# GECMUN XIII

# BACKGROUND GUIDE

## World Trade Organization

*Addressing The Impacts of the Carbon Border Measures on the Global Economy*

SDG: 9 (Industry, Innovation, and Infrastructure), 12 (Responsible Consumption and Production), 13 (Climate Action)

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# Committee Introduction

The World Trade Organization (WTO) was formed January 1, 1995, providing a reformed platform for trade from the General Agreement on Tariffs and Trade (GATT) that was in force from 1948 to 1994. While the GATT targeted recovery from WWII and its economic devastation, mainly dealing with trade in goods, the WTO was founded additionally covering services and intellectual property, targeting the regulation and liberalization of international trade.

The WTO handles a variety of issues, from dispute settlement, to regional trade agreements, to integration of developing nations into the global economy, to building trade capacity. All in all, the WTO regulates international trade to ensure smooth, predictable, and free operations, its overarching goal to use trade "as a means to improve people's living standards, create better jobs and promote sustainable development"[1].

Some examples of the WTO's past actions include the creation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) that deals with IP, specifically with trade in knowledge and creativity; the establishment of the WTO dispute settlement system that uses a court-like forum to resolve trade conflicts; and the formation of the Agreement on Agriculture aimed towards creating a fairer and more competitive agricultural trading system.

The WTO is not technically a UN agency or committee, but rather an independent, consensus-based, international body run by its member governments. The rules are negotiated among and enforced by members themselves. In GECMUN XIII, the organization will be run like a THIMUN committee.

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[1] World Trade Organization. "What Is the WTO?" *World Trade Organization*, 2024, https://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm. Accessed 8 July 2026.

# Agenda Introduction

In 1824, French physicist Joseph Fourier proposed that the Earth's atmosphere could retain heat, laying some of the earliest scientific foundations for what would later be understood as the greenhouse effect. Two centuries later, the accumulation of greenhouse gases has transformed this scientific observation into not only an environmental concern, but an economic one. As governments attempt to reduce emissions, climate policy increasingly affects how goods are produced and traded across borders. Carbon border measures lie at the center of this intersection between climate action and international trade.

Carbon pricing is one method governments use to incorporate the environmental cost of greenhouse gas emissions into economic activity. Two major forms are carbon taxes, which set a price for each unit of emissions, and emissions trading systems (ETS), or cap-and-trade systems, which require covered emitters to obtain allowances for their emissions and permit those allowances to be traded. Carbon pricing has expanded significantly worldwide; as of 2026, direct carbon pricing covers just over 29 percent of global greenhouse gas emissions while carbon pricing policies generated more than USD 107 billion in government revenue in 2025. However, differences in the strength and design of national climate policies mean that producers do not face equal carbon costs across countries.

These differences create concerns over carbon leakage. When one economy introduces stricter, more expensive climate regulations, carbon-intensive production may relocate to jurisdictions with weaker regulations, or domestic products may be replaced by cheaper, more carbon-intensive imports. This can reduce the effectiveness of domestic climate policies while potentially placing producers operating under stricter environmental standards at a competitive disadvantage. Carbon border measures are intended to address this problem by applying a carbon-related cost to imported goods according to the greenhouse gas emissions associated with their production.

The debate therefore extends beyond whether carbon border measures can reduce carbon leakage. Supporters argue that such policies can protect the effectiveness of domestic climate action, encourage cleaner production abroad, and prevent firms operating under environmental regulations from being undercut by more carbon-intensive competitors. Critics and affected trading partners however have raised concerns over higher trade costs, unequal effects on developing countries complex emissions reporting requirements and the possibility that climate measures could function as disguised protectionism. The challenge is further complicated by differences in how countries calculate embedded emissions and price carbon.

