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## **Forum for 21st century on Global Emission Trading**

### **Propositions to 1<sup>st</sup> Draft**

ASEAN countries are very pleased by an opportunity to participate on Forum for 21<sup>st</sup> century. We are very thankful for the possibility to express our standpoint on this global environmental issue and so that help to find the right solution of this acute problem. As we declare in our charter, we try to create, maintain and enhance environmental sustainability, particularly in relation to pollution, biodiversity conservation, coastal and marine environment, fisheries and forest resources management, mineral resources development, freshwater and sanitation, and urbanization by strengthening regional and global environmental agreements and capacity development. We understand that climate warming and greenhouse gasses are real threat of the population all around the world and the necessity of taking suitable action for prevention irreversible damage of environment. In the following lines, we would like to comment on the issues raised by you:

[1] *Propositions to protection GHG Offsets from speculative price escalation that would effectively prevent trade participants from allocating offsets within their efficient demand.*

Given that Asia suffers the most polluted air in the world, climate protection is very important to us. We would like to offer following solution. In our opinion, countries should be divided into two groups based on the amount of GHG Offsets per capita produced by individual country in one year. Countries in the first group, with highest productivity of GHG, should be charged by price corridors to \$20-\$25 (PPP 2010) per metric ton of GHG. The second group of countries should pay \$15-\$20 (PPP 2010) per metric ton of GHG, so that they would be competitive on the world market of buying and selling emissions permits.



*[2]Propositions to developing financial measures for inhibiting exploits and liability evasion, and sanction-like measures for enforcing adherence to national commitments by means of WTO compliant taxation and countervailing measures against specified producers and respective countries.*

We utterly agree with the specified transgressors in this point and with the indisputable need of these measures. We also acknowledge the idea of binding these measures to the system of WTO. International trade could be determined as one of the main producers of GHG and therefore should bear the responsibility for consequences of climate change. To develop this idea, we propose to set measures of secondary instance. It means that if the guilty country will not disburse the payments resulting from the financial measure or will not be willing to change its action, there will be stricter recourse, for instance loss of advantages resulting from membership in WTO. We kindly ask Forum for XXI. Century to provide us detailed description of proposed measures and to explain comprehensively the way of developing these measures by means of WTO compliant taxation and countervailing measures. It is necessary to bring to attention also the need of integrating to these processes the countries that are not members of WTO.

However we would propose to develop also equivalent measures, which would affect countries that do not ratify the potential agreement functioning as the successor of the Kyoto protocol. We understand that there is no such agreement right now, but we suppose the topic of climate change of high importance and therefore would like to secure the future matters in this sphere.

*[3]Propositions to implementing the Flexible mechanism (Clean Development Mechanism and the Joint Implementation) allowing to substitute present GHG reduction by a sustainable investment in a new GHG emission-reducing technology.*

We support transition of investments into the GHG emission-reducing technology but we experience requirement of a specified “road map” in which will convergence the implementation of this mechanism with the needs of countries on different stages of development. We consider the proposal of Forum as too vague and we kindly ask for detailed description of proposed *proper provisions*.



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