

*Sharing information and expertise, including reporting
and promoting understanding of positive and negative
impacts of response measures*

Presentation by

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At the Forum on the impacts of the implementation of response measures

Understanding positive and negative impacts of response measures

Positive impacts are very welcomed!

- **Environmental cause should be the driver**
- **Distortion of trade, imbalance in competition should be avoided**
- **Neutral and balanced actions should be encouraged**

*Concerns are the **NEGATIVE** Impacts*

UNFCCC Articles and data are all about the **NEGATIVE impacts:**

- Article 4, paragraphs 8 and 9, of the Convention;
- Article 3, paragraph 14, of the Kyoto Protocol;
- Article 2, paragraphs 3, of the KP; and
- Subsequent Decisions, (ex: 5/CP.7, 1/CP.10, 31/CMP.1).

Concerns are the **NEGATIVE** Impacts

- Climate change response measures are happening now and they are affecting resources.
- Policies and measures by Annex I Parties to mitigate emissions could harm developing countries.
- Examples include: taxation, levies, duties, subsidies, border tariffs adjustments, and trade and market barriers, etc.
- Negative impacts on developing country exports; adverse spillover effects on the social, environmental, economic and international trade aspects of sustainable development.

*Concerns are the **NEGATIVE** Impacts*

Policies impact a wide range of vital economic sectors:

- **Agriculture**: subsidies, taxation and eco labeling impacted developing country exports, including food security concerns.
 - Poor countries and segments of society will be the most impacted

- **Industry**: new standards and policies impacted fossil fuel industry in developing countries.
 - Countries heavily dependent on single-source income will be the most impacted

- **Tourism**: unilateral actions caused higher prices of flights; additional costs on transport; affected growth opportunities for local carriers, etc.
 - Countries that will be severely impacted by climate change will be the most affected

Concerns are the NEGATIVE Impacts

Policies impact a wide range of vital economic sectors:

- **Trade**: protectionism, eco-trade barriers; disruption to productions, supply, and export chains. Higher costs of transporting resources and goods around the world, etc.
- **Food security**: *fuels from food crops (as a mitigation response measure) were associated with spiking food prices in 2007-2008. (FAO)*

*Concerns are the **NEGATIVE** Impacts*

Policies impact a wide range of vital economic sectors:

- **Socio-economic**: *“major shifts towards a low-carbon world and mitigation policies have far-reaching and long-lasting consequences in labour markets, enterprises and workers in both developing and developed countries.”* (ILO)
- **Environmental degradation and negative impacts on biodiversity** due to fuel production food sources and trade activities.

Concerns are the NEGATIVE Impacts

Addressing the NEGATIVE impacts:

- Need to take responsibility (4.8/2.3/3.14) to be proactive (minimize adverse effects), and be prepared,
- Addressing the adverse impacts of unilateral trade measures against goods and services from developing countries,

Concerns are the NEGATIVE Impacts

Addressing the NEGATIVE impacts:

- **Sharing experiences and opportunities on the development and dissemination of measures, methodologies and tools aimed at increasing economic resilience,**
- **Exchanging experience in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity,**
- **Establishing a mechanism for facilitating efforts to achieve economic diversification.**

*Concerns are the **NEGATIVE** Impacts*

Issues to address:

- **What information needs to be reported by parties to enhance our understanding of the impacts of response measures?**
- **What are the available modeling tools to assess the impacts of the implementation of response measures?**
- **How are uncertainties and risks addressed in the existing methodologies that are used to study the impacts of response measures and how those areas can be quantified and reflected? What recommendations can the parties make for improving the effectiveness?**

*Concerns are the **NEGATIVE** Impacts*

Issues to address:

- **What are the approaches that could minimize the adverse effects of response measures on developing countries?**
- **What mechanisms are available to communicate progress on these issues?**

Thank you!