For the World Trade Organization and the international community, the central question is therefore not simply whether states should pursue ambitious climate policies but rather how members should consider how carbon border measures can address carbon leakage and contribute to global decarbonization while maintaining an open and equitable international trading system. As additional economies consider carbon pricing and border measures delegates must examine questions of fairness compatibility with international trade principles, treatment of developing economies emissions measurement and international cooperation. The agenda ultimately requires balancing two increasingly interconnected objectives: reducing global greenhouse gas emissions and ensuring that the transition toward a low-carbon economy does not create unnecessary or disproportionate barriers to international trade

# Letter from the Chairs

Dear WTO Delegates,

We hope your research is going well! Please get to know us a little bit with our introductions below:

Xun Chiang, a senior from Taipei American School, will be serving as your Head Chair. She has participated in MUN since 7th grade, and looks forward to meeting all the passionate and talented delegates at GECMUN XIII as her 17th conference. She hopes delegates can show up prepared for productive negotiations, debate, and agreements, but also enjoy themselves while they create new connections and learn more about the world.

Muriel Kang, a freshman from Korea International School Jeju, will be serving as your Deputy Chair. As it is her second year chairing and fourth year in MUN, she looks forward to meeting new delegates, helping guide the agenda, and making sure GECMUN XIII is a positive experience for delegates. She hopes delegates would reach out if they need help and hopes for an enjoyable conference for everyone.

Lauren Park, a sophomore from Korea International School, will be serving as your Associate Chair. While this is her third year in MUN, it is her first year chairing, so she is looking forward to learning a lot during the three-day conference. She looks forward to everyone's ideas, discussions, and resolutions during the conference, and hopes that everyone will be able to walk away from it with new takeaways and lots of fun memories.

We cannot wait to meet you all! Best of luck with your preparations.

Sincerely,

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Murial Kang | Deputy Chair | jhkang30@kis.ac

Lauren Park | Associate Chair | lpark29@student.kis.or.kr

# Key Terms

**Carbon Border Measures**

Fees or tariffs imposed on imported goods based on the amount of greenhouse gases they produce

**Carbon Leakage**

A phenomenon where one country enforcing stricter climate policies results in companies relocating to countries with more relaxed regulations, leading to an increase in emissions

**Carbon Pricing**

The act of putting a financial cost on greenhouse gas emissions by charging polluters.

**Revenue Recycling**

Policies that involve giving the revenue collected from environmental taxes back to the public or businesses through tax cuts, subsidies for green technology, and more.

**Green Technology**

The creation of products that minimize environmental damage, such as by reducing pollution or conserving natural resources

**Emissions-Intentive, Trade-Exposed (EITE) Industries**

Industries such as iron, steel, and cement characterized by significant greenhouse gas emissions and high international competitiveness; the primary targets of carbon border measures

**Embedded Emissions**

The total greenhouse gases released during the production of a product

**EU Carbon Border Adjustment Mechanism (CBAM)**

The world's first carbon border measure, implemented by the EU on certain carbon-intensive imported goods

**Common But Differentiated Responsibilities (CDBR)**

A principle stating that all countries have the duty to protect the environment, but wealthier and poorer nations have different responsibilities.

**International Carbon Floor Price (ICFP)**

A proposed policy framework under which countries would require companies to pay for the amount of greenhouse gases they emit, with the minimum price being adjusted based on a country's economic development level

# Historical Background

To fully understand carbon border measures, one must take note of the history of carbon emissions. Carbon emissions started rapidly growing around the mid-twentieth century as a result of the Industrial Revolution, starting in Great Britain in the mid-eighteenth century and spreading to other parts of the world. It marked a transition era from agrarian to manufacturing economies, involving huge technological innovation that often involved the use of fossil fuels, deforestation, and other industrial processes. The growth of carbon emissions is directly linked to humanitarian emergencies, like floods, heatwaves, and wildfires, disproportionately affecting the Global South.

