

Subsidiary Body for Scientific and Technological Advice (SBSTA)
Eighth Session
Bonn, 2-12 June

CANADIAN STATEMENT ON MECHANISMS FOR COOPERATIVE IMPLEMENTATION

Thank you Mr. Chairman,

I would first like to begin by taking this opportunity to address the earlier discussion on the role of UNEP and the Executive Secretary's proposal on its possible role. Canada believes that UNEP is the voice for general environmental issues which are global in nature. Given the UNEP's umbrella status it is uniquely positioned to identify gaps and duplication on climate change issues within the UN system. Importantly, accountability can be assured as UNEP is under the direction of Parties here and in the Governing Council. .

Canada believes that the adoption at Kyoto of a Protocol with legally-binding targets was a historic turning point in our efforts to reduce greenhouse gas emissions and we resolve to make an urgent start on further work that is necessary to ratify and make Kyoto a reality. Accordingly, Canada believes that at the eighth sessions of SBSTA and SBI it is imperative that we undertake to make timely and constructive progress on such further work.

As these sessions of SBSTA and SBI represent the first meeting of the Parties since Kyoto we believe that the most productive approach would be one of "problem solving". To that end, Canada welcomes the work done by the Secretariat on the international mechanisms for cooperative implementation: international emissions trading, joint implementation and the Clean Development Mechanism in its document FCCC/SB/1998/2. The secretariat document identified many questions, however, we now need to move forward in addressing these challenges with the objective of maximizing the opportunities they create. Canada recommends that this could be most effectively accomplished having all issues related to international emissions trading could be dealt with in one contact or working group, while the project-based mechanisms such as JI and CDM could be discussed in a separate group.

In terms of substantive mandates for these groups, we recommend that the international emissions trading group examine the development of appropriate rules, guidelines and modalities in particular for verification, reporting and accountability. It is Canada's hope that such a focus could facilitate an agreement by CoP4 on a framework for reporting, verification and accountability. The objective should be to secure a simple, transparent and credible emissions trading regime that minimizes transaction costs and that serves as an incentive for active private sector engagement. In that respect, Canada would note that the imposition of an international cap on trading activities