

marginal costs in different countries, and thus violate the principle on cost-efficiency that is contained in Article 3 para 3 of the Convention.

Mr. Co-chairman, the main result and great success of Kyoto was the agreement on at least 5 per cent reduction in developed countries emissions of GHGs, and the distribution of assigned amounts for each of these countries for the first budget period. This was arrived at after very tough negotiations. We urge all Parties to accept those results and not try to reopen the Protocol through the "mechanism" issue. As you will recall, we argued for arriving at differentiated commitments in a more systematic way. We see this as a task in preparing for the negotiations of the next budget periods.

We think that the co-chairs paper on the mechanisms provides a workable basis for achieving progress at this meeting. Our priority is to work further on trading and CDM, and we think that is fully possible to establish a system that is credible, verifiable and accountable within a relatively short timeframe. In fact, we see this as a precondition for an efficient and effective implementation of the Protocol.