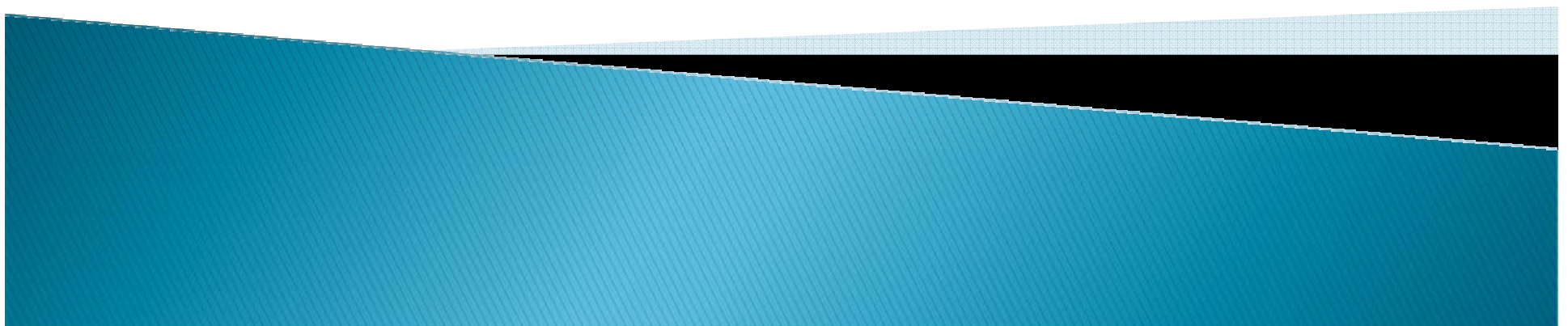
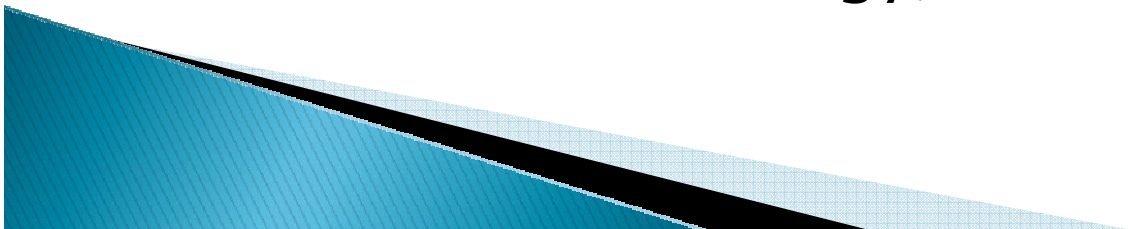


Presentation by G77 and China: Workshop on potential environmental, economic and social consequences, including spillover effects of tools, policies, measures and methodologies available to Annex I Parties



# Workshop on potential consequences

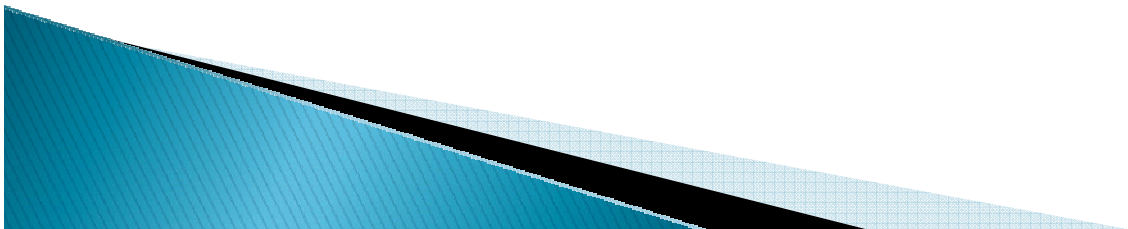
- ▶ Debate should be guided by Articles 2.3 and 3.14 of the KP.
- ▶ Implementation of measures should be done in such a way to minimize the adverse effects, including adverse effects of climate change, spillover effects on international trade, and social environmental, and economic impact on other Parties, especially developing country Parties.
- ▶ To deal with these effects, it will be necessary to establish clear mechanisms of funding and transfer of technology, and other measures.



# Document

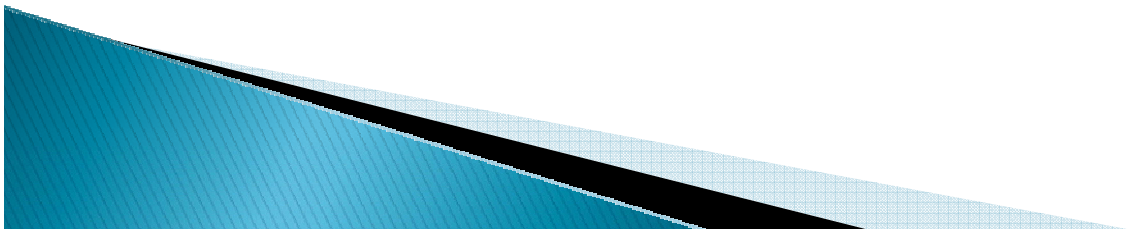
## FCCC/KP/AWG/2009/Inf.3

- ▶ The classification in three categories of measures (purely domestic, trade-related and international) is only an approximation (see table in paragraph 17).
- ▶ It should consider the concept of “sustainable development” and factors that influence regional/particular contexts of developing countries, and especially social and environmental impacts.
- ▶ The typology identifies negative and positive consequences (key concern for developing countries should be negative consequences).



# Doc FCCC/KP/AWG/2009/Inf.3

- ▶ Measures classified as purely domestic are also trade-related, and could have distortive effects on trade, in particular on developing countries.
- ▶ Some measures –even those compatible with international law– could be difficult to comply by developing countries, due to their lack of technological development and capacities.
- ▶ Measures should be adopted and implemented in a non arbitrary and transparent manner, compatible with international law.



- ▶ The classification should be based on consequences, to then identify the measures that cause those consequences, and finally the treatment of negative consequences (possible remedies). For example:

Possible negative consequences for other countries	Measure or policy by Annex I parties	Possible remedies
<ul style="list-style-type: none"> <li>- Loss of market share for foreign competitors</li> <li>- Increased trade barriers</li> <li>- Increased administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>- Tariffs</li> <li>- Carbon taxes or levies</li> <li>- Standards and labeling requirements</li> <li>- Border carbon adjustment</li> <li>- Subsidies</li> </ul>	<p>E.g.: Transfer of technology and financing</p> <p>E.g: other measures</p>

Further studies are needed at regional level, and the multilateral intergovernmental organisms of the United Nations will be the appropriate institutions to conduct them.

