

Workshop on the Implementation of Article 2.3 and Article 3.14


September 19, 2011 (Bonn)

Establishing a Process

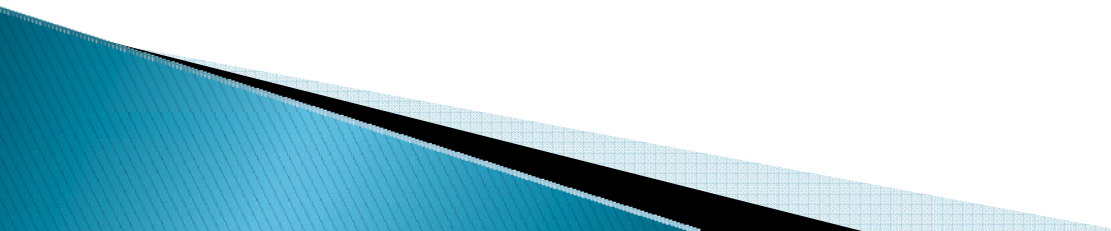
Presentation by Saudi Arabia

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Addressing Questions

- ▶ Are any papers available on the costs associated with response measures that developing countries have to deal with, when meeting standards imposed by developed countries on some products? **YES!**
 - ▶ Are there any multilateral institutions which could share their experiences in preparing the above-mentioned papers? **YES!**
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Addressing Questions

- ▶ Have any finance-, insurance- and technology-related activities in accordance with Article 3, paragraph 14, been implemented? **NO!**
 - ▶ Have a process for implementing Article 3, paragraph 14, been established? **NO!**
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Vulnerability to Response Measures

- All Developing Countries
 - Trade Restrictions – Protectionism
 - Negative terms of trade
 - Revenue loss
 - Higher Costs

FACTS!

Vulnerability to Response Measures

- Exacerbated when:
 - High dependence on single commodity or service
 - Large share of Revenue and/or GDP
 - Limited chances for diversification
 - Resource Constraints
- Further exacerbated when:
 - Other Domestic Challenges
 - Poverty,
 - Development
 - Unemployment
 - Growing population
 - Inflation

FACTS!

Workshop Agenda

- ▶ Sharing information to enhance understanding of adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts;

- ▶ Minimizing the adverse effects through a process to implement Article 2, paragraph 3, and Article 3, paragraph 14, of the Kyoto Protocol:
 - Further implementation of decision 31 /CMP.1;
 - Research and assessment;
 - Enhancing support to developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention;
 - Enhancing reporting and verification

Minimizing the Adverse Effect

Process: Research and Assessment

- ▶ Evaluation of Policies
 - Modeling the different policies
 - Modeling Tools
 - Assumption
 - Cost analysis

**Methodologies
for the Assessment!**

Minimizing the Adverse Effect

Process: Research and Assessment

▶ Evaluation of Potential Impacts

○ Economical Impacts

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

○ Social Impacts

- Higher living Costs
- Lower living standards
- Unemployment

○ Development Impacts

- Sustaining growth and development

**Methodologies
for the Assessment!**

Minimizing the Adverse Effect

Process: Reducing the Impact

- ▶ From Policy Makers (Annex I)
 - Policy Choices
 - Focus on:
 - Positive Solutions
 - Technology Options
 - Efficiency Measures
 - Avoiding :
 - Biased Policies
 - Market Measures

**Methodologies
for selection criteria!**

Minimizing the Adverse Effect

Process: Report

- ▶ Reporting Formats
(unified-structured-comparable)
- ▶ Reporting Guidelines and Modalities
- ▶ Report on:
 - Modeling
 - Assessments
 - Assumptions
 - Specific Elements (i.e. 3.14)

Minimizing the Adverse Effect

Process: Verification

- ▶ **Continuous Dialogue**
 - Bilateral and multilateral dialogue on findings
 - Comparison of results
 - Improving understanding

- ▶ **Compliance**
 - Facilitative
 - Cooperative
 - Corrective

Sharing Information

- ▶ **Bilateral and multilateral dialogue on findings**
 - Comparison of modeling results
 - Improving understanding
- ▶ **Establishment of a Permanent Forum**

Dealing with the Adverse Effect

- ▶ How could countries whose economies depend heavily on the exploitation, production and exportation of fossil fuels deal with the impact of the implementation of response measures
- ▶ **Adapt!**

Dealing with the Adverse Effect

Process: Enhancing Support

- ▶ Insurance and financial risk management
 - Capacity Building
 - Financial Support
 - Technology Transfer

- ▶ Economic Diversification
 - Capacity Building
 - Financial Support
 - Technology Transfer

**Funding, Insurance,
Transfer of Technology!**

The Real Question!!

- ▶ Have any finance-, insurance- and technology-related activities in accordance with Article 3, paragraph 14, been implemented? ~~NO!~~ YES!!
- ▶ Have a process for implementing Article 3, paragraph 14, been established? ~~NO!~~ YES!!