developing countries, particularly those of article 4.8 of the UNFCCC.

Within the AWG-KP context, our view is that the above provisions should also govern any future mitigation responsibilities as well as tools, policies, and measures available to Annex I Parties in a post-Kyoto regime.

In our view, the incorporation of our concerns on spillover effects requires that AWG-KP addresses, along with the future Annex I commitments:

- The potential impacts of the post-Kyoto discussed and proposed means, policies and measures by Annex I parties on developing country parties under the Kyoto Protocol umbrella.
- Whether there are alternative policies and measures available for Annex I that achieve the same mitigation effort but may be associated with lower impacts on developing country parties.
- The possible funding, insurance and technology transfer arrangements, in case of potential impacts, that need to be provided by Annex I to help minimize the adverse impacts on developing country parties. This is specifically to address strengthening resilience and adaptive capabilities in developing countries to cope with the unavoidable spillover effects of policies and measures.

We think there is a clear compliance concern within the current regime when addressing spillover effects. To fix this, a transparent framework needs to be established for addressing the spillover effects issue. The simple algorithm towards this framework includes:

- Assess progress on implementation of provisions with respect to the impacts of spillover effects during the first commitment period of the Kyoto Protocol,
- Identify the gaps particularly on methodologies, reporting, monitoring, verification and Compliance,
- Close the gaps by providing the necessary guidelines, methodologies and criteria,
- Assess the adequacy and effectiveness of funding, insurance and technology transfer arrangements to minimize these impacts.

PAPER NO. 5: QATAR

SUBMISSION FROM THE STATE OF QATAR

Paper Number (3)

AWG-KP

Views on potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex I Parties

28 February 2009

1. The State of Qatar welcomes the invitation, contained in (FCCC/KP/AWG/2008/L.19), paragraph 11(a) to submit views on the “potential environmental, economic and social consequences, including spillover effects, of tools, policies, measures and methodologies available to Annex 1 Parties”. Qatar also notes that Parties’ views will be compiled by the Secretariat into a MISC document and made available to the Parties before the AWG-KP seventh session scheduled during 29 March to 8 April 2009.

2. Being one of the developing country Parties which are subject to the spillover effects resulting from implementation of the tools, policies, measures and methodologies available to Annex 1 Parties (developing countries listed in Article 4.8 (h) of the Convention), Qatar welcomes the opportunity to submit its views on this important issue as follows:

3. To fulfill their Kyoto and post-Kyoto commitments, Annex 1 Parties have a portfolio of tools, policies and measures (TPM) available at their disposal to choose from. The chosen TPM must take into consideration provisions in Articles 3.14 and 2.3 of the Kyoto Protocol as well as provisions in Article 4.8 and 4.9 of the Convention.

4. Since, there is a general consensus that transition to a carbon free global economy can only be achieved gradually, the selected TPM must promote lower greenhouse emitting fuels and technologies. As such, the TPM will yield “win-win” sustainable development benefits in addition to climate change mitigation. The ancillary benefits may include better air quality and cleaner technology diffusion e.g. combined cycle gas turbines for electricity and heat production.

5. Based on findings in AR4, significant market & economic potentials for mitigation are available at the disposal of Annex1 Parties through energy conservation and efficiency, fossil fuel switching to lower carbon fuels, carbon capture and storage, non-carbon dioxide greenhouse gases and the flexibility mechanisms. Some of these mitigation opportunities are at no net cost. In order to capture the above opportunities, the energy policies and measures selected by Annex 1 Parties (TPM) to lower their carbon emissions and mitigate climate change must be based on the carbon content of the fuels. Preferential subsidies to certain energy sources over others must also be discontinued to remove the economic distortion in their domestic energy market.
