

c) *The principle of harmony with economic development could be applied by differentiating QELROs on the basis of elasticity of greenhouse gas emissions in terms of GDP. Burden sharing amongst Annex I Parties would thus be determined according to the inverse elasticity of greenhouse gas emissions. A country with a higher elasticity of greenhouse gas emissions would therefore share a lower burden in greenhouse gas emission limitation.*²⁹

D. Flexibility

Economies in transition

26. A certain degree of flexibility should be allowed to Annex I Parties with economies in transition comparable to the stipulation in Article 4.6 of the Convention.³⁰

27. A certain degree of flexibility should be allowed to the group of countries with economies in transition for the period of their economic stabilization, taking 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 of the Convention undergoing the process of transition to a market economy, taking into account their real reduction in net anthropogenic emissions of greenhouse gases during the period 1990 to 2000 and the need to enhance the ability of these Parties to solve climate change problems, such a Party has the right to maintain, after 2010, its average annual levels of net anthropogenic emissions of greenhouse gases at 1990 levels (or at the level of another year taken by such a Party as a benchmark) until that Party achieves the average Gross Domestic Product per capita of Annex B Parties.³¹

28. Annex I Parties with economies in transition would not be subject to emission reduction targets, but would implement national policies and measures to limit emissions of greenhouse gases.³²

Emissions trading

Proposal 1

29. Commitments shall be fulfilled individually and not through coordinated actions, including trade in emission permits.³³

²⁹ Proposal from the Republic of Korea

³⁰ Proposal from Germany

³¹ Proposal from the Russian Federation

³² Proposal from Zaire

³³ Proposal from Iran et al