A series of interrelated work elements are needed in order to make progress toward the successful conclusion of the Kyoto Protocol 2nd Commitment Period Negotiations. CAN urges Parties to agree on a workplan here in Bonn which includes both the analytical elements as well as a schedule that outlines the process clearly. The AWG has a mandate under Article 3.9 whose scope in terms of outcome is limited to amendment of Annex B commitments; however, the scope of work required to meet even this narrow objective is quite broad. In addition, COP/MOP2 is to conduct the review of the Kyoto Protocol under Article 9.2, and the scope required for this is at least as broad as that for Article 3.9.

**Analytical Phase**

The proposal for an analytical phase is important. This phase needs to have a well planned and properly resourced work programme and be time limited. An analytical phase of one year, ending in May 2007, should precede the formal negotiating phase that would end no later than COP/MOP 4 in 2008. Additionally, a significant number of inter-sessional meetings and specialist workshops to support the analytical phase will be needed, as will inevitably be the case during the negotiating phase as well.

The scope of the analytical work needed to support the negotiations include:
- **Article 2**
  A review of the projected impacts of global warming would inform the Parties’ consideration of the ultimate objective of the convention in relation to the scale of emission reductions needed.
- **Scale of emission reductions**
  Analysis of the global emission pathways consistent with limiting warming and/or sea level rise to different levels of global warming including the objective of limiting warming to 2°C or below. The analysis should take into account scientific uncertainties and be focused on the emissions consistent with this target over three consecutive five year commitment periods beginning in 2013.
- **Character of action**
  A compilation and synthesis of the different ideas and proposals that have been made and their qualitative implications for Parties is needed in order to assist in a fair and transparent process for determining the character of action to be undertaken by all Parties.
- **Fair and equitable differentiation of allowed emissions**
  A compilation and synthesis is needed of:
- Available ideas and proposals for differentiating emissions for countries taking on quantified emission limitation and reduction obligations
- Quantification of the above for emission profiles consistent with limiting warming and/or sea level rise (including the EU2oC limit) over the three five year commitment periods
- **New flexible mechanisms**
  New flexible mechanisms for developing countries to drive energy efficiency and renewable technology deployment are needed within an international market based system. New mechanisms might include SD PAMs for crediting, sectoral targets, etc. Issues include effectiveness in reducing greenhouse gas emissions, general architectural issues for each which would need to be addressed including the role of existing project based CDM, compliance and facilitative processes.
- **Technology Transfer (TT) and Finance**
  The scale of technology transfer and finance needs to be appropriate to the scale of the emission reductions needed to meet the Article 2 objective. An analysis and synthesis of the options available to scale up TT to meet this objective is needed.
- **Legal/Architectural issues**
  Whilst the core architecture of the Kyoto Protocol should be retained, there are a number of issues which arise in the context of the second commitment period
which need to be explored among which are the Annex B amendment process, entry into force provisions and implications for Articles 5, 7, 8 and the compliance system.

- **Scientific and methodological issues**
  Changes are needed to the emission accounting, reporting and verification systems to update scientific developments include: GWP; accounting issues arising from the IPCC 2006 Guidelines; and tracking captured CO₂ exported to Parties without binding obligations.
  
- **LULUCF issues**
  Full analysis of options for Article 3.3 and 3.4 accounting, including national estimates of the projected stock changes, emissions and removals is required, as is accounting for tropical deforestation and the implications of the scale of any tropical deforestation emission reduction units which are generated.

- **Adaptation**
  The scale of adaptation will need to be linked to the level of climate change. An analysis is needed of the relationship between the ultimate objective/level of effort and the feasibility and costs of adapting to impacts. A review of mechanisms for providing reliable funding for adaptation should include looking beyond the levy on the CDM to consider such a levy on all flexible mechanisms.

- **International aviation and marine transport emissions**
  Analysis of the trends in emissions in this area, the different allocation options and how they can be applied to the KP second commitment period is necessary.

- **Stock take of lessons learned in climate policy.**
  To assist negotiations, there is a need for a realistic review of the effectiveness of climate policies over recent years, as well as an analysis of realistic costs for emissions abatement actions on the time horizon of 2015-2020.
  
(a paper outlining these points in more detail is available from CAN representatives)

**RECENT QUOTES FROM CANADA**

ECO thought that delegates might be interested in some of the recent discussions in Canada, as well as instructions issued to the Canadian delegation from Ottawa that appeared in the Canadian press over the weekend:

“Finally, Canada would not find a more stringent target than the one it currently has to be acceptable and will resist any pressure to take on a more stringent target throughout the negotiations under AWG.”  

Extracts from Government of Canada “telex” to Canadian delegation in Bonn, quoted in La Presse, May 20th 2006, article (translated):  


“As you know, the UK is also not going to meet its targets, [nor are] a number of European Union countries.” Rona Ambrose, Minister of the Environment: Transcription, April 25th, 2006 - 9:15 a.m., Château Laurier, Gatineau Room, Ottawa, Ontario, Canada, with Paula Dobriansky.

Under Secretary of State for Democracy and Global Affairs, James Connaughton, Chairman of the Council of Environmental Quality

“The Bloc leader speaks about the international community and Kyoto, but, in reality, India, China, the United States, Australia, Mexico, all of those countries have not met their objectives or will not meet the Kyoto objectives, and that is why we’re working with international community to have real results.”  

Prime Minister Stephen Harper: House of Commons EDITED HANSARD • NUMBER 015, Wednesday, May 16, 2006

“Mr. Speaker, the hon. member opposite might like to know that, under the Liberal Kyoto plan, Canadian families could have seen up to $600 per Canadian family shipped overseas to be spent on international credits. Under our made in Canada plan, Canadian taxpayer dollars will stay right here in Canada to be spent on our environment right here at home. Our made in Canada plan will invest in Canadian solutions, Canadian technology and Canadian communities. I would like to ensure that the hon. member knows that in our plan, Canadians come first.”  

Rona Ambrose, Minister of the Environment: House of Commons EDITED HANSARD • NUMBER 015, Wednesday, May 3, 2006

“Canada does not support the creation of a new capacity building fund or additional resources for the implementation of the Kyoto Protocol.”  

Extract from Government of Canada “telex” to Canadian delegation in Bonn

“As I said, this is a crucial time, and our delegation is the most well respected international delegation at the climate change talks right now”. Rona Ambrose, Minister of the Environment: Interview on CTV Question Period, May 21, 2006