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CSD-6 HIGHLIGHTS WEDNESDAY, 22 APRIL 1998

CSD-6 participants conducted Dialogues on Technology Cooperation and Assessment and Industry and Freshwater. Each Dialogue began with keynote statements by industry, trade union and NGO representatives and was followed by a discussion. Participants also discussed the proposed review of voluntary industry initiatives.

REVIEW OF VOLUNTARY INITIATIVES

Responding to the NGO proposal tabled on Tuesday, the ICC proposed holding a meeting in the final quarter of the year that includes the full range of stakeholders, and said the review: should take full account of sectoral issues; should not be supervised by a new body; and should take into account industry's work since Rio. TRADE UNIONS and NGOs called for initial discussions at CSD-6. The EU agreed and offered to share the outcome of an EC review of voluntary initiatives. He cautioned against undermining industry's ownership of the initiatives. The US invited NGOs and industry to present an agreed joint proposal to governments. EGYPT reminded participants that the proposal would have to be sponsored by governments. CANADA supported continued dialogue. SWITZERLAND advocated immediate discussion and clarification of what was to be reviewed.

DIALOGUE ON TECHNOLOGY COOPERATION AND ASSESSMENT

Marcelo Campos (Brazilian Chemical Industry Association) said technology cooperation is not limited to machinery but allows for transmission of skills, know-how and organizational and institutional arrangements. Technologies must be more eco-friendly than those they replace. The dilemma is how to make investing in new technologies worthwhile for companies and governments, particularly in developing countries. Conditions for success include: mutual benefit for all parties involved; legal and fiscal structures that encourage technological investments; efficient market systems; patent and property rights protection; capacity building; and integration with locally available technologies.

Nilton Freitas (Workers' Central Union) described a recent agreement on benzene between the chemical industry and trade unions in Brazil that provides for, *inter alia*: development of jointly agreed criteria of workplace safety; monitoring of compliance; penalties for non-compliance; and access to information. He said the best way to introduce technological change is to involve workers in decision making.

Gordon Bispham (Barbados Network) emphasized that technology cooperation must be mutually beneficial, generate economically and ecologically sound results, and be compatible with national priorities.

He called for action to: establish multi-stakeholder science and technology councils to establish national policies on technology cooperation and assessment; establish regional talent and technology banks; conduct technology assessment, considering social, economic and environmental factors and local and global effects; connect technology sharing businesses with NGO developers of SMEs; and provide access to long-term financing by NGO-developed businesses using shared ESTs in singular or joint venture projects.

PAPUA NEW GUINEA asked whether industry could accept an incentive scheme under the auspices of the CSD to build capacity in local firms or donate patents for emergency assistance for damage done by El Niño. He suggested including government-funded technology transfers in ODA calculations. He noted that traditional knowledge should be given treatment equal to intellectual property rights. The US described a virtual international verification programme designed to remove barriers, overcome constraints by regulators and alleviate liability factors and standards constraints. It would assist users and environmental regulators, help suppliers reach the global market, and benefit the public through improved environmental quality.

DIALOGUE: INDIGENOUS PEOPLE said democratic rights include the right to reject participation in certain activities. **INDUSTRY** said they see positive benefits in technology transfer. **NGOs** noted labor displacement and environmental degradation as two possible negative results.

YOUTH questioned the Southern countries about buyer's responsibility. **EGYPT** said movement of hazardous products has decreased and is considered illegal. **GHANA** called on industry to implement mechanisms to prevent export of waste to developing countries. **YOUTH** asked how the MAI will facilitate sound technology transfer between North and South. **INDUSTRY** said it believes the MAI can create a clear and stable framework that can improve conditions for technology cooperation and FDI.

INDIA advocated eco-labeling mechanisms for exported eco-friendly technologies. He said benchmarking for technology exports should be reviewed. **BRAZIL** said eco-efficiency should fit the specific needs of a country and not be used as a trade barrier. **INDUSTRY** called for early action on the rules for the Kyoto Protocol's Clean Development Mechanism. **INDUSTRY** is looking at the issue of responsible hotel siting, planning and construction. **NGOs** called for greater attention to the construction sector and suggested that the CSD Secretariat facilitate discussions regarding community development through the use of ESTs. **NGOs** supported a call for an independent technology assessment with UN involvement. **GHANA** suggested a clearinghouse mechanism to assess technology for SMEs.

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INDUSTRY noted the need to link FDI and ODA when countries are not receiving FDI. EGYPT expressed an interest in a discussion regarding linkage of ODA and FDI. TRADE UNIONS said investment in developing countries must be socially and environmentally sound. NGOs cautioned that they did not want to see ODA becoming a subsidy for the costs of internalization.

The US said excessive government regulation can create disincentives for technology transfer and that governments can facilitate transfer through financing programmes. TRADE UNIONS called for a consideration of social and ecological responsibility for products, technologies and processes.

