

UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT: FOLLOW UP

(i) Introduction

The item "United Nations Conference on Environment and Development: Follow Up", has been on the agenda of the agenda of the AALCC since its 32nd Session held in Kampala in 1993. It has thereafter, been considered at successive sessions of the AALCC. The main focus has been on the developments with regard to the implementation of Agenda 21 in general and the United Nations Conventions on Climate Change (UNFCCC), Biological Diversity (CBD) and Combating Desertification (CCD), in particular.

At the 38th Session of the AALCC, held in Accra, Ghana, the Secretariat was directed to continue to monitor the progress in the implementation of the aforementioned conventions. Accordingly this Chapter contains notes on the COP-5 of the UNFCCC, the Inter-sessional Activity since COP-4 of the CBD and the COP-3 of CCD.

Thirty-ninth Session: Discussion

The **Deputy Secretary General Mr.Ryo Takagi** while introducing the item "United Nations Conference on Environment and Development: Follow-up", stated that he would limit his statement to issues concerning climate change and biosafety. As regards Climate Change, he informed the plenary that the fifth meeting of the Conference of Parties to the United Nations Framework Convention on Climate Change (UNFCCC) was held from 25 October to 5 November 1999 in Bonn, Germany. Among other things, the contentious issues considered, he said, were the protocol mechanisms involving the international emission trading regime, joint implementation mechanism and the clean development mechanism. These mechanisms, he added, though largely acceptable still had some issues which countries wanted to be looked into. He also informed the plenary that concerted efforts be made for consideration of a completed draft negotiating text on the mechanisms at the sixth meeting of the Conference of Parties (COP-6). The challenge before the international community, he averred was to continue to implement the Buenos Aires Plan of Action and work towards the self imposed deadline for the entry into force of the Kyoto Protocol in 2002.

With reference to biosafety, he informed the plenary that the Cartagena Protocol on Biosafety to the Convention on Biological Diversity was adopted on 29 January 2000, by the Resumed Session of the Extraordinary Meeting of the Conference of Parties (EXCOP). The Protocol, he added, established an advanced informed consent (AIA) procedure for the import of living modified organism (LMO's), the precautionary rule, besides provisions relating to capacity building, financial resources and special concern of developing countries. Another contentious issue which was settled was the relationship of the Protocol and WTO on the use of the precautionary principle.

While commenting that the main focus of the Secretariat work was on climate change, the Deputy Secretary General felt that despite Member States having divergent views it was possible to express solidarity for a common cause. In this regard, he stated that increased cooperation amongst Member States would help to understand better some of the innovative ideas and complex legal issues involved in the Protocol. Lastly, while concluding his statement he informed the plenary that the Secretariat was exploring the possibility of organizing a seminar or workshop on the legal aspects of the protocol mechanisms.

The **Delegate of the People's Republic of China** thanked the Deputy Secretary General Mr.Takagi and the Secretariat for preparation of background papers. In his opinion, the problem of desertification deserved special attention as it was becoming a global problem. He expressed the view that special attention be given to the needs of developing countries, who have lost most of their arable land on account of continuous farming and cultivation. He felt though developed countries were more concerned with the threat of climate change, it was desertification, which was one of the fall outs of increased industrialization. He expressed concern that though the United Nations Convention on Combating Desertification (UNCCD) had provided for a financial mechanism, the same was dysfunctional as developed States were not coming forward to fund it. He appealed to the

Conference of Parties to the UNCCD to meet the challenges of desertification by creating an appropriate financial mechanism for funding desertification projects undertaken by the UNEP and other international agencies working in the field.

While concluding, he requested the AALCC Secretariat to make efforts to attend the next Conference of Parties Meeting to the UNCCD, help understand better the needs of AALCC Members States affected by desertification.

The **Delegate of Ghana** expressed concern that developing countries were finding it increasingly difficult to fulfil commitments under a number of conventions due to lack of financial resources, technology and precise data on environmental protection. Furthermore, he called for display of political will by developed countries for providing resources as was seen in the Rio Summit of 1992 which would be of immense help to the developing and less developed countries.

