

41. Transport sector

- (a) *Minimum excise duties on fuels to be applied to all Annex I countries;
- (b) *Reduction of CO₂ emissions from newly registered cars through the promotion of measures aiming at reaching target value(s) for average fuel efficiency and/or average g-CO₂/km emissions of newly registered cars per year by a given date. These could include:
 - (i) Voluntary agreements with the car industry;
 - (ii) Complementary measures aimed at developing the market for fuel efficient, low CO₂ emitting cars as well as alternative fuels.
- (c) Fuel economy labelling;
- (d) *In the field of civil aviation, all International Civil Aviation Organization (ICAO) members could introduce aviation fuel taxation and/or efficiency standards on the basis of international agreement and worldwide application;
- (e) *In the field of maritime transport, all International Maritime Organization (IMO) members could agree internationally to use appropriate economic instruments, including taxation, to encourage the use of cleaner fuels and more fuel-efficient engines.

42. Economic instruments in the field of climate change

- (a) *Progressively reduce subsidies of fossil fuels and reduce/remove such subsidies, tax schemes and regulations which counteract an efficient use of energy;
- (b) *A framework for the introduction of an environmental taxation scheme for all Annex I Parties. This 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;
 - (vi) Consideration of the sectors, sources and fuels which could be subject to taxation;
 - (v) Timetable for implementation;
 - (vi) A framework for tradeable quota schemes or permits.