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Canada again stated its interest in examining long term commitments with short-term milestones, and also specifically mentioned the idea of developing cumulative emission objectives. However, we will need to develop these ideas more fully for the next session of the AGBM.

The idea of differentiated commitments among Annex I parties based on differing national circumstances was again a feature of many delegations' statements. A slightly longer list of factors emerged, including: 1) differential base years; 2) adjustments for population growth 3) adjustments for emissions embodied in trade; 4) consideration of the changes in national welfare brought about by mitigation policies; and, 5) emissions per capita or per unit of GDP. Canada mentioned our natural resource-based and trade-oriented economy, our relatively cold climate, and our higher rate of population growth as potential criteria for differentiation. However, it is apparent that the attempt to negotiate a complicated scheme of differentiation will be very difficult in the time available before COP-3, and many delegations continue to push for equivalent commitments for each OECD country.

Very little progress was made on policies and measures, with the European Union still pressing a complicated scheme of harmonized policies and measures, and the U.S. strongly resisting such an approach.

### Next Steps

Clearly the Ministerial declaration, even if not universally adopted, provides an important signal about the future direction of the Berlin Mandate. The stage is set for the hard bargaining to begin and the obvious question for Canadian industry is how will Canada position itself in these negotiations. It will be hard for us to take the high moral ground, as the United States and the European Union already are doing. Are we prepared, as the Australians clearly are, to defend our unique national interests or will we continue to try to play the role of broker and consensus builder? And given that we can expect to see at the next meeting of the AGBM in December the first drafts of potential protocols begin to emerge from the EU, the U.S. and possibly Australia, how will Canada respond?