

Climate Change: The Bonn Agreement

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Abstract

An international agreement was reached at the resumed 6th Conference of the Parties (CoP 6 *bis*) to the UN Framework Convention on Climate Change (UNFCCC), held in Bonn, Germany this past July. The Bonn Agreement represents a workable compromise package that gives all countries flexibility in the way they meet their greenhouse gas emission limitation or reduction targets under the Kyoto Protocol. From Canada's perspective the Bonn Agreement includes a major success on sinks, a practical framework for the Kyoto Mechanisms, a reasonable compliance regime, manageable financial commitments to developing countries and the beginning of a process on clean energy exports. The process of translating the Bonn Agreement into legal language, including clarification of some technical uncertainties, remains to be completed at CoP 7, to be held in Marrakech October 29-November 9, 2001. However, the Agreement has been well received by the Government of Canada and opens the way for Canada's ratification of the Kyoto Protocol in 2002.

The Government has been clear that Canada will consider ratification even if the United States does not participate in the Protocol. However, while the anticipated GHG impacts of higher US demand for Canadian energy have been largely included in our projections of the emissions reductions that will be necessary to meet our Kyoto target, the impacts of the US being out of the Kyoto Protocol need to be assessed. These impacts are likely to affect emerging carbon markets, constrain some Canadian actions for reducing emissions and have both positive and negative competitive implications. Engaging the US to take actions compatible with Canada achieving its Kyoto target and to cooperate in strategic climate change policy areas will be a priority for Canada.

Canada's ratification decision will be informed by further analysis of the implications of the Bonn Agreement and the Kyoto Protocol, the elaboration of options for achieving our Kyoto target and consultations with the provinces, territories, stakeholders and other Canadians. Possible decision points for ratification in 2002 include the G8 Summit, the World Summit on Sustainable Development and CoP 8.