

PAGE THREE EEEU2435 PROTECTED

MADE IN NEGOTIATING THE GUIDING PRINCIPLES ON FORESTS. NEVERTHELESS, OUR TWO MAJOR DOMESTIC PRIORITIES IN UNCED - FORESTS AND FISHERIES - ARE NOW RECOGNIZED AS PRIORITIES FOR UNCED TO ADDRESS, AND WERE ACKNOWLEDGED AS SUCH IN THE FINAL SUMMATION OF PREPCOM FOUR BY CHAIRMAN KOH.

3. THESE RESULTS, HOWEVER, HAVE TO BE MEASURED AGAINST THE FAILURE OF THE PREPCOM TO REACH ANY AGREEMENT ON THE CRITICAL OF FINANCIAL RESOURCES. IN THE END, THE NEGOTIATIONS BROKE DOWN OVER A THE POTENTIAL ROLE OF THE GLOBAL ENVIRONMENTAL FACILITY IN THE FUNDING OF AGENDA 21. ALTHOUGH THE DEVELOPING COUNTRIES SCALED BACK THEIR DEMANDS SUBSTANTIALLY BY THE END, THERE IS STILL A CLEAR GAP IN EXPECTATIONS, AND A SUBSTANTIAL ELEMENT OF MISTRUST. WITHOUT A RESOLUTION OF THIS ISSUE IN RIO, WE WILL NOT/NOT BE ABLE TO REALIZE THE OTHER RESULTS ACHIEVED IN NEW YORK.

4. WITH THE COMPLETION OF PREPCOM FOUR, THE AGENDA FOR THE RIO CONFERENCE IS NOW CLEAR. THERE WILL BE A SIGNIFICANT NEGOTIATING COMPONENT TO THE CONFERENCE. THIS WILL INCLUDE A LIMITED NUMBER OF HIGHLY POLITICAL SECTORAL ENVT ISSUES, SUCH AS FORESTS AND FISHERIES. HOWEVER THE FOCUS OF THE NEGOTIATIONS WILL BE ON HOW AGENDA 21 IS TO BE PACKAGED AND DELIVERED. THIS WILL INVOLVE FINALIZING DECISIONS ON INSTITUTIONAL FOLLOW-UP AND ABOVE ALL, AGREEING ON THE APPROPRIATE APPROACHES TO FUNDING AGENDA 21.

5. REPORT: WHEN PREPCOM FOUR BEGAN ON 02MARCH IN NEW YORK, THERE WAS A WIDESPREAD EXPECTATION THAT IT FACED AN ALMOST IMPOSSIBLE TASK. PREPCOM FOUR WAS SLATED TO BE THE ONE AND ONLY FULL NEGOTIATING SESSION FOR THE PRINCIPAL OUTPUT OF UNCED - AGENDA 21.