(ii) **Resolution on the "United Nations Conference on Environment and Development: Follow Up"**

(Adopted on 23.2.2000)

The Asian-African Legal Consultative Committee at its thirty-ninth session

Taking Note of the Document No. AALCC/XXXIX/ CAIRO/2000/S.8 on matters concerning the follow-up to the United Nations Conference on Environment and Development held in Rio de Janeiro in June 1992;

1. **Directs** the Secretariat to continue to monitor the progress in the implementation of Agenda 21 and the follow-up work to the United Nations Conventions on the Climate Change, Biological Diversity and Combating Desertification; and
2. **Decides** to place the item "The United Nations Conference on Environment and Development: Follow-up" on the agenda of its fortieth session.

(iii) **Secretariat Study: United Nations Conference on Environment and Development-Follow Up**

The United Nations Framework Convention on Climate Change (UNFCCC) adopted in 1992 entered into force on 21 March 1994, ninety days after the receipt of the 50th ratification. To date, 180 countries have ratified the Convention. At Conference of Parties (COP-1) delegates reached an agreement to consider the key issue of adequacy of commitments in an open-ended Ad Hoc Group on the Berlin Mandate (AGBM). This mandate called for strengthening Annex-I party commitments through adoption of a protocol or any other legal instrument, COP-1 also requested the Secretariat to make arrangements for the sessions of the subsidiary bodies on scientific and technological advice (SBSTA) and implementation (SBI). The SBSTA serves as the link between the information provided by competent international bodies and the policy needs of the COP. Whereas SBI was created to assist the COP in the review and implementation of the decisions of the UNFCCC. The COP-1 also decided to set up Ad Hoc Group on Article 13 to elaborate multilateral consultative process (MCP) for parties to resolve issues of implementation.

COP-2 was convened in 1996. The Ad Hoc Group of Berlin mandate which had by this time met four times continued its consideration of a text on binding commitments. The issue whether or not to allow mechanisms that would provide Annex-I Parties with flexibility in meeting quantified emissions limitation and trading (QELRO's) was the central question.

COP-3 Kyoto, 1997 was a watershed in the ongoing process of climate negotiations. Parties came together after prolonged negotiations to agree upon and adopt to the UNFCCC. The Kyoto Protocol (as it is now called), provides that Annex-I Parties to the UNFCCC, agree to commitments with a view to reducing their overall emissions of six Green House Gases (CHG) by at least 5% below 1990 levels between 2008 and 2012. The Protocol also establishes emissions trading and joint implementation (JI) between developed country Parties and a 'clean development mechanism (CDM) for encouraging joint emissions reduction projects between developed and developing country parties. For the protocol to enter into force it requires ratification by 55 countries including Annex-I Parties representing at least 55 percent of total carbon dioxide emissions by Annex-I Parties for 1990. As of December 1999, 84 parties have signed the protocol and 16 have ratified it.^{1[1]}

The COP-4 held in Buenos Aires, 1998 focussed mainly on the strengthening of the UNFCCC and preparation for the entry into force of the Kyoto Protocol. It adopted the Buenos Aires Plan of Action (BAPA) which, among other things, envisaged speedy resolution of methodological issues relating to the financial mechanism; development and transfer of technologies to developing

^{1[1]} All 16 Countries happen to be non-Annex-I Parties.

countries, implementation of Articles 4.8 and 4.9 of the UNFCCC dealing with "adverse effects" and Activities Implemented Jointly, and the functional operationalization of the protocol mechanisms.

The fifth conference of parties (COP-5) to the UNFCCC met in Bonn, Germany from 25 October-5 November 1999. COP-5 continued consideration of the programme charted out by BAPA. A number of decisions and conclusions dealing with *inter alia* the review of implementation of commitments and the UNFCCC provisions, besides the preparation for the first session of the COP serving as the meeting of Parties in the Kyoto Protocol (COP/MOP-1), were adopted. A high level segment, with the participation of ninety-three ministers and other heads of delegation was held from 2-3 November. The Conference concluded with an optimism and determination to work towards the self imposed deadline for the entry into force of the Kyoto Protocol in 2002 and decided to (i) intensify the work programme during the inter-sessional period in order to set a lively pace for negotiation on outstanding issues and sharpen the focus of debate; (ii) to convene COP-6 to be held in Hague, the Netherlands from 13-24 November 2000 following the twelfth session of FCCC subsidiary bodies to be held from 12-16 June 2000. A brief summary of the discussion on the important items is set out below. Among the items included are : (i) review of implementation; (ii) capacity building; (iii) development and transfer of technologies; (iv) adverse effects; (v) activities implemented jointly (AIJ); (vi) Land use, Land use Change and Forestry (LULUCF); (vii) protocol mechanisms; and (viii) compliance requirements.