In October of 2023, the European Union implemented the world's first carbon border measure with its Carbon Border Adjustment Mechanism (CBAM) as an attempt to address the issue of carbon leakage, in which companies relocate to nations with looser carbon regulations to continue to operate without working to lessen emissions. The mechanism works as an import tariff, calculated based on the greenhouse gases generated during production under the EU Emissions Trading System. If emissions data is unavailable or unverified, importers must use EU default values that usually end in higher costs. According to the EU, its adoption of a CBAM was partly to push for cleaner industrial processes in countries outside of the EU. At the same time, it protects EU competition in global industries. Critics argue that it is discriminatory protectionism, unfairly shielding domestic industries in Europe, and pushing burdens on developing nations.

Following the EU's CBAM, others started implementing similar measures. The United Kingdom has plans to launch their own carbon pricing tax on January 1st of 2027, covering sectors with direct emissions like aluminum, iron, steel, cement, fertilizer, and hydrogen but deferring indirect emissions to 2029 latest. The United States introduced proposals like the 2025 Clean Competition Act to set up a domestic performance standard and a CBAM, and the 2025 Foreign Pollution Fee Act. The US has doubled fees for non-market economies, bringing into question geopolitical factors and incentives behind carbon border measures.

History of carbon emission regulations:

| Year | Action | Description |
|---|---|---|
| 1970 | Clean Air Act Amendments in the United States of America | The beginning of carbon offsetting can be led to US environmental law in the late 20th century with amendments to the Clean Air Act, establishing the Environmental Protection Agency that is responsible for overseeing national air quality standards. Its experiments with trading offsets paved the way for international market-based regulation. The act shifted air quality legislation responsibility to the federal government and set a legal norm later adopted by the EU and Asian nations. |
| 1987 | The Montreal Protocol on Substances that Deplete the Ozone Layer | The Montreal Protocol was an international treaty that regulates the production and consumption of ozone depleting substances (ODS), reaching universal ratification in 2009. It is largely considered one of the most successful environmental treaties to date due to its continued and effective implementation. 98% of ozone depleting substances have been eliminated compared to 1990 levels, and it set a precedent for establishing strong international environmental collaboration. Many credit the success of the treaty to its approach of incentivizing the implementation of time-limited reductions through trade, monetary aid, and more. |
| 1997 | Kyoto Protocol | The Kyoto Protocol was the world's first legally binding treaty targeted at reducing greenhouse gas emissions under the UNFCCC, and was ratified by 192 nations. Signatories would participate in carbon trading, due to limits set on carbon emission levels for each country. It was later replaced by the Paris Agreement, its limited |

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| | | success due to the lack of major emission contributors agreeing to adopt. |
| 2015 | Paris Agreement | The Paris Agreement replaced the Kyoto Protocol as the legally binding global agreement on climate change, with 194 countries having ratified it. Its main goal is to limit the development of and reduce global warming temperatures. Countries submit nationally determined contributions (NDCs) to encourage progress from each previously submitted plan. As of now, there is still a lot of work to be done to reach the goals of the treaty, specifically to limit global warming to less than 1.5 degrees celsius. The impacts of climate change have become more and more severe. In order to reach the vision of the Paris Agreement, countries must completely transform their economies and industries, which must involve a lot more than the regulations set by the agreement. |
| 2023 | European Union Carbon Border Adjustment Mechanism | While the EU CBAM has systems to prevent carbon leakage and encourage carbon pricing, there has not been much time to evaluate the long-term success of the mechanism. Some criticize a burden on developing nations and the creation of trade tensions. |

# Current State of Affairs

The European Union's Carbon Border Adjustment Mechanism (CBAM) is reshaping global trade and economic competition. The CBAM entered its full compliance phase in January of 2026, following a transitional period which had required importing companies to submit reports on embedded emissions, but without holding them financially responsible. This new phase requires importers in five carbon-intensive sectors (iron and steel, aluminum, fertilizers, electricity, and hydrogen), to pay for carbon emissions by purchasing digital CBAM certificates (compliance vouchers) for every ton of embedded carbon dioxide released during the production of the imported goods.

