



International Mechanisms to minimize adverse impacts of Response Measures

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The origins of concerns about impacts of response measures

1. Traditional concern of OPEC countries about discriminative energy policies by industrial governments against oil
2. The volatile world oil prices

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The origins of concerns ... (cont.)

3. A likely “carbon tax”, to be imposed on oil products by developed countries, will increase oil prices to consumers and thus reduce oil demand in developed countries
4. Likely adverse impacts of response measures on world oil prices/demand, thus on “oil revenues” of oil-exporting countries, due to reduced consumption of fossil fuels



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Article 4.8 of UNFCCC

Full consideration shall be given by the Parties to what actions are necessary under the Convention, including actions related to ***Funding, Insurance*** and ***the transfer of technology***, to meet the specific needs and concerns of DC Parties arising from the adverse effects of climate change and/or the impact of response measures, especially on:



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Article 4.8 of UNFCCC (cont.)

- a. Small island countries;
- b. Countries with low-lying coastal areas;
- c. Countries with arid and semi-arid areas, forested areas and areas liable to forest decay;
- d. Countries with areas prone to natural disasters;

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Article 4.8 of UNFCCC (cont.)

- e. Countries with areas liable to drought and desertification;
- f. Countries with areas of high urban atmospheric pollution;
- g. Countries with areas with fragile ecosystems, including mountainous ecosystems;

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Article 4.8 of UNFCCC (cont.)

- h.*** Countries whose economies are highly dependent on income generated from the production, processing and export, and/or on consumption of fossil fuels and associated energy-intensive products; and
- i.*** Land-locked and transit countries

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Decision 3/CP.3 (attached to KP):

“Requests the SBI to undertake a process to identify and determine actions necessary to meet the specific needs of DC Parties, specified under Articles 4.8 and 4.9 of the Convention, arising from adverse effects of climate change and/or the impact of response measures ...”

Decision 7/CP.4

Decision 5/CP.7



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Article 3.14 of Kyoto Protocol:

“Each Party included in Annex-I shall strive to implement the commitments mentioned in paragraph 1 above in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Articles 4, paragraphs 8 and 9 of the Convention. In line with relevant decisions of Conference of the Parties of the Convention on the implementation of those

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Article 3.14 of Kyoto Protocol: (cont.)

decisions, the COP/MOP shall, at its first session, consider what actions are necessary to minimize the adverse effects of climate change and/or the impacts of response measures on parties referred to in those paragraphs

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Article 3.14 of Kyoto Protocol (cont.):
Among the issues to be considered shall be the establishment of funding, insurance and transfer of technology.”



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Article 2.3 of Kyoto Protocol :

The Parties included in Annex-I shall strive to implement policies and measures under this Article in such a way as to minimize adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially Developing country Parties and in particular those identified in Article 4, paragraphs 8 and 9 of the Convention