Review of Implementation

As per Article 12 of the UNFCCC Parties are supposed to communicate to the COP, through the Secretariat information relating to implementation of the Convention. The item considered by SBSTA and SBI was "Guidelines for the preparation of National Communication from Annex-I". The decision *inter alia* provides that Part II of the guidelines be used for the preparation of the third national communications.^{2[2]} It also requested Annex-I Parties to provide detailed reports on their activities. Moreover, Annex-II Parties were urged to assist Parties with economies in transitions (EIT's) with technical knowhow in preparing national communications. It was also decided that Part-I dealing with annual inventories of the UNFCCC guidelines for the preparation of national communication be submitted by early 2000.

As regards non-Annex-I Parties communications, developing countries called for provision of adequate financial resources, technical assistance and capacity building to enable better collection of data and adaptation of proper methodologies for communication. A view was also expressed by some Parties calling for non-Annex-I Party participation in preparation of non-Annex-I communication. Developing countries argued that differentiated time table should be provided for them under the UNFCCC, and no effort should be made to alter the existing guidelines for non Annex-I communications. As a fallout of these deliberations the COP adopted decisions on the first compilation of initial communications from non-Annex-I Parties.^{3[3]} This decision calls upon non-Annex-I Parties which have not submitted their initial communications within three years of the entry into force of the UNFCCC, to do so at the earliest. The Secretariat was also asked to prepare the second compilation of initial non-Annex-I communications to be submitted to SBI for consideration at COP-6.

Capacity Building

^{2[2]} It may be recalled that second national communication by Annex-I Parties were submitted by 15 April 1997 and 15 April 1998 by parties undergoing economic transition.

^{3[3]} UNFCCC/CP/1999/L.10.

This agenda item was introduced by the developing countries with a proposal^{4[4]} for enhanced capacity building. This proposal among other things, called upon the COP-5 to conduct capacity building activities in developing countries; provide necessary financial resources to strengthen national focal points, promote climate related research and capacity building of national institutions and expertise.

This proposal was welcomed by many country Parties who asked for capacity building to be country specific rather than agency specific. Views were expressed for involving some EITs the process of capacity building. Based on these discussions the decision on this item *inter alia*; recognizes the special capacity building needs of least developed countries (LDC's) and small island developing states (SIDS);^{5[5]} and that financial and technical support for capacity building be provided through the financial mechanism and bilateral and multilateral agencies.

Transfer of Technologies

In the course of the discussions on this item several delegates appreciated the convening of an African regional workshop to advance the understanding of technology transfer. Views were expressed calling upon the SBSTA to ensure effective transfer of environmentally-sound technologies (ESTs) on the basis of an integrated approach involving stakeholders in sustainable development. Some Annex II Parties suggested a possible link up of CDM in transfer of technology. On the other hand, some of the non Annex I Parties stressed that technology transfer under the Protocol was an obligation under the UNFCCC. The decision adopted invites concerned parties to identify their needs and priority for capacity building and requests the Secretariat to compile and synthesize the information and to develop a draft framework for capacity building activities.

Adverse Effects

Another important matter considered by the joint session of the SBI/SBSTA relates to UNFCCC Article 4.8 and 4.9 and Protocol article 3.14, dealing with adverse effects. Developing countries expressed concern that information related to the effects of climate on policies and measures were not easily available. They called for more detailed study and research on the adverse effects of dangerous climate change. Fossil fuel producing countries, the most to be economically affected called for response measures amounting to compensation. Many countries expressed concern over the efforts made by Annex-I Parties towards gathering information on initial actions needed to address the specific needs of developing countries and LDC's arising out of climate change impact measures. Besides, it also called for identification of actions necessary under the UNFCCC, relating to funding, insurance and transfer of technologies to developing country parties especially LDC's.

