

40% increase over its 1990 emissions level.

9.3 The commitments of Parties as listed in Annex A shall, consistent with the principles set out in Article 3 of the Convention, reflect fully the situation of each Party or specified group of Parties in respect of the following indicators, recognising that the importance of each indicator varies in accordance with individual circumstances for each Party or specified group of Parties:

(a) Projected population growth: the permitted emission level under the QELRO applicable to each Annex A Party should be determined, all other things equal, in direct relationship<sup>6</sup> to its projected population growth and so as to ensure equal percentage changes in per capita economic welfare across Annex A Parties from mitigation action;

(b) Projected real GDP per capita growth: the permitted emission level under the QELRO applicable to each Annex A Party should be determined, all other things equal, in direct relationship to its projected growth of real GDP per capita and so as to ensure equal percentage changes in per capita economic welfare across Annex A Parties from mitigation action;

(c) Emission intensity of GDP: the permitted emission level under the QELRO applicable to each Annex A Party should be determined, all other things equal, in inverse relationship to its emission intensity of GDP. However, the strength of this relationship may be decreased, and in some circumstances reversed, according to the industry structure of the economy and the difficulty the Party has in switching to alternative fuel source. In addition, the determination of the permitted emission level under the QELRO applicable to each Annex A Party should also recognise that the higher a Party's emission intensity of GDP, all other things equal, the greater the absolute magnitude of the emission reduction task and therefore the greater the change in per capita economic welfare from mitigation. The determination should ensure equal percentage changes in per capita economic welfare across Annex A Parties from mitigation action;

(d) Emission intensity of exports: the permitted emission level under the QELRO applicable to each Annex A Party should be determined, all other things equal, in direct relationship to its emission intensity of exports while taking into account the extent to which the Annex A Party's export partners comprise non-Annex A Parties. The determination should ensure equal percentage changes in per capita economic welfare across Annex A Parties from mitigation action;

(e) Fossil fuel intensity of exports: the permitted emission level under the QELRO applicable to each Annex A Party should be determined, all other things equal, in direct relationship to its fossil fuel intensity of exports and so as to ensure equal percentage changes in per capita economic welfare across Annex A Parties from mitigation action.

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<sup>6</sup> A direct relationship means the higher a Party's population growth, the higher the Party's permitted emission level under the QELRO should be (all other things equal).