

Other working papers from the first phase of work that are not yet complete but will be released after COP 2 are:

- Energy Market Reform: Market Barriers/Market Access;
- Voluntary Agreements with Industry.

They span a broad range of policy instruments and cover the majority of emitting sectors of concern to the climate change debate, targeting both producers and consumers. They indicate the potential of different types of measures and possible common actions to mitigate greenhouse gas emissions; they highlight broad themes for policy development, and suggest specific options, participants and vehicles for action.

Key findings of the studies, such as the emissions reduction potential, the economic effects and the impact on other countries of possible common actions, are heavily dependent upon a understanding of the measures, especially how they might operate under expected real world conditions.

A further key point that emerges from the studies is that all policies and measures might not be appropriate for all Annex I countries to the same extent, especially when one considers the countries with economies in transition included in Annex I, and differing circumstances between countries, regions and sectors.

Nevertheless, despite these limitations and outstanding issues, many possible opportunities for action were identified in the studies, ranging from measures successful in one country which might be replicated in others, to actions fully undertaken as a common policy implemented across all participating countries.

Mr. Chairman, the Group's Progress Report makes clear, and I should emphasize here, that the study on "Policies and Measures for Possible Common Action" is an analytical exercise only and is not intended to prejudge nations' preferences on policies and measures. The Annex I Expert Group is not a negotiating forum and has not formally approved individual studies. The studies are being made available here as working papers in the interests of keeping everyone fully informed of our work. The next stage will be for Annex I Parties themselves. The studies should be viewed as preliminary assessments of policies and measures for possible common action; and, therefore, specific proposals to pursue any of these measures further in the context of undertaking common action would require targeted analysis to weigh the costs and benefits of such action by the country or countries considering participation.

Finally, Mr. Chairman, I look forward to being able to report on further studies on "Policies and Measures for Possible Common Action" at future sessions of this Group.