Activities Implemented Jointly

The item was discussed in detail at joint meetings of SBI/SBSTA. There were differing views on AIJ projects under UNFCCC and their relationship with other Protocol mechanisms. While a number of developing country Parties called for extension of the pilot phase of AIJ projects, others felt the pilot phase was long enough and now needed to be operationalized. In this regard, developed country Parties stressed the need for "eligibility of a AIJ project under a JI or CDM mechanism". This suggestion was opposed by a number of SIDS and developing country parties, as they felt that AIJ under UNFCCC and JI/CDM under the protocol had differing functions. Despite no common meeting point a decision^{6[6]} was adopted which *inter alia* took note of the review progress of AIJ, and called for continuation of the AIJ pilot phase beyond the end of the decade i.e. 2000 without prejudice to

^{4[4]} FCCC/SBSTA/1999/MISC.9.

^{5[5]} FCCC/CP/1999/L.19.

^{6[6]} FCCC/CP/1999/L.13.

future decisions. It requested the parties to submit proposals to improve the draft revised uniform reporting format.

Land use, Land use Change and Forestry (LULUCF)

This item is still in its formative stage and essentially deals with the use of land. Views were expressed that the IPCC special Report on LULUCF must first be studied before taking any decision. As data available on country specific activity was limited it was felt that while endorsing a work programme with elements dealing with LULUCF the COP-6 could recommend the COP/MOP-I to adopt decision on Protocol Article 3.3 dealing with emissions removal and Article 3.4 dealing with additional human induced activities relating to changes in emissions and removals.

Protocol Mechanisms

Most contentious issues in COP-5 were Protocol mechanisms, i.e. the international emission trading regime, the clean development mechanism and joint implementation mechanism. These mechanisms would help the developed countries in reducing the cost of reaching their combined emission reduction target by the period 2008-2012. The issue relating to Protocol mechanisms were discussed first in Joint SBI/SBSTA session and later in different contact groups. The discussions were based on a revised synthesis of proposals by parties on principles, modalities, rules and guidelines on the protocol mechanisms.^{7[7]} Several participants proposed the drawing up of a draft negotiating text on the mechanisms, some felt that fundamental queries still remained unanswered. It was agreed to intensify effort towards consideration of a draft negotiating text at COP-6.

The COP adopted a decision recommended by SBI/SBSTA, on mechanism pursuant to Articles 6, 12 and 17 of the Protocol.^{8[8]} The decision *inter alia*, requested the SBI/SBSTA chairs to revise the synthesis of the Parties proposals based on further submissions, and to consolidate the text and place it before COP-6 for further consideration. Towards this end, the Chairman was asked to hold inter-sessional meeting to assist the preparatory work of COP-6.

(a) Clean Development Mechanism

Many developing states stressed that the party participating in the CDM project activities must be responsible at all stages and in all aspects for the project activity in which they are participating. There were many proposals regarding sink enhancement projects. While some country Parties stressed the need for including forest protection initiatives under emission avoidance, others subjected to forests being included within CDM. Some suggested that projects related to sinks and source, both be covered under CDM. Views were also expressed calling for serious EIA's to be undertaken before CDM projects are sanctioned, taking into consideration the socio-economic aspects of the host country.

On the issue of funding CDM projects countries wondered whether financial assistance would be bilateral or multilateral or even unilateral. Developing countries expressed concern that the CDM projects must be additional to ODA and other development assistance commitments. Some countries felt that unilateral funds could help non-Annex I countries to reduce their GHG, by way of added incentives. Views were also expressed for a strong participation for private sector in CDM projects. On the issue of monitoring of CDM activities few delegates called for monitoring by the host country alone or monitoring by project participants and also other operational entities.

(b) Joint Implementation

Among the issues discussed in this context included, whether decisions regarding certification or validation would be made by the parties involved or an independent entity. While some suggested individual parties to play such a role, others felt bureaucratic bottlenecks would discourage Annex-I Parties from entering into JI projects. On the issue of project verification, views

^{7[7]} FCCC/CP/1999/8.

