

negotiating reflects integrates this linkage.

18. The revised text is now clustered around each clause of Article 4.1, covering national reporting, implementation of policies and measures and their impacts, review mechanism for national communications, cooperation on scientific, technological and financial cooperation, and the demand for a separate funding mechanism. Although the U.S. is strongly opposed to common policies and measures, its text on policies and measures under Article 4.1 is quite comprehensive and includes a list of specific policies and measures, which it proposes be adopted by all Parties. Similarly, E.U. text on the review process for Annex1 as well as non-Annex1 Parties is quite stringent. Policies and measures under Article 4.1, review mechanism for national communications, as well as the demands for additional funding are some of the issues which will require revisiting in preparing for the next negotiating session.

19. Some of the difficult questions surrounding the evolution of the Kyoto agreement (which essentially consists of text on the new round of negotiations, new commitments by LDCs, and the graduation of developing countries to Annex1, based on some agreed upon criteria) were not discussed at this session. In the non group discussions, developing countries reiterated their position that AGBM process should not introduce new commitments for the them, noting that this was outside of the scope of the Berlin Mandate. That said, informal consideration amongst OECD countries is focussed on a possible separate decision which would launch a process for defining possible future commitments. This could be complemented by a process allowing commitments to be assumed on a voluntary basis. Issue of possible developing countries will be difficult to crack and will likely not be addressed head-on until Kyoto.

20. Institutions and Mechanisms: Non-Group on Institutions and Mechanisms: As well as covering introductory and final elements, the mandate of this group was further extended to cover compliance regime and review of commitments. It quickly (and thankfully) agreed that the principle of institutional economy should guide discussions. Nonetheless, the longest debates took place around the question as to what body and parties will constitute the primary decision-making vehicle. On these issues, the OPEC countries maintained the view, (although legally untenable), that the Conference of the Parties to the FCCC, as well as the Parties to the FCCC, should be the decision-maker under the Protocol. Regarding the main institution under the Protocol, most of the parties, including Canada, wanted the Conference of the Parties of the FCCC to serve as the Conference of the Parties to the Protocol. But the US, based on legal concerns on the appropriateness and practicality of such a link, proposed that a distinct Meeting of the Parties be convened in conjunction with the Conference of the Parties to the FCCC as feasible. The OPEC countries did not succeed in adding a provision for the creation of their proposed