

the part of Parties before issues are ripe for negotiation. While number of informal meetings remain to further elaborate issues and resolve differences, Parties will likely begin to reassess expectations for Buenos Aires, which is now expected to yield more modest results than previously envisaged.

4. While in the context of a modest outcome, Candel is well placed in the lead up to Buenos Aires having played a constructive and bridge-building role. This prominent role included: co-chairing of the contact group on the review of the adequacy of commitments in Article 4.2 a & b (developing country commitments); tabling a non-paper on international emissions trading on behalf of the Umbrella Group; formally presenting this paper's contents at a public briefing attended by delegates, industry representatives and ENGOs; and hosting a well attended presentation on "Carbon Sequestration Potential of Agricultural Sinks." Canada also continued to chair daily JUSCANZ (non-EU OECD) meetings, weekly bureau meetings, and periodic meetings of all Annex I Parties (through the Common Interest Group).

5. Key negotiation issues are listed below and details on the outcome and status of the negotiations with respect to individual issues are outlined in the attached Annex.

6. **KEY POST-KYOTO PRIORITIES:** Priority issues discussed included: the cooperative implementation mechanisms (emissions trading, joint implementation, and the Clean Development Mechanism); sinks; compliance; possible future developing country commitments; the terms of reference for a Multilateral Consultative Process (MCP) in accordance with Article 13 of the Convention (AG13); and Iceland's proposal regarding the impact of single projects on emissions in small economies.

7. **CONVENTION ISSUES:** Parties approved conclusions on a number of Convention issues including: co-operation with relevant international organizations; National Communications from Parties included in Annex I of the Convention; involvement of NGOs; a Brazilian paper on methodologies; education, training and public awareness; Conclusions were not reached on National Communications from Non-Annex I Parties of the Convention; the status of Turkey under the Convention; development and transfer of technologies; impacts on oil exporters and vulnerable countries; review and guidance to the financial mechanism; and the election of officers. These items were deferred to Buenos Aires for further discussion.

8. A number of administrative and financial matters were also discussed including the budget and arrangements for intergovernmental meetings. The new UN Scale to the FCCC (minimum 0.001 percent) will be recommended to the CoP. There was little substantive discussion on the Buenos Aires programme of work other than protracted discussions on whether voluntary commitments by non-Annex I countries should be included in the draft agenda and a decision that the high level segment of COP4 would be set for the 12th and 13th of November. A decision