^{8[8]} PCCC/CP/1999/L.15.

were expressed by some delegates that under JI the question of additionality was different from CDM, as the Party concerned would have to give up or cancel some of its assigned amount.

(c) Emission Trading

On the issue of emissions trading the views differed on rights and ownership. While some delegates sought the establishment of a common set of principles across all mechanisms, developed country Parties felt that trading should be founded on monitoring and reporting provided under Articles 5 and 7 of the Protocol. Several developing country Parties argued that the nature and scope of emissions trading must be known before undertaking the task of operational details. On other hand, developed country Parties stressed the need for cost effective mechanisms and stringent monitoring and verification requirements.

Another tricky issue discussed was the fungibility. Fungibility refers to the inter-changeability of the emissions reduction credits among the mechanisms. Developed country parties expressed the view that Article 3.10, 3.11 and 3.12 (QELRO's) of the Protocol do provide for transfer of assigned amount units (AAU's), certified emission reductions (CER's) and emission reduction units (ERU's). This trading formula was opposed by a number of developing countries, who argued that while AAU's derive from past emissions are retrospective, CER's are derived from future and hence are prospective. A number of other countries expressed their concern as to the difference in value of AAU's and CER's compliance and safety of such operations.

Compliance

The item on compliance mechanism was considered at the Joint session of SBI/SBSTA. A joint working Group (JWG) on compliance was established for the informal exchange of views.

On the question of the design of such a compliance body, many countries were of the view that such a system should promote compliance, prevent non-compliance and also address issues of non-compliance. A number of developing country Parties argued that this whole mechanism should be based on the principle of common but differentiated responsibilities. Some Parties also opposed a triggering role to be given to the secretariat, as they were of the view that the secretariat's role should be limited to information gathering.

As regards the item Expert Review Teams (ERTs) some countries felt that the reports should be automatically submitted to the compliance committee through the Secretariat. Several developing countries expressed the view that ERTs should be mere fact finding bodies and it would be inappropriate to give them a triggering role.

On the question of the structure of the compliance body delegates felt that it should be a standing body. Such a body they added would ensure continuity and build confidence. Some felt that the body should be small composed of scientific, technical and legal experts appointed by the governments acting in their proposal capacities. They also added that such a composition should ensure equitable geographical distribution. Others felt that there should be equal number of Annex B Parties and non-Annex-B parties. Views were also expressed calling for the outside experts on the body reviewing the rules of procedures by the body itself.

On the consequences of non-compliance, a number of delegates emphasized that knowing the consequences in advance, would ensure predictability and deter non-compliance. While some delegates suggested an indicative list of consequences to be applied gradually, taking into account the cause, type, degree and frequency of non-compliance, other developed countries felt that non-compliance should entail automatic sanctions. In a similar vein, views were expressed suggesting that the cost of sanctions should be lower than the cost of withdrawal from the protocol. Possible sanctions some delegates suggested, could be the subtraction of excess emissions from the levels permitted during the subsequent period, with a penalty rate.

The COP-5 endorsed the JWG conclusions and called for intensifying its efforts to invite parties to submit further proposals on compliance by 31 January 2000 and convene a workshop on matters relating to a compliance system in March 2000.

AALCC Secretariat Comments

The Protocol has for the first time evolved a climate change regime wherein Annex-I Parties are to undertake legally binding commitments. This mandate was discussed and sincere efforts were made to operationalize the rules and procedure of the Protocol mechanisms at COP-6 in Buenos Aires. Despite adoption of Buenos Aires Plan of Action (BAPA) new contentious issues arose by way of LULUF, structure and composition of the compliance mechanism, besides the already existing ones of transfer of technology and capacity building.

The protocol mechanisms CDM, JI and emission trading are complex exercises involving inter-play by market forces. The complete scope and relevance of these should be explained by way of confidence building non-Annex-I Parties. Voluntary or any form of commitment by developing countries in the future will largely depend on the extent to which developed country Parties are able to implement their commitments. As socio-economic development and eradication of poverty remain overriding priorities for the developing world, Annex-I Parties are expected to take a lead by supplying technological and financial resources, as stipulated in the Convention, that the Party should protect the climate system for the benefit of present and future generation of human kind, on the basis of equity and in accordance with their common but differentiated responsibilities.

