

SETTING LIMITATION AND REDUCTION OBJECTIVES FOR THE PERIOD BEYOND 2000

The Berlin Mandate process aims, inter alia, to set quantified limitation and reduction objectives after the year 2000 for greenhouse gas emissions from Annex I Parties, *"taking into account the differences in starting points and approaches, economic structures and resource bases, the need to maintain strong and sustainable economic growth, available technologies and other individual circumstances, as well as the need for equitable and appropriate contributions by each of these Parties to the global effort"*.

The ability to reduce carbon dioxide emissions cost-effectively differs significantly from one country to another. For a given emission reduction objective, some countries have a greater number of low cost opportunities than others. Differences in marginal abatement costs are closely linked to national circumstances such as per capita emission levels, structure and efficiency of energy production and use, and GDP-related factors.

In order to reflect these differences and secure an equitable share of the effort among Annex I countries, different emission reduction objectives should be assigned to different categories of countries. Such categories would be defined on the basis of appropriate and agreed criteria, which should be based on combined and appropriately weighted indicators such as per capita emissions, GDP, share of global emissions, carbon intensity of primary energy use, and marginal abatement costs.

To illustrate this point, we can use as an example a simple categorisation based on per capita emissions of energy-related carbon dioxide: countries would be grouped in categories based on increments of, say, 5 tonnes of CO₂ per capita. To each of these categories would be assigned different quantitative emission reduction objectives between 2000 and 2020 based on 1990 levels, starting, for the first category, with an emission cap (i.e. stabilisation at 1990 levels beyond the year 2000).

Based on the provision of article 4.2(a) of the Convention concerning the possibility for Parties to implement policies and measures jointly and to assist other Parties in contributing to the achievement of the objective of the Convention, countries in a given category or across categories could choose to form clusters, combining their emission reduction objectives and sharing the costs and benefits of achieving them. A number of theoretical studies applied to Annex I countries suggest that significant cost savings can be achieved in this way.

We propose that the AGBM request the Secretariat to prepare, for consideration at the third session of the AGBM, a document which analyses in detail the various indicators to be used for the definition of suitable and objective criteria and the different options for grouping countries in different categories, taking into account the relevant literature.