

(a) *The Parties affirm that to ensure equity between them and to maximize the environmental effectiveness of this instrument, commitments under Part II of this instrument are governed by the principle that mitigation action by Parties listed in Annex A shall result in those Parties incurring equal percentage changes in per capita economic welfare.*

(b) *The Parties affirm that commitments under Part II of this instrument reflect:*

- (i) *The need for equitable and appropriate contributions for each of the Parties undertaking commitments, their differences in starting points and approaches, their economic structures and resource bases, the need to maintain strong and sustainable economic growth, available technologies and other individual circumstances; and*
- (ii) *The situation of those Annex A Parties with economies that are highly dependent on income generated from the production, processing and export and/or consumption of fossil fuels and associated energy-intensive products and/or the use of fossil fuels for which such Parties have serious difficulties in switching to alternatives.*

(c) *The Parties affirm that the requirements of the principles set out in paragraphs (a) and (b) above are best met through the application of the following indicators, as elaborated in Article 4(c):*

- (i) *Projected population growth;*
- (ii) *GDP per capita growth;*
- (iii) *Emission intensity of GDP;*
- (iv) *Emission intensity of exports;*
- (v) *Fossil fuel intensity of exports.⁴*

9.2 Each of the Parties listed in Annex A shall have the QELRO listed for them in that Annex as its specific objective under this instrument for the limitation and reduction of anthropogenic emissions by sources and enhancement by sinks of all greenhouse gases not controlled by the Montreal Protocol.⁵ The range within which each Party's differentiated QELRO would fall will be between a 30% reduction from its 1990 emissions level and a

⁴ This set of indicators would be generally applicable, but other countries may wish to propose additional indicators which they consider important in capturing the different sources of economic welfare impacts across countries.

⁵ The QELROs for each of the Parties or groups of Parties listed in Annex A should be determined by a systematic process of negotiation between the Parties in accordance with guidelines to be agreed by them, which shall include the time-frame for negotiations.