The G-77 countries accepted CDM at Kyoto in the belief that new and additional funding as well as transfer of technology will flow through this mechanism. The CDM, in order to be workable and acceptable to all countries, will need to be transparent, equitable and accountable.

Under emission trading regime, developed countries may transfer, or acquire, among themselves, any excess reduction of CHG. An important issue in emission trading will be the question of fixing ceiling on the purchase of emission credit. In the absence of a ceiling, a country can either substantially reduce or even get away from meeting its QELROs target simply because it can afford to pay, and there is no significant global reduction of emission, but only a redistribution of emissions.

The period from COP-3 to COP-5 has witnessed ratification of the Protocol by 16 country parties, all of which are non Annex-I countries. To realize the aims and objectives of the Protocol by way of its entering into force in 2002 would require greater commitment, cooperation and understanding by Annex-I Parties. It may also be suggested that AALCC Member States despite having divergent views on a number of issues could come together at COP-6 to reach an agreement on issues of common concern.

Convention on Biological Diversity; Work During 1999

The Convention on Biological Diversity's objectives are "The conservation of the biological diversity, the sustainable use of its components and the fair and equitable sharing of the utilization of genetic resources. The Convention is thus the first comprehensive agreement to address all aspects of biological diversity; genetic resources species and ecosystem.

The fourth meeting of the Conference of Parties (COP-4) of the Convention on Biological Diversity was held from 4-15 May 1998, in Bratislava, Slovakia. The meeting adopted a number of decisions advocating a ecosystem approach, which is a new innovative way of taking a holistic view of environment wherein species and landscapes are viewed primarily as an integral part of the ecosystem and taken as a basis for implementing most of CBD programmes. The meeting adopted two new ecosystem themes. These themes deal with inland waters and forest programme.

Other important decisions dealt with the programmes on marine and coastal biodiversity, agricultural biodiversity, traditional knowledge, biosafety and sharing of genetic resources, work on the clearing house mechanism, the financial mechanism and the global taxonomy initiative.

Subsequent to the COP-4, issues concerning CBD were discussed in several fora. Considerable progress was made on matters related to Bio-safety Protocol.

Article 19.3 of the CBD provides for Parties to consider the need and modalities for a protocol setting out procedures in the field of safe transfer, handling and use of living modified organisms

(LMO's) that may have an adverse effect on bio diversity and its components. In this regard it may be recalled that COP-1 showed that there existed overwhelming support for a framework to regulate bio safety. Similarly COP-2 held in 1995, considered the need for and modalities of a Protocol on Bio-safety,^{9[9]} and established an open ended Ad Hoc Working Group on Bio safety (BSWG) to elaborate the basic elements of the Protocol. It may also be added that BSWG met for six times from July 1996 to February 1999, wherein it developed draft text for a Protocol on Bio safety.

The draft Protocol provides for an international framework for bio-safety under the CBD. It would apply to the transboundary movement of LMO' that may have an adverse effect on the conservation and sustainable use of bio-diversity, taking into account risks to human health. It sets out comprehensive provisions dealing with notification procedure for transfer of LMOs, mechanism of risk assessment and management, procedures for advanced informed agreement (AIA), facilitated information exchange, clearing house mechanism, capacity building implementation; socio-economic consideration; liability and compensation and financial issues.

In the extraordinary Meeting of the Conference of Parties to CBD (EXCOP), held in Cartagena, Colombia following the sixth session of the BSWG, held in February 1999, despite intense negotiations, no agreement could be reached on the contentious areas of trade, treatment of commodities and domestic vs. international regulatory regimes. It was decided to suspend the meeting and the President of the EXCOP Mr. Juan Mayr was requested to decide upon when the session could resume. In the meanwhile the COP Bureau met in Geneva in May 1999 and agreed to hold further consultations with the major negotiating groups found under the BSWG. The major groups that met the President were: the Central and East European countries; the compromise group (Japan, Mexico, Norway, S. Korea and Switzerland); the European Union; the Like Minded Group (Majority of developing countries); and the Miami Group (Argentina, Australia, Canada, Chile, United States and Uruguay).