Major trading partners of the EU have criticized this policy framework as a form of "green protectionism" aimed at protecting EU companies, which do not require compliance with CBAM, while decreasing the competitiveness of others. Such sentiments have prompted diplomatic tension and disagreements at the World Trade Organization (WTO). CBAM is also running parallel to other trade disputes, such as EU tariffs on Chinese electric vehicles and the US' blanket tariffs on steel and aluminum imports, compounding friction and further complicating the global trade environment.

States have also responded with policy changes of their own. Under the policy, if a company has already made payments to a domestic emissions trading system, those payments are deducted from their CBAM liability, incentivising countries to create their own carbon border adjustment mechanisms in order to ensure that payments are channeled into the local economy rather than the EU. As a result, the CBAM has also catalyzed the development of various similar policies in other countries. For instance, the British government finalized regulations for its own CBAM in September of 2026, and it is scheduled to take effect in January of 2027. Other states, including the United States, Canada, and Australia are actively considering similar policy frameworks. In the United States, for instance, multiple bills addressing carbon-related border measures have been introduced in Congress.

This signals a global shift in economic competitiveness from prioritizing cheap, high-emissions production to more eco-friendly alternatives and carbon efficiency. Sectors such as renewable energy sectors, carbon accounting, and green metallurgy are expected to flourish, while

those such as carbon-intensive heavy manufacturing (traditional production of steel, cement, and other carbon-intensive products), as well as agricultural inputs and consumer finished goods are expected to see a downward trajectory due to increased overhead cost and shrinking profit margins.

CBAM is also expected to disproportionately harm developing countries and small and medium-sized enterprises (SMEs). Over two-thirds of least developed countries (LDCs) rely heavily on carbon-intensive commodities such as minerals, metals, and fossil fuels, meaning CBAM would take a significant toll on their economies. They also face a lack of access to green technology, which have high upfront costs and require specialized technical knowledge to develop. SMEs also lack the capital necessary to transition to carbon-efficient production methods. They also lack the institutional capacity and infrastructure needed to track and verify carbon data across supply chains. These disproportionate impacts have raised criticisms that CBAM is exclusionary and violates climate justice responsibilities such as the UN principle of Common but Differentiated Responsibilities (CBDR), which dictates that larger economies, which have historically contributed to a larger share of emissions, should shoulder a higher burden.

While a definitive solution has not been found, mitigatory measures have been introduced. For example, the EU implemented the Omnibus I simplification package aimed at decreasing the burden on smaller exporters. Its measures include a complete exemption from CBAM obligations for importers importing 50 tons or less of CBAM-covered products into the EU. The EU is also providing conditional financial and technical assistance to support developing countries as they transition towards more carbon-efficient production methods.

# Stances of Parties

**Federative Republic of Brazil**

Internationally, Brazil has established itself as one of CBAM's harshest critics, condemning the policy as violating CBDR, failing to account for specific domestic advantages (such as Brazil's heavy use of renewable hydropower and natural fuels, which often lower embedded emissions of Brazilian exports compared to EU counterparts), and being protectionist. Domestically, however, Brazil has recognized that CBAM has real and serious impacts on its exporters, taking regulatory steps such as establishing its own ETS (the Brazilian Emissions Trading System), and establishing emissions monitoring, reporting, and verification systems.

**People's Republic of China**

In diplomatic statements, China has criticized CBAM as a form of "green protectionism" aimed at protecting EU industries while unfairly shifting the burden of combatting climate change to developing countries, who have both contributed a lesser share of carbon emissions and have less capacity to comply with CBAM. China has also responded with domestic policies rapidly expanding its ETS to ensure that carbon revenue would be captured domestically rather than by the EU.

