

**Proposals relevant to the nature
and mix of policies and measures**

27. Commitments are to be fulfilled individually and not through coordinated actions. CO₂ and energy taxation in particular shall be ruled out.¹⁶
28. Annex I Parties shall maintain balance between those policies and measures intended to reduce domestic production and those intended to reduce the consumption of products of greenhouse gas emitting sectors.¹⁷
29. Policies and measures to address climate change under this instrument shall not be harmful to the development of the developing country Parties, particularly oil exporting developing countries. To this effect, restructuring of current taxes on fossil fuels in Annex I countries are necessary. A balance shall be maintained between policies and measures aimed at reducing emissions of greenhouse gases in emitting sectors and those aimed at reducing consumption of their products. The introduction of new or increased oil taxation shall be ruled out. Instead, energy prices shall be allowed to reach their reasonable market level. Commitments shall be fulfilled individually and not through coordinated actions.¹⁸
30. Each Annex I Party shall give the first priority to policies and measures intended to eliminate subsidies, tax incentives and other market imperfections existing in greenhouse gas emitting sectors. New greenhouse gas taxes cannot be introduced by Annex I Parties until they restructure their existing tax system to truly reflect the relative contribution of greenhouse gases of each unit of emitting sources in all economic sectors.¹⁹
31. Policies and measures shall include the enhancement of sinks through reforestation, combatting desertification and establishing regulations for sustainable forest use.²⁰

¹⁶ Proposal from Iran

¹⁷ Proposal from Saudi Arabia

¹⁸ Proposal from Iran et al

¹⁹ Proposal from Saudi Arabia

²⁰ Proposal from Iran et al