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THAT PRINCIPAL BARRIER TO TECH TRANSFER TO LDCS IS THEIR LACK OF ABSORPTIVE CAPACITY, RATHER THAN INTELLECTUAL PROPERTY RIGHTS. HINTS WERE CIRCULATING AT THE PREPCOM (AND PRECEDING IPCC MTG) OF A MAJOR TECH TRAINING INITIATIVE FROM THE USA, PERHAPS IN CONCERT WITH JAPAN, TO INCREASE LDCS CAPACITY TO ABSORB ENVIRONMENTALLY FRIENDLY TECHNOLOGIES, WITHOUT COMPROMISING IPRS AND MARKET FORCES. NO SUCH INITIATIVE WAS ANNOUNCED AT THIS MTG - BUT SOMETHING MAY EMERGE AT OECD MINISTERIAL OR LONDON SUMMIT.

5. FOREST ISSUE DOMINATED WORKING GROUP ONE (WG I) AND ENTAILED A LENGTHY NEGOTIATING PROCESS IN WHICH CANDEL PLAYED A MAJOR ROLE. UPSHOT IS THAT NEGOTIATIONS ON A FOREST CONVENTION NO LONGER APPEAR TO BE IN THE CARDS BEFORE JUNE92 - AND WE WILL HAVE TO REVIEW OUR COMMITMENT TO HOUSTON SUMMIT POSITION ON THIS ISSUE BEFORE THE LDN SUMMIT. MALAYSIA LED THE G77 ON FORESTS AND HELD THE LINE AT ANY LANGUAGE ENDORSING THE CONCEPT OF A GLOBAL FOREST CONVENTION BEFORE JUNE92. CANDEL CHAIRED THE INTENSIVE INTERNAL NEGOTIATIONS WITHIN WEOG GROUP ON FORESTS. WITHIN WEOG, EC AND JAPAN WERE NOT/NOT PREPARED TO PUSH FOR A FOREST CONVENTION BEFORE JUNE92 AND SUPPORTED MLN POSITION, WHICH CALLED INSTEAD FOR NEGOTIATING AN AUTHORITY STATEMENT OF PRINCIPLES ON FORESTS BY RIO.

OURSELVES, USA AND SWEDEN EVENTUALLY CONCEDED TO THIS MAJORITY VIEW. FINAL DECISION OF THIS PREPCOM BEGAN TO OUTLINE A SET OF BASIC FOREST PRINCIPLES - USING A NUMBER OF IDEAS DEVELOPED BY

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