

### **Abstract of Presentation**

Market based measures have the potential to reduce emissions from industry at lower cost than traditional command and control regulation. Working Group 5 has studied the environmental, legal, administrative, and in co-operation with FESG, the economic effects of a range of such market based measures. CAEP/5 concluded that an open emissions trading program was a cost effective solution for CO<sub>2</sub> emissions reduction in the longer term, subject to the coming into force of the Kyoto Protocol. Shorter term solutions included voluntary mechanisms and levies.

As a first step the Assembly would be invited to endorse these conclusions in the form of a Resolution, and subject to this, the CAEP work program would continue to develop the potential for the introduction of these measures.

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