

41. Pursue the development of technology relevant to climate change, including:
- (a) Energy and resource saving measures in the field of electricity generation, its distribution and consumption, in transport, industry, residential, commercial and other sectors;
  - (b) Alternative energy sources.
42. Apply economic instruments to ensure that market prices give appropriate signals to consumers and businesses to limit and reduce emissions of greenhouse gases, including through:
- (a) A framework for the introduction of an environmental carbon and/or energy taxation scheme<sup>2</sup>;
  - (b) A framework for domestic tradeable quota schemes or permits.
43. Pursue the development of economic measures relevant to climate change, including:
- (a) Implementation of market mechanisms in such fields as pricing, standards, taxation, policy; and
  - (b) Introduction and implementation of regulatory functions such as penalties for exceeding maximum admissible atmospheric emissions of greenhouse gases not controlled by the Montreal Protocol.
44. Promote access for all Parties to renewable energy technology, and remove all restrictions on its transfer.
45. Promote access for all Parties bio-fuel and sustainable wood production for local demand and for industry.
46. Promote the efficient use of energy by:
- (b) Improvement of power generation efficiency [general average of power generation efficiency (per cent)];
  - (c) Promotion of cogeneration (including fuel cells) [kilowatt];

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<sup>2</sup> This framework could include:

- i. a common environmental taxation structure,
- ii. minimum taxation target rates, with an effective multilateral consultative process for reviewing taxation rates and possible exemptions, and monitoring the effects of taxes in reducing emissions,
- iii. study of a phasing-in mechanism, including agreement on a transitional period and possible exemptions during that period,
- iv. consideration of the sectors, sources and fuels which could be subject to taxation,
- v. timetable for implementation.