

related to institutions and mechanisms. The Chair established 4 contact groups to deal with the institutions (chaired by Japan), QELROs (chaired by Brazil), developing countries commitments under Article 4.1 (chaired by Trinidad and Tobago), and Policies and Measures (Chaired by Mauritania).

2. Overview: Some progress was accomplished at AGBM 7, chiefly in the form of clarifying positions, and in streamlining the unwieldy negotiating text. However, all outstanding issues remain open for negotiation at the next AGBM session in late October. In addition to compiled text of all parties' proposals, the Chairman of the AGBM will be preparing a separate Chairman's text that will begin to take some positions off the negotiating table and merge positions into concrete options for negotiation. Canada continues to play a prominent role in the negotiations, and as Bureau representative, chair of the Common Interest Group, and JUSCANZ, is likely to be invited to participate in all informal meetings likely to be held prior to the next AGBM. Comments on the specific areas of negotiation follow thematically.

3. Coverage of gases, sources and sinks to be included in the Protocol: Significant progress was made with the EU indicating that it could support a basket approach (vs. the gas by gas approach) promoted by the majority of JUSCANZ Parties. In other words, most Parties now accept the inclusion of gases, sources and sinks in a Protocol for which data certainties are judged by the Parties to be adequate for the purposed of a Protocol. Japan is the one exception, as they continue to call for only carbon dioxide from energy related activities to be included in the agreement. Japan also disagreed with most other Parties who could support a Global Warming Potential (GWP) over a 100 year time horizon as the default measurement unit for all gases. Canada supported the widest possible package of comprehensive coverage (including sinks), but will be developing specific positions on which ghgs should be explicitly be accepted in a Protocol and which methodologies for sources and sinks have a sufficient level of certainty to be accepted.

4. EU Bubble: Australia, Canada, the US, Switzerland and Japan all made strong interventions expressing concern about internal EU burden sharing arrangements - the concern is that individual Parties in the EU will not be under any obligation to meet Kyoto targets (other than under the overall EU target) even though they would ratify the Protocol as an individual Party. JUSCANZ Parties also insisted that accountability arrangements within the bubble will need to be transparent and clearly defined. The EU has still not tabled a paper clarifying competencies between the EU and EC on meeting climate change commitments, which raises compliance concerns.

5. Nature of target and baseline: As with other issues, the chair