

20.1 A contribution shall be made to the financial mechanism of the Convention by each Annex I Party found to be in non-compliance in accordance with the paragraph above, on the basis of 3.33 US\$ (three US dollars and thirty-three cents) for each effective emissions unit above the effective emissions ceiling calculated as per the paragraph above, expressed in tCy equivalent.

20.2 The financial mechanism of the UNFCCC shall establish a non-Annex I clean development fund to receive the contributions made in accordance with the paragraph above.

20.3 The financial resources of the non-Annex I clean development fund shall be made available to non-Annex I Parties for use in climate change mitigation and adaptation projects according to guidelines to be established by the fourth Conference of the Parties to the UNFCCC.

20.4 The financial resources of the non-Annex I clean development fund allotted to climate change adaptation projects shall not exceed ten percent of the total amount of this fund in any year.

20.5 The financial resources of the non-Annex I clean development fund allotted to climate change projects in each of the periods 2001-2005, 2006-2010, 2011-2015 and 2016-2020 shall be made available to non-Annex I Parties that wish to implement such projects, in the same proportion as their fraction of the overall non-Annex I Parties effective emissions, determined for the periods 1990-2000, 2001-2005, 2006-2010, and 2011-2015, respectively, by considering , in each period, a constant level of [net] anthropogenic emissions, equal to the arithmetic mean of the reported [net] anthropogenic emissions, and initial concentrations, for the period 1990-2000 equal to zero, and for the periods 2001-2005, 2006-2010, and 2011-2015, equal to that resulting from the [net] anthropogenic emissions considered in the previous periods.]

E. Parties with economies in transition

Alternative A

[21. There shall be no differentiation with respect to the base year, target year or levels for the QELROs/commitments of any Annex I Party.]

Alternative B

[22. The base year for Annex I Parties should be set in accordance with Article 4.2(b) of the Convention, or another year or period agreed by the Conference of the Parties at its second session in accordance with Article 4.6 of the Convention.]

[22.1 Such flexibility should take into account their real contribution in reducing greenhouse gas emissions into the atmosphere, which has taken place since 1990 due to economic reasons. In accordance with the principle of allowing a certain degree of flexibility regarding commitments for the Parties included in Annex I to the Convention undergoing the process of transition to a market economy, taking into account their real