

These positions are in keeping with the lessons of the work by the experts of Group 3 of the IPCC who, in the chapter devoted to the economic assessment of policies and measures to combat climate change, underscore the interest of eliminating, as a priority, all economic distortions encouraging greenhouse gas emissions and emphasize the fundamental role economic instruments should play in the global strategy for the prevention of climate change⁴.

12. The procedures adopted to organize the global effort must be defined with the concern to preserve fair competition between companies within the framework of international trade. It would be opportune for similar provisions to those of article 4 of the Montreal Protocol on CFCs to be adopted in order to prevent non-Party countries from drawing an unjustified benefit in international trade owing to the fact that they would not be participating in the collective effort to protect the atmosphere. Relocations which could arise from such practices would indeed be both unfair and ineffective, if not even prejudicial to the prevention of climate change.

13. As for policies and measures not requiring coordination at international level for reasons of competitiveness, France considers that the protocol should provide a list of them for guidance purposes and also recommendations concerning the criteria making it possible to determine the scope of the measures selected. Among these criteria, France reaffirms the important role which it would like economic aspects to play (in particular in comparison with purely political considerations) : a maximal common reference level could therefore be set for the cost of these measures per tonne greenhouse gas avoided expressed in carbon equivalent ; national statements, detailing the reasons why certain policies and measures have not been adopted and providing as transparent as possible an assessment on the cost of the selected ones, would make it possible to judge the efficiency as well as the fairness of the burden sharing among Annex I Parties.

⁴ The economic instruments considered by the IPCC experts comprise fiscal instruments (harmonized tax system) and negotiable permits (or quotas) which suppose binding commitments with respect to emission levels. In addition to the arguments developed above, the fact that the satisfactory operation of a negotiable permits market cannot in practice be guaranteed also strengthens France's conviction that it is preferable to pay greater attention to fiscal instruments at this stage.