**Republic of India**

India has openly criticized CBAM as disproportionately affecting developing economies, with Economic Affairs Secretary Ajay Seth stating that "[CBAM] is not practical...the solution they are offering doesn't work for a developing economy like India." India is also pushing the European Commission to approve its National Accreditation Board for Certification Bodies (NABCB) as a carbon verifier in order to cut down on compliance costs by avoiding the need to hire expensive third-party verifiers based in Europe.

**Republic of Korea**

Ranked as the 6th most vulnerable exporter to CBAM globally due to its large, carbon-intensive iron and steel sectors, Korea has taken a nuanced and multifaceted diplomatic approach to CBAM. Unlike other major Asian economies such as China and India, which have harshly criticized CBAM as being purely protectionist, Korea has acknowledged its agreement with the EU's environmental goals. However, the country has also stood its ground on a few fundamental issues. For instance, it has argued that CBAM must guarantee equal treatment for EU businesses and external trade partners in order to comply with the WTO Principle of National Treatment, which prevents unfair favoritism towards domestic corporations.

**Russian Federation**

Russia has expressed strong criticism towards CBAM, initiating a WTO dispute with the EU claiming that CBAM and related policies violate WTO rules such as the General Agreement on Tariffs and Trade (GATT 1994). Russia has condemned CBAM as restricting international trade, infringing on WTO principles, and failing to account for the climate action taken by developing countries.

**United Kingdom**

The United Kingdom has recognized the risk that CBAM could pose to its domestic exporters in carbon-intensive industries. As a result, it is developing similar domestic legislation, such as the 2026 Emissions and Verification regulations, which is scheduled to go into effect on January 1, 2027. The country is negotiating with the EU to link their CBAMs, which would establish mutual exemptions.

**United States of America**

United States officials, including EU Ambassador Andrew Puzder, have openly criticized CBAM as a "tariff by a different name" aiming to shield EU corporations from global competitors by applying a double standard. The US has retaliated with its own tariffs, such as strict duties on steel and aluminum imports from the EU. It has also pushed for exemptions or flexibilities through bilateral frameworks and trade negotiations.

**Kingdom of Belgium**

As a member of the European Union, Belgium is a strong supporter of CBAM. It has viewed CBAM as a crucial part of the EU's goal to achieve climate neutrality by 2050, but has simultaneously acknowledged difficulties that it may pose for small and medium enterprises. For example, it strongly advocated for the 2025 Omnibus I simplification package, which exempted smaller companies from having to purchase CBAM certificates to prevent overregulation.

**Kingdom of Spain**

As a member of the European Union, Spain also follows the EU's CBAM. To further its efforts regarding carbon measures, Spain has implemented national legislation, having entered into force in June of 2025. The Royal Decree 214/2025 requires certain companies to publish both measurements of their carbon footprint and plans to reduce their carbon usage. The decree is managed by the Ministry for the Ecological Transition and the Spanish Office for Climate Change. It has also used the European Commission Technical Support Instrument (TSI) to build up domestic capacity.

**Romania**

As a member of the European Union, Romania has supported CBAM for its aim of preventing carbon leakage and levelling the playing field between domestic and non-EU producers of CBAM products. However, it is also very economically vulnerable to CBAM, with 34% of its 11.5 billion euro in imports of CBAM-covered industries originating from outside the EU. Specifically, it has voiced concerns regarding agriculture and has previously argued to suspend CBAM for fertilizers.

**Kingdom of the Netherlands**

The Netherlands, although traditionally a free-trading nation, has shifted towards the strategy of "open strategic autonomy" and has strongly supported CBAM as a member of the EU. It has even shown openness towards later expanding it to other sectors such as chemicals in the case that it is able

to demonstrate effectiveness. It has also taken steps to address economic burdens, pushing for a simplification of default emissions values in order to alleviate compliance costs.

**France**

France is a strong supporter of the EU CBAM. However, it has, alongside Italy, voiced concern with the CBAM's Emission Trading System, calling for efficient and accelerated reforms to improve the predictability and stability of the trading system's prices, in order to protect domestic EU, energy-intensive industries from losing competitiveness in the global market.

