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IDENTIFICATION OF A BROAD LIST OF NEEDS, ESPECIALLY FOR LDCS, AND REQUESTS TO THE SECT TO REPORT FURTHER TO THE THIRD PREPCOM IN AUGUST. NEVERTHELESS, DELS CAME TO THIS PREPCOM SIGNIFICANTLY BETTER PREPARED THAN IN NAIROBI; THERE WAS LESS RESORT TO THE HOLY WRIT OF UNGA RESOLUTION 44/223 WHICH LAUNCHED THE CONFERENCE; AND THERE WAS LESS OF AN IDEOLOGICAL RIFT BETWEEN WESTERN DELS (THE USA IN PARTICULAR) AND THE G77. THUS THERE ARE GROUNDS FOR OPTIMISM THAT SUBSTANTIVE WORK CAN NOW BEGIN AT PREPCOM THREE, WHICH BEGINS IN AUGUST.

3. THE MOST DISAPPOINTING ASPECT OF THE PREPCOM WAS THE DISCUSSION OF THE CROSS-SECTORAL ISSUES. THE DECISION WAS TAKEN - AT G77 BEHEST - NOT TO HAVE SUBSTANTIVE DECISIONS ON ANY OF THE CROSS-SECTORAL ISSUES DEBATED IN PLENARY (FINANCIAL RESOURCES, TECHNOLOGY TRANSFER, POVERTY AND THE ENVIRONMENT) OR IN WORKING GROUP THREE (INSTITUTIONS, LEGAL ISSUES). DEBATES THEREFORE LACKED FOCUS. DONOR DELS WERE PARTICULARLY CAUTIOUS ON THE FINANCING ISSUE - AND AVOIDED ANY SUBSTANTIVE DISCUSSION OF NEW SOURCES OF FUNDING OR RELATIVE MERITS OF GEF VERSUS OTHER MODELS OF FINANCING MECHANISMS. FINANCIAL RESOURCES DEBATE AT THIS PREPCOM ADDED NOTHING TO OUR OWN INTERNAL REVIEW OF THE ISSUE.

4. HOWEVER, ON TECH TRANSFER, MAJOR DONORS, ESP USA, JAPAN AND EC, APPEAR TO BE MORE ACCOMMODATING - BASED ON THE PREMISE, DOCUMENTED IN A RECENT REPORT FOR THE BRITISH DTI BY TOUCHE ROSS, ...4.