

Venezuela
Economic and Social Consequences of
Response Measures

Durban, December 2011

Consideration of...

- All response measures to address climate change shall take into account the positive and negative impacts on society, as well as a commitment to develop an inclusive, fair, supportive and balanced response, giving **special attention to vulnerable groups (women, children, youth, the elderly, people with disabilities, migrants and indigenous populations)**.

Consideration of...

- information related to the *socio-economic adaptive capacity* of vulnerable groups shall be included in all impact assessments of policy response measures with a view to consider a fair socio-economic transition to a low GHG emitting society.

Consideration of...

- Promote the **development and dissemination of measures, methodologies and tools for economic diversification** aimed at increasing and **improving economic resilience and reducing reliance on vulnerable economic sectors**, especially for those listed in Article 4, paragraph 8, of the Convention.

A place to discuss

- The Permanent Forum should help to assess, identify and propose measures in a balanced way, to address the negative and positive consequences on vulnerable groups and sectors

Elements for a work programme

I. ECONOMIC ASPECTS

A. Examining Policies

Policy Modeling: including modeling tools, modeling assumption, and cost analysis.

Analysis of resulting modeling scenarios

B. Examining the Impact

Assessment of the impacts of the mitigation policies on different economic sectors and social groups, and policies and measures that may be needed to address these impacts.

Avoiding unilateral trade measures against goods and services from developing countries, such as border carbon adjustment mechanisms (e.g. the inclusion of imports in ETS), carbon footprint labeling schemes, and measures which could create distortions on international trade (e.g. subsidies, free allowances in ETS).

Examining the adverse spillover effects of trade and market barriers on the social, environmental, and economic and investment opportunities, in developing countries.

Assessment of the effects and costs of shifting production and export patterns on economies of developing countries.

Examining the impacts of tariff and non-tariff barriers on the supply chain of production, export, and procurement patterns from developing countries.

Examining and proposing ways to address the impacts of policy measures such as border carbon adjustment schemes on the social and economic growth at the exporting developing countries, which should include studying certain affected industries, exports opportunities, and workers at these sectors.

Elements for a work programme

C. Reducing the Impacts

Promoting policies that avoid or minimize any potential and actual consequences of the mitigating response measures on developing countries

Promoting local knowledge spillovers for developing countries to accelerate economic and social development.

D. Building Resilience

Developing institutional capacity and improve understanding of how economic diversification can be integrated into national sustainable development priorities, and considered as a long term resilience strategy.

Enabling access for developing countries, and ensure that intellectual property rights (IPRs) do not become a barrier to transfer of climate friendly technologies

Improving communication and analysis of interlinkages between sectors, industries, concerned communities and academia.

Assisting developing countries that are highly dependent on the export and consumption of fossil fuels in strengthening resilience and diversifying their economies.

E. Commercial-Economic

To ensure the provisions and principles of the Convention and its Kyoto Protocol, in particular Article 3, paragraphs 1, 4 and 5, Article 4, paragraphs 3, 5, and 7 in pursuit of a fair and transparent international trade system.

Identify those measures likely to be regarded as discriminatory on international trade.

Guarantee that trade measures are not disguised as environmental policies effectively acting as barriers to the exports/imports of goods in violation of WTO rules.