**Germany**

Germany, though implementing the EU CBAM as well, has had challenges with domestic companies failing to report carbon emissions numbers from their foreign, non-EU suppliers. These companies have voiced concerns over their industry competitiveness taking a hit due to emission requirements. It has similarly pushed for reforms to the CBAM tariff system in order to protect the domestic steel industry, focusing on reducing energy costs and opposing reductions of imports through dumping or subsidies. The government advocates for decelerating the decrease of the ETS energy and industry cap, as well as extending free carbon allowance allocations past the 2039 cut-off date.

**Canada**

Canada's stance on CBAM has balanced collaboration and caution, supporting the policy's goal of mitigating climate change while simultaneously taking actions towards protecting domestic exporters. However, it has advocated that the EU's standards for compliance and verification must remain fair and not excessively burdensome for importers. It has its own Output-Based Pricing System (OBPS) and provincial large-emitter trading schemes (LETS), and is advocating for products covered by its domestic carbon pricing systems to be exempted from CBAM.

**Japan**

Although lacking a similar standalone CBAM to the EU, Japan has implemented carbon pricing through carbon taxes and priced emission allowances. Outside of counteracting climate change, Japan collects such taxes for policy purposes like raising funds (through taxing petroleum, coal, gasoline, et cetera). In 2012, the government implemented the tax for climate change mitigation to match financial cost to environmental cost, reformed over time to amend assigned tax rates. It also has local emission trading systems in Tokyo and Saitama.

**Australia**

Australia's Carbon Leakage Review published in February of 2026 has encouraged the implementation of a phased domestic border carbon adjustment following the EU's CBAM. The Review prioritized cement and clinker as initial commodities to target, with lime, hydrogen, ammonia, steel, iron, and glass following thereafter. The government has stated that it will take the recommendation into account, but has indicated priority for stability rather than policy redesign. Simultaneously, the government also wants to address export competition whereas a domestic carbon border measure would largely only impact imports.

**Mozambique**

Mozambique's stance on CBAM has centered around constructive dialogue and collaboration with the EU rather than direct opposition. Mozambique's reliance on aluminium exports produced at the Mozam Smelter, 90-97% of which are sent to the EU, makes it critically vulnerable to CBAM. It has responded by utilizing international support, such as by using the Mozambique-EU Business Forum to invest in clean energy. Mozambique has also explored the option of implementing a domestic carbon tax in order to capture carbon prices locally to reinvest into the country.

**Türkiye**

Türkiye implemented its first Climate Law in July of 2025, establishing a national emissions trading system while curating a framework for climate-related institutions, governance, and finance. Its Carbon Market Board oversees national plans for allocation and ETS mechanisms, with the

support of the Directorate of Climate Change. The ETS coverage resembles the EU's, but will not utilize firm caps on emissions, but rather evaluate based on intensity of activity levels and benchmarks.

**Egypt**

Egypt is one of the most impacted countries by the EU CBAM, specifically regarding their exports for cement, iron, steel, aluminum, and fertilizers. Firms face challenges regarding providing verified emissions data, forcing them to comply with EU default values, harming their ability to compete with companies that can. Limits in financial power also harm firms' ability to implement greener measures. Many companies are attempting to diversify their export markets past the EU.

**Indonesia**

Indonesia is also negatively affected by the EU's CBAM, especially regarding export competitiveness. It has attempted to address carbon emissions through Presidential Regulation No. 110 in 2025, and the Carbon Exchange, but efficacy of these policies have been questioned. It faces challenges with low domestic carbon pricing, collecting emissions data, and organizational coordination.

**Kazakhstan**

Kazakhstan's heavy reliance on exports to the EU has led it to strategically adopt a stance of proactive adaptation and compliance. The EU accounts for roughly 31% of Kazakhstan's total foreign trade and 44% of its exports, leaving it extremely vulnerable. As a result, Kazakhstan is actively ex[anding its own ETS in order to align domestic carbon pricing standards with those of the EU, which would exempt the country entirely from CBAM for exports that are already covered by domestic systems.

