

14.2 Countries should be grouped in categories differentiated by increments of 5 tons of annual CO<sub>2</sub> equivalent emissions per capita. The first category should contain countries with emissions between 3 and 5 tons, the second category countries between 5 and 10 tons, and so on. Countries in the same category should receive the same QELROs, starting, for the first category, with an emission cap (stabilization at 1990 levels beyond the year 2000).

14.3 Legally binding QELROs should be fixed for each Annex I Party.<sup>13</sup>

## Proposal 8

15.1 Emission reduction commitments should be based on a cumulative emissions basis<sup>14</sup>, ideally for all Annex I Parties but at a minimum as an option for those Annex I Parties seeking to implement mechanisms that allow flexibility.

15.2 Parties who have established their commitments on a cumulative basis and that, in one time period, have emissions lower than their commitments for that time period, should be able to carry forward such emission reduction 'overachievement' to a future period.

15.3 IPCC inventory methodologies, approved by the Conference of the Parties of the Convention as recommended by SBSTA, should form the basis of determining compliance with Parties' emission limitation and reduction commitments.

15.4 Annex I Party commitments for a given time period could be met through a combination of a Party's cumulative emissions in that time period (as measured by emission inventories), less any cumulative emissions 'overachievement' banked from a previous period, plus trading of commitments between countries who have legally binding emission limitation and reduction commitments. Comparison of inventory results with national commitments would determine opportunities for trading. Inventory 'adjustments' would be positive for one Party and negative for the other.

15.5 Decisions on the means and criteria by which Annex I Parties might 'adjust' their inventories in relation to joint implementation projects conducted with Parties who do not have legally binding commitments should be included in the instrument.<sup>15</sup>

15.6 The allocation of commitments for the post-2000 period should be based on a five year average of base emissions.<sup>16</sup>

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<sup>13</sup> Proposal from Switzerland

<sup>14</sup> The practical application of a cumulative emissions basis would be for commitments to amount to averages over defined periods by comparison with some base year (or period).

<sup>15</sup> Proposal from New Zealand et al

<sup>16</sup> Proposal from New Zealand