

implement their commitments under the Convention will depend on the effective implementation by those Parties of their commitments under Articles 4.5 and 4.7 of the Convention, related to financial resources and the transfer of technology.

The Group of 77 and China considers the issue of "the development and transfer of technology" as being of crucial importance to developing countries. We are concerned over the slow progress on the issue, and in particular, over the lack of implementation of Decision 13 of the First Conference of the Parties.

The Group stresses the importance of the need for technology transfer to meet the specific requirements of developing countries. Furthermore, there is a need to re-focus the issue of development and the transfer of technology to the building of endogenous capacities of developing countries, in order to enable and facilitate the optimal transferability of the technology, its adequate incorporation, and its practical applicability.

To this end, besides urging Annex II Parties to fulfill their commitments under Articles 4.5 and 4.7 of the Convention, the Group of 77 and China has proposed a comprehensive list of specific and concrete actions to the Secretariat, the SBSTA and the SBI that will facilitate the transfer of technology and know-how. The Group of 77 and China has urged the Annex II Parties to include in their national communications measures taken for the transfer of technology so that the Secretariat may compile, analyze and submit such reports to future Conferences of the Parties. We are pleased that this specific recommendation, among others, was incorporated in new draft decision on the Development and Transfer of Technologies approved by the subsidiary bodies, and we look forward to working with the Secretariat in the decision's implementation. However, we continue to be frustrated with the continued impasse in the establishment of the very important ITAPs for this Convention.

In fulfilling the obligations of the Convention for the Annex I Parties, the social and economic impacts on developing countries must be taken into full consideration, avoiding those negative impacts and assuring more equitable burden sharing.

Regarding the Financial Mechanism of the Convention, the Group of 77 and China recognizes the efforts of the Global Environmental Facility to adapt itself to the dynamic process of implementing the Convention. However, our Group is deeply concerned with the way the GEF is operating as the interim operating entity of the financial mechanism of the Convention, due to the difficulties encountered by developing country Parties in receiving the necessary financial assistance, and particularly, because the GEF's actions are inconsistent with the conclusions that we adopted in the previous session of the SBI. There is an urgent need for GEF to harmonize its strategies with the priorities of the Convention. The GEF's mandate as the interim financial mechanism of the Convention depends upon the Conference of the Parties, and not the reverse. It is fundamental that the strategy of the GEF regarding the implementation of the Convention be based upon the policy guidelines and program priorities provided by the COP. These guidelines and recommendations have been made clear during this and the last COP, and we look forward to the GEF's implementation of this decision. We have also, at this session, adopted a decision on guidance to the interim operating entity of the financial mechanism, in which it is stated that the only basis for funding the preparation of national communications of non-Annex I countries is the guidelines and format adopted for non-Annex I Parties.

In conclusion, allow me to revisit the text of the Second Assessment Report. The Group of 77 and China feels that the SAR is clear in presenting the negative impacts of climate change on developing countries. The particular vulnerability of developing countries to the impacts of climate change is manifest. This clearly illustrates what we may call "the human face of climate change."

Developed countries must, as the first important step, implement fully their commitments under the Convention. As we orient ourselves toward COP-3, we must move forward. Thank you.