**Mexico**

Mexico, as a country with low exports to the EU, is among the least-exposed Latin American economies to CBAM. Some analysts have suggested that this, along with Mexico's low-carbon aluminium and metal production, can provide Mexico a comparative advantage. However, its primary export market of the United States could lead the country to see more impacts in the case that CBAM triggers more countries to create their own domestic carbon prices, an option that the US has already started to explore. Broadly, Mexico has maintained a cooperative stance towards CBAM.

**Fiji**

Fiji has approached CBAM with caution, aligning its stance with broader groups of developing and smaller states such as the G77. While Fiji continues to maintain a cooperative diplomatic relationship with the EU, it has also emphasized that trade mechanisms much not disproportionately punish vulnerable, low-emitting nations. Specifically, Fiji's economic experts have highlighted risks regarding compliance costs, which Fiji's small and medium enterprises may not be able to absorb.

**Uzbekistan**

Uzbekistan has taken a pragmatic approach to CBAM, taking steps to adapt by having representatives holding talks and study tours in Brussels and Paris to better understand EU emissions tracking and actively monitoring regulatory updates such as the Omnibus simplification package. It has also developed domestic legislation, such as the Law of Limiting Greenhouse Gas Emissions, which established a legal framework for a domestic carbon trade market.

# Possible Solutions

The following approaches are points of debate, but aren't perfect solutions. Oftentimes, approaches to the agenda may help prevent carbon leakage, but may also increase trade costs and place disproportionate administrative burdens on developing economies. Therefore, delegates must consider how climate objectives can be pursued without creating unnecessary barriers to international trade.

1. Establishing Common Standards for Measuring Embedded Emissions

→ One possible approach is to develop internationally recognized standards for calculating the emissions embedded in traded products. Currently, states may use different methods to determine a product's carbon intensity. Differences may arise over which stages of production are accounted for, how electricity-related emissions are calculated, and what evidence exporters must provide. As a result, the same product could receive different carbon assessments under different systems. This could be pursued through cooperation among the WTO and organizations with relevant technical expertise across several international bodies. A shared digital reporting system could also reduce the need for exporters to complete separate procedures for every market. Members should also consider whether default emissions values should be permitted when reliable facility-level data are unavailable and how to prevent those values from unfairly penalizing producers with limited reporting capacity.

2. Providing Support and Flexibility for Developing Economies

→ Another possible approach is to provide additional support and flexibility for developing economies that may struggle to comply with carbon border measures. Producers in these countries may lack the financial resources and technology required to accurately measure and report the emissions associated with their products. As a result, even relatively low-carbon exporters could face additional trade costs simply because they cannot provide the required data. Members could consider technical assistance programs that can help developing governments and producers develop emissions monitoring systems and obtain necessary technologies. Financial support could also be directed toward helping Industries transition toward lower-carbon production methods. However, the fact on

whether developing economies should receive longer transition periods, simplified reporting requirements, or temporary exemptions from certain obligations should be carefully considered by the delegates. Excessive exemptions could weaken the environmental effectiveness of carbon border measures or create incentives for productions to shift toward exempt markets. Therefore, delegates should consider what forms of flexibility could reduce on equal burdens without undermining the climate objectives of these measures

# Questions to Consider

1. How do the impacts of carbon border measures differ from country to country?
2. How effective are carbon border measures in reducing carbon emissions? Why do you think so?
3. How can the UN balance climate action with trade equity, ensuring that compliance with carbon border measures is achievable for less developed economies? Are there less harmful alternatives?
4. What are some ways, if any, to ensure minimal economic damage for penalized export-centered nations?
5. What can delegates learn from past successful or unsuccessful climate action to apply to the discussion of carbon border measures?

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