

sustainable development objectives and strategies, including areas and choice of technologies.

AIJ

Concerning AIJ, one of the elements which was identified for inclusion in the review process of the AIJ pilot phase is the geographical imbalance in the distribution of AIJ activities. Recognizing the need to gain practical experience in the hosting of projects, the Group supports the continuation of the AIJ pilot phase.

Very few developing countries have participated in AIJ, and Africa and Small Island Developing States have been particularly disadvantaged in this respect. Even now that attempts are being made to remedy this situation, most of the projects are still in the planning stage and have yet to be implemented. We need particular focus on the necessary institutional framework for project based activities and the support for related capacity-building measures.

On non-Annex I communications:

Mr. President, the successful implementation of the Kyoto Protocol depends upon the provision of national communications, and the Convention provides that the full agreed cost be covered by Annex II Parties. As you may have noted, the provision of financial assistance has not been a smooth affair. Most of the countries find that the resources provided have been insufficient to help them fully fulfil their commitments and many of us have had to draw from already scarce national resources in order to maintain the necessary institutional support for the communications.

Capacity- building

Mr. Chairman, capacity building is an overarching necessity at all levels, for the developing countries to participate adequately in the implementation of the Convention and the Kyoto Protocol. Capacity building including education, training, public awareness and research is critical for the meaningful participation of developing countries in the FCCC and the KP processes. Any capacity building activities should reflect the needs of these countries and should be undertaken within the context of the Convention guided by intergovernmental process.

Parties recognize that capacity building in developing countries, particularly the least developed countries and the small islands states are constrained by, among others, lack of access to necessary technologies and know how; lack of appropriate institutions, lack of financial resources, and lack of regular forums to exchange ideas and build positions amongst ourselves. The G77 and China submits that capacity building is a continuous process that must be undertaken at all levels, including long-term planning, and strengthening relevant institutions like the FCCC focal points, centers of excellences, sub-regional and regional institutions and human resource development in order to provide expertise in the areas relating to the implementation of the Convention and Protocol processes.

Within this context, the G77 and China welcomes the decision to address capacity building needs of developing countries in a comprehensive manner, while taking into