The talks have stalled over a number of issues. In particular, governments disagree over the proposed scope of the treaty's regulatory powers. Some want to restrict the scope of the Protocol to LMOs intended for introduction into the environment, such as seeds. Others argue for a broader scope that would include agricultural commodities and processed products containing dead modified organisms or non-living LMO components.

Another contentious issue is who is liable when LMOs enter the environment and cause damage. Also unresolved is how to minimize the potential socio-economic impacts, such as the competitive decline of traditional crops faced with LMO imports. And still another unresolved question relates to the Protocol's relationship to other international agreements, particularly those under the World Trade Organization.

LMOs include various food crops that have been genetically modified for greater productivity or nutritional value, or for resistance to pests or diseases. Common examples include tomatoes, grains, cassava, corn, and soybeans. Seeds for growing crops are particularly important because they are used intentionally to propagate or reproduce LMOs in the environment. Together, these agricultural LMOs form the basis of a multi-billion-dollar global industry. Pharmaceuticals derived using LMOs form of basis of an even larger industry.

The biosafety talks reflect growing public concerns about the potential risks of biotechnology. Many countries with modern biotechnology industries do have domestic legislation. However, there are no binding international agreements covering LMOs that cross national borders because of trade or accidental releases.

Another concern is that many developing countries lack the technical, financial, institutional, and human resources to address biosafety. They need greater capacity for assessing and managing risks, establishing adequate information systems, and developing expert human resources in biotechnology.

^{9[9]} Decision II/5.

To prepare for a resumption of the Extraordinary Session, the President of EXCOP, held a first round of open-ended informal consultations in Montreal, Canada on 1 July 1999. At this meeting, representatives of all the Negotiating Groups expressed their commitment to concluding a Biosafety Protocol and confirmed that the political will to achieve this does exist.

The second round of informal consultations regarding the resumed session of the EX COP scheduled to be held in January 2000 for the adoption of the Protocol on Bio Safety to the CBD, met in Vienna, Austria from 15-19 September 1999 in an effort to build political momentum for the conclusion of a legally-binding agreement on reducing any potential risks resulting from the transboundary movement of living modified organisms (LMOs). One of the important issues discussed relevant to developing countries interests (the determined group), was concerning the basic set of concepts on commodities. Other issues discussed were those relating to the Protocol's scope, application of the advance informed agreement procedure (AIA) and the relationship of the Protocol with other international agreements.

Third Session of the Conference of the Parties to the Convention to Combat Desertification (COP-3)

The United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa (CCD) which was adopted on 17 June 1994, came into force on 26 December 1996. As many as 159 States have ratified or acceded to the Convention. The Convention, while recognizing the physical, biological and socio-economic aspects of desertification, stresses the importance of redirecting technology transfer so that it is demand driven. It emphasizes the development of national and subregional/regional action programmes by national government in cooperation with donors, local populations and NGOs.

The first conference of the Parties (COP-1) was held in Rome from 29th September to 10th October, 1997. It dealt primarily with the organizational matters. It decided to locate the permanent Secretariat at Bonn (Germany) and designated International Fund for Agricultural Development (IFAD) as the Organization to administer the Global Mechanism.

The Second Conference of the Parties (COP-2) was held in Dakar, Senegal from 30th November to 11th December 1998. An important organizational matter considered at COP-2 was approval of the Headquarters Agreement with the Government of Germany. It considered, but deferred to COP-3, decision on the Secretariat's medium term strategies and adoption of the Memorandum of Understanding (MOU) between the COP and IFAD regarding the Global Mechanism.

The Third Conference of the Parties (COP-3) was held in Recife (Brazil) from 15 to 26 November, 1999. It began with a welcome ceremony in which high dignitaries of the Brazilian Government, delegates of the parties to the Convention, Observers and Officials of the United Nations participated. H.E. Jose Sarney Filho Minister of Environment, Brazil, was elected by acclamation as President of COP-3. The meeting then proceeded to elect Bureau Members, and adopt the agenda and programme of work. It also decided to establish a Committee of the Whole (COW) to consider a proposal for the programme budget for 2000-2001, an additional annex, outstanding Rules of Procedure and annexes on arbitration and conciliation procedures.

