

AGBM 7
August 3, 1997
Bonn, Germany

**CANADIAN INTERVENTION WITH RESPECT TO SBSTA AGENDA ITEM 8,
ACTIVITIES IMPLEMENTED JOINTLY**

There are two issue which Canada would like to address under this agenda item.

Regarding the methodological issues related to Activities Implemented Jointly, Canada is pleased that the Secretariat has convened two very successful experts meetings on this issue -- one in Bonn where the initial advice was provided for the methodological advice, the second most recently, in Victoria Canada, which addressed the issue of baseline determination.

We believe that this workshop approach has been very helpful in supporting the Secretariat's work in this area.

Now that work has been started on the issue of baseline determination, it is our view that the next priority methodological issue which should be addressed is the issue of determination of the GHG emissions reduced or sequestered as a result of the AIJ project. We encourage this activity to be undertaken prior to the next session of SBSTA.

Another methodological issue which we believe deserves attention in a timely manner, is the question of how to reduce transaction costs associated with JI projects. Although the OECD has done some preliminary work in this area, we view it as an important issue in moving AIJ forward in a constructive manner and which may help address some non-Annex 1 country concerns with respect to capacity building.

The other issue I would like to raise is the program of work of SBSTA for the next session. As the Executive Secretary noted this morning, the Subsidiary Bodies will have to develop their draft conclusions and recommendations for COP 3, at our next session.

The work program of the Secretariat should include input for a concrete review of progress of the pilot phase at COP 3. Recall that the Conference of the Parties at the First Session by its decision 5/CP.1, took that decision that "the Conference of the Parties, shall, at its annual session, review progress of the pilot phase on the basis of the synthesis report with a view to taking appropriate decisions on the continuation of the pilot phase."

As such, we would request the Secretariat to prepare a synthesis report for its next session, in order for the COP to conduct its review, as mandated in the COP 1 decision.

Thank you Mr. Chairman