Workshop on Spillover Effects (AWG-KP)

Bonn, 30 march 2009

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The Impacts Are Real

Impact on International Trade

- Spillover on Agriculture
 - Eco labeling impacted exports of various product from Africa (Flower export from Kenya is one example)
 - Subsidies and taxation impacted cotton exports from Africa (several African countries)
- <u>Spillover on Industry</u>
 - Impact on the fossil fuel industry in developing countries which is a major source of government revenue in some African countries.
 - Technological impacts on developing countries as they are not able to support the costs for technologies acquisition

Spillover on Industry (...)

- Reduced economic growth results in lower volumes and prices for commodities exports from developing countries.

- EU directive to include Aviation in their emission trading scheme is a unilateral action that is not consistent with ICAO resolutions as well as UNFCCC provisions (Differentiation, Art 4.3,....) and will impose costs on African carriers.

Commitments of Annex I Parties ???

Minimizing the adverse effects of Annex I policies and measures is a commitment (Article 2.3 & Article 3.14)

Each Party included in Annex I shall strive to implement the commitments in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in art 4.8 and 4.9 of the Convention.

Required ?

- Annex I parties do not report on their implementation of these commitments
- There is a need to collect information on any implementation measures by Annex I parties and to evaluate them.
- Any identified gaps in addressing measures being implemented should be corrected.
- Real efforts to avoid and reduce negative spillover impacts must be demonstrated.
- Measures to increase resilience to negative spillover impacts must be enhanced.

Thank you.