

26. The Co-Chairs, as a result of the significant divergence in the texts, decided to solicit further views and comments from Parties by July 15, 1999, and prepare a framework for comparing elements of the draft decisions for consideration and a decision at CoP5. Canada supported this outcome and further develop its views on the issue. Draft decisions on review of GEF's enabling activities and the issues related to the provision of financial and technical support will also be discussed further at CoP5.

27. **COMPLIANCE:** Views on issues related to compliance under the Kyoto Protocol were exchanged during "consultations on compliance" held prior to and during five Joint Working Group on Compliance (JWG) sessions. Interventions in the JWG remained at a very general level, based upon Parties' March 1 submissions on compliance. The G-77 initially stressed that they had not had time to develop positions. However, in the third session, South Africa, on behalf of the G-77, tabled a paper on initial positions. Canada was active in the JWG, and also took advantage of informal opportunities to explore the views of Umbrella Group delegations as well as of EU delegations and some G-77 delegations (AOSIS, South Africa).

28. On compliance related elements in the Kyoto Protocol and identification of any gaps, interventions noted that compliance-related elements included the Protocol's substantive rules, provisions outlining procedural elements of a compliance system, and consequences to non-compliance. Several Umbrella Group delegations noted that few gaps were left with respect to substantive rules. The importance of tracking / information sharing between different groups working on compliance related elements was also underlined.

29. On the design of the compliance system and questions relating to consequences, Canada, Japan and New Zealand stressed the importance of preventive and facilitative approaches to promoting compliance. Other delegations (including the US, the EU and the G-77), while in agreement that prevention and facilitation were important, emphasized that the Protocol compliance system would also need to have enforcement features, including penalties. There was a range of views as to whether compliance procedures should proceed in a graduated manner or whether consequences to non-compliance with target related commitments should be predetermined and automatic. There was also a range of views on whether the compliance system should cover all commitments comprehensively (EU, AOSIS) or whether separate ("hard" and "soft") tracks may be needed for target related commitments and other commitments (US).

30. Parties are invited to make further submissions on compliance, addressing a list of "Questions related to a compliance system under the Kyoto Protocol" contained in an annex to the work programme, by August 1, 1999, on which the Co-Chairs will prepare an updated synthesis of Parties' proposals. Two intersessional events will take place to facilitate the full participation of all Parties in discussions on compliance issues. An informal workshop to exchange views, and information related to experience in other conventions, will be organized by the Co-Chairs of the JWG in early October. Canada's offer of financial support to enable the participation of developing countries in this event helped break down the G-77's block position. Financial support will also be made available by the EC and some of its member states. A further workshop will take place between the 11th and 12th sessions of SBI/SBSTA.