The first Plenary began consideration of the substantive items on the agenda with the presentation by the CCD Executive Secretary on the activities of CCD during 1999. It was followed by hectic debate both in the Plenaries and informal consultations. In their presentations the participants, addressed numerous issues including the Global Mechanism and financing the Convention implementation, the role of civil society, links between desertification and poverty, synergies between the Rio Conventions and the globalization of the convention. Many countries stressed that more resources need to be made available through the Global Mechanism.

Another focus of discussion at COP-3 was the Regional sub regional and National Action Programmes submitted by a large number of African States parties to the convention. Several delegates welcomed these reports as a valuable source of information for the preparation of such reports for the States in other regions.

As regards Medium term plan, COP decided, after consideration in COW, that Secretariat's revised Medium-term Strategy was taken note of and requested the Secretariat to undertake a review of its activities and submit a report to COP-6.

A Special Segment was held from 22 to 24 November 1997 which was attended by 21 Ministers from developing countries and other senior officials. Brazil proposed adoption of a Recife Mandate which would call the parties to reaffirm their commitments to CCD. Herein after informal discussions it was agreed to adopt Recife Initiative on 26th November. It envisaged formulation of a declaration at COP-4 which would focus on thematic and sectoral areas such as measures to eradicate poverty, need to mobilize financial resources and to promote transfer of technology and capacity building for combating desertification and integration of implementation of CCD into national development strategies of affected countries.

Discussions on the mechanism to review the implementation of the Convention focussed on the proposal for the establishment of a committee on implementation under the Convention. It was decided that an ad hoc working group should be established at COP-4 to review and analyse reports submitted by the parties, together with the advice and information furnished by the Committee on Science and Technology (CST) and Global Mechanism. Written proposals have been invited by 30 April 2000 on the need to establish a committee to review the implementation of the Convention. The Secretariat would prepare a compilation of these comments to facilitate consideration at the COP-4.

Several delegates recognized the important role of the Global mechanism in mobilizing the financial resources and providing financial assistance especial to the developing countries in the preparation of national reports and action programmes.

Discussion on Global mechanism centered on its policies, modalities and activities. The Group of 77 and China suggested that Global mechanism should prepare a comprehensive inventory of bilateral and multilateral financial mechanisms. EU cautioned against Global mechanism's involvement in over-lapping activities and advised to draw concrete action plans. The decision adopted *inter alia* reaffirmed that the Global mechanism would function under the guidance of the COP and be accountable to it, and recognized that its first priority is to become a demand-driven mechanism to facilitate resource mobilization and channeling for the elaboration and implementation of action programme. As regards the operational strategy, further consideration will be given at COP-4.

The item concerning adoption of an Annex for conciliation and Arbitration procedures was first considered in COW meeting held on 17 November and subsequently in the informal group meetings. On the basis of these discussions, the decision adopted by COP-3 on 26 November, 1999, provided for convening at COP-4 an open-ended ad hoc group of experts to examine and make recommendations on procedures for resolution of questions of implementation and annexes on arbitration and conciliation procedures.

There were some divergent views on the role of the CCD Secretariat in the implementation of the Convention while the developing countries favoured a strong and effective secretariat, some developed countries stressed that it was not an implementing body and its core activities should be to facilitate information dissemination and exchange.

Discussions on the Programme and budget for the biennium 2000-2001 also marked some divergent views. EU stressed that there should be transparency in the budget and a clear distinction should be maintained in separating activities financed by core budget and those by extra budgetary funds. The G-77 and China sought clarification on the structure of the budget and its failure to integrate the Global Mechanism's budget into the Convention's budget.

10[1] All 16 Countries happen to be non-Annex-I Parties.

11[2] It may be recalled that second national communication by Annex-I Parties were submitted by 15 April 1997 and 15 April 1998 by parties undergoing economic transition.

12[3] UNFCCC/CP/1999/L.10.

13[4] FCCC/SBSTA/1999/MISC.9.

14[5] FCCC/CP/1999/L.19.

15[6] FCCC/CP/1999/L.13.

16[7] FCCC/CP/1999/8.

17[8] PCCC/CP/1999/L.15.

18[9] Decision II/5.