DIALOGUE ON INDUSTRY AND FRESHWATER

J.W. Oatridge (Seven Trent Plc.) presented the conclusions of a WBCSD/UNEP report, including findings that industry is not the major user of water and pricing water according to costs decreases waste. He urged governments to show political will, develop proper legal and regulatory frameworks, and address financial and fiscal conditions to encourage investments. He described private sector's role, noting concessional arrangements and build-and-operate schemes.

John Danchiro (Timber and Woodworkers Union-Ghana) said Ghana faces an energy crisis that has forced residents into power sharing. Rivers have become degraded due to the harvesting of trees, so hydropower is limited. He described other national freshwater problems, such as foreign algae growth and chemical pollution.

Lyn Billman-Golemme (NGO Freshwater Caucus) called on governments to develop incentives for efficient water use, implement national regulations and enforcement mechanisms, develop performance standards and implement civil society participation frameworks. She highlighted the importance of women's involvement and called on industry to, *inter alia*, develop codes of conduct, use best management practices, reduce or eliminate pollutants and practice water conservation.

BARBADOS said health impacts and the capacity to satisfy new economic demands are among the concerns related to water availability. He noted that industry is equipped to fulfill the role of innovator of alternative strategies for resource development and, as polluter, to minimize the incidence of pollution. He also noted concerns related to SIDS. CANADA stressed the importance of full-value pricing for water and called attention to the International Network on Water, Environment and Health.

DIALOGUE: NGOs highlighted water problems in developing countries and called for action to: promote environmental education at the community level; improve the design of latrines; improve and implement alternative appropriate technologies to reduce water use; and enable participation of all stakeholders in every stage of industrial activity. WOMEN underscored the adverse health effects resulting from water pollution and the related responsibility of governments and industry. She advocated application of the polluter pays and precautionary principles and called on governments to prioritize environmental and human health.

NGOs advocated the application of an ecosystem approach at the catchment level, the Cleaner Production approach and the polluter pays principle, and called on the CSD to promote legally-binding commitments, such as the ratification of the Basel Convention by 2000. SOUTH AFRICA supported application of the polluter pays principle but said it must be qualified by concerns for developing SMEs. TRADE UNIONS: stressed the importance of worker training and education and the use of an integrated approach; challenged industry to stop condemning command and control regulations, end exclusive dependence on risk assessment, and "get real" on pollution prevention; and proposed amending the Responsible Care programme. NGOs highlighted a revival of sustainable agricultural practices and

called on governments to support such initiatives. NGOs also supported cooperative joint efforts focusing on the role of women through local Agenda 21s and proposed a common initiative on good practices.

HUNGARY reported on a recent intergovernmental meeting in Budapest that explored the need for an international legally-binding instrument on water-related health effects. JAPAN highlighted the success of a water conservation association of farmers' groups, fishermen and government in pollution abatement and quality management. TRADE UNIONS highlighted the success of a partnership between employers, trade unions and students in western Canada in reducing energy and water consumption. The US shared principles from a national freshwater initiative, including combining regulatory controls and market incentives to reduce point and non-point pollution and tapping private capital through public-private partnerships.

INDUSTRY said proper pricing of water is crucial. While industry is part of the solution, government must also play a fundamental role. INDUSTRY also said water services must increasingly be provided through public-private partnerships, but attracting private capital to water resources development on a sustainable basis requires: full value pricing with conservation incentives; government acceptance that there are risks only they can absorb; and adjustment for the costs and impacts of drastic changes in local currencies. INDUSTRY called for volunteer countries to study correct water pricing. YOUTH supported investigating the application of incremental fees for incremental usage. INDUSTRY said differential tariffs may be a way to share differential costs.

A number of speakers, including EGYPT, SOUTH AFRICA, SYRIA, NGOs, WOMEN and INDIGENOUS PEOPLE, expressed concern with the focus on water as an economic good without recognizing it also as a social good, and stressed the importance of fulfilling the water needs of the poor. INDIA said industry should work with the understanding that water is an economic and social good. INDIGENOUS PEOPLE said the multiple values of water must be considered and a comprehensive perspective applied. SOUTH AFRICA said full economic pricing should be applied only after basic human needs and the needs of emerging businesses are met. SYRIA said governments could enact legislation for proper investment in water and recover costs and make water available to the poor. He also emphasized fairness in the use of transboundary waters.

IN THE CORRIDORS

At the close of the stakeholder Dialogues on Wednesday, there was consensus across a number of the participating major groups, government delegations and the CSD Secretariat that the Commission had finally produced a useful and productive forum for focused exchanges. Some of the proposals that emerged during the discussions have reportedly "resonated" with government participants and may now proceed for further debate in the intergovernmental negotiations on Friday. NGO advocates of a review process for voluntary industry initiatives have begun to negotiate with potential government sponsors and to tentatively broker an acceptable revision of their proposal with industry. Chair Habito was praised for his role in nurturing agreement around the NGO initiative.

THINGS TO LOOK FOR TODAY

PLENARY: The Plenary will meet in Conference Room 1. Participants are scheduled to debate the cross-sectoral themes during the morning. A debate on the implementation of the Programme for Action for Sustainable Development of SIDS and on the sectoral issues is scheduled for the afternoon.