

AD HOC GROUP ON BERLIN MANDATE

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**POLICIES AND MEASURES**

Proposal by the Chairman

**Article 2**

1. Each of the Parties included in Annex I *or acting under Article 10* shall:

(a) Adopt and implement policies and measures in achieving its commitments regarding quantified emissions limitation and reduction objectives under Article 3, in order to promote sustainable development

[such as the following policies and measures, in accordance with its national circumstances:

- (i) Enhancement of energy efficiency in all sectors of the national economies;
- (ii) Protection and enhancement of sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol;
- (iii) Promotion, development and increased use of renewable forms of energy and of innovative environmentally sound technologies;
- (iv) Phasing out of market imperfections, fiscal incentives, tax exemptions and subsidies in all GHG emitting sectors, that run counter the objective of the Convention; and
- (v) Providing a continuous balance between those policies and measures aimed at reducing emissions of greenhouse gases in emitting sectors and those aimed at reducing consumption of their products.]

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*Note: The consolidated negotiating text by the Chairman (see document FCCC/AGBM/1997/7) remains before the group.*

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[in particular, the following policies and measures:

- (i) Implement commitments in subparagraph 4.2(e)(ii) of the Convention and remove obstacles to the limitation and reduction of emissions of greenhouse gases and greenhouse gas precursors not controlled by the Montreal Protocol and to the enhancement of removals by sinks;
- (ii) Enhance energy efficiency in all sectors, including the energy production and transformation, industrial, transport, residential and commercial and agricultural sectors;
- (iii) Progressively reduce/phase out market imperfections and fiscal incentives that run counter to the objective of the Convention, including, *inter alia*, subsidies on all fossil fuels;
- (iv) Encourage appropriate reforms in the energy sector and regulatory regimes aimed at promoting policies and practices which limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol;
- (v) Promote, develop and increase use of renewable forms of energy to ensure that a significant increase of the share of its energy supply is realized;
- (vi) Develop measures to limit and/or reduce emissions of greenhouse gases not controlled by the Montreal Protocol in the transport sectors including average fuel consumption targets for new vehicles, minimum excise duty on fuels, promotion of low emission transport modes, and other instruments;
- (vii) Limit or reduce emissions of greenhouse gases not controlled by the Montreal Protocol from aviation and marine bunker fuels, through the International Civil Aviation Organization and the International Maritime Organization, respectively, in particular work towards introducing aviation fuel taxation;
- (viii) Protect and enhance sinks and reservoirs of greenhouse gases not controlled by the Montreal Protocol and promote sustainable forest management practices, afforestation and reforestation;
- (ix) Integrate climate change considerations into agricultural practices and promote sustainable forms of agriculture;
- (x) Research and develop innovative climate-friendly technologies, and promote the application and diffusion, including transfer of, such technologies, particularly to developing country Parties;
- (xi) Limit and/or reduce emissions of hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride;

- (xii) Apply economic instruments to ensure that market prices give appropriate signals to consumers and businesses to limit and reduce emissions of greenhouse gases; and
- (xiii) Reduce emissions of methane through recovery and use in the waste management sector, as well as in the production, transport and distribution of energy.]

The MOP shall assess the application of these policies and measures.

(b) [Implement policies and measures under this Article in such a way as to avoid adverse effects, including the adverse effects of climate change, effects on international trade, and social, environmental and economic impacts on other Parties, especially developing country Parties and in particular those identified in Article 4.8 and 4.9 of the Convention, taking into account Article 3.5 of the Convention<sup>1</sup>. The Conference of the Parties to the Convention may take further action, as appropriate, to promote the implementation of the provisions of this subparagraph;]

[Implement policies and measure under this Article taking into account the adverse effects of climate change and/or the impacts of the implementation of policies and measures on developing country Parties, especially those identified in Article 4.8 of the Convention. The Meeting of the Parties may take actions, as appropriate, with respect to this paragraph;]

(c) Co-operate with other such Parties to enhance the individual and combined effectiveness of their policies and measures adopted and implemented under this Article, in accordance with Article 4.2(e)(i) of the Convention. To this end, these Parties shall take steps to share their experience and exchange information on these policies and measures, including developing ways of improving their comparability, transparency and effectiveness. The MOP shall, at its first meeting or as soon as practicable thereafter, consider ways to facilitate such co-operation, taking into account all relevant information.

2. [The Parties included in Annex I *or acting under Article 10* shall coordinate the implementation of those policies and measures identified above in subparagraph 1(a) and in the development of methodologies to assess their effectiveness. The MOP shall, at its first meeting or as soon as practicable thereafter, consider ways and means to facilitate such coordination, including by instituting a process to develop recommendations to Parties in the form of guidelines, taking into account national circumstances and relevant work being done by other bodies.]

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<sup>1</sup> This matter is linked with the issue of a compensation fund and a clean development fund. Cross-referencing may be introduced once the actual placement of the text on those funds is proposed.