



JUST TRANSITION, ECONOMIC DIVERSIFICATION AND TRADE

FRAMING REMARKS

Informal Dialogue on Response Measures, Bonn, April 28, 2018



OVERVIEW

- Survey of the types of measures we're talking about: those that affect trade and investment
- How they relate to just transition and economic diversification
- A few questions in closing

SURVEY OF MEASURES

Trade measures	Border carbon adjustment
	Standards and labelling requirements
	Tariff lowering (EGA)
Non-trade measures affecting trade, investment flows	
<i>disciplined by trade rules</i>	Subsidies contingent on local content requirements
	R&D subsidies
<i>not disciplined by trade rules</i>	National carbon pricing (carbon tax, cap & trade)
	International carbon pricing (maritime, aviation levies)
	Reform of fossil fuel subsidies
	Renewable energy mandates, targets

RELATION TO JUST TRANSITION

- The trade and investment implications of response measures will be disruptive. In some cases they are actually intended to be so.
- Key part of the mandate of the Forum and the IF: minimize or ameliorate the disruptive elements, while still allowing for ambitious climate action.
- Impacts on workers, marginalized, are particularly important to this mandate.

RELATION TO ECONOMIC DIVERSIFICATION

- We have agreed since early days of the discussion: economic diversification reduces vulnerability to the negative impacts of the implementation of response measures.
- Trade is involved in two ways:
 - Reduced export flows as a medium of the potential negative impacts
 - Diversified export flows as a goal of economic diversification

QUESTIONS

- What types of measures are we most concerned with? Trade measures? Trade- and investment-impacting measures whether trade measures or not?
- How to handle those trade- and investment-impacting measures that are covered under trade rules?
- How can Parties best support economic diversification and just transition via the UNFCCC process?



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