



Earth Negotiations Bulletin

.....
A Reporting Service for Environment and Development Negotiations

Vol. 5 No. 106

Published by the International Institute for Sustainable Development

Tuesday, 28 April 1998

CSD-6 HIGHLIGHTS MONDAY, 27 APRIL 1998

CSD-6 participants negotiated draft decisions on industry and sustainable development, strategic approaches to freshwater management, and implementation of the Programme of Action for SIDS during morning, afternoon and evening meetings.

Chair Habito urged ministers to prepare for a "free wheeling and interactive" High-Level Segment (Wednesday to Friday). The segment will begin with a brief summary of the major points discussed during CSD-6 and ministers will be called upon by these topics.

DRAFTING GROUP I

Strategic Approaches to Freshwater Management: In 4/5 (water's essential functions), the G-77/CHINA deleted text on agriculture accounting for the majority of global use. The US preferred its retention and added that agriculture is often a source of pollution and unnecessary loss. The G-77/CHINA added energy as an essential function and deleted text on ensuring that water use does not undermine ecosystem integrity. The EU emphasized poverty elimination and food security. AUSTRALIA acknowledged the importance of, *inter alia*, aquifers, ground basins, rivers and forests to water quality and quantity. In 8 (UNGASS statement on freshwater), the US changed a reference to flood and drought "control" to "management." The G-77/CHINA called for recycling and use of non-conventional water resources. In 9 (UNGASS mandate to CSD), the Chair ruled that the paragraph quoted UNGASS language and could not be amended. In 10 (CSD process on freshwater), the US proposed language on developing learning systems. The G-77/CHINA added "regional" to a call for national and international action.

In 11/12 (gaps in efforts towards integrated management), delegates proposed: meeting basic health education needs (US); including indigenous communities in human resource development (US); altering wastewater usage (JAPAN); mainstreaming gender considerations (NORWAY); and recycling wastewater (G-77/CHINA). The G-77/CHINA deleted references to linkages with sound economic policies, mobilizing domestic financial resources and international cooperation building on existing consensus.

In 13 (implementation), the G-77/CHINA added biodiversity, coastal zones and agriculture to a list of management areas that should be linked to water policies. The US proposed references to "protection" and "use" of water and basing decisions on education. UGANDA said all references to water use, protection and management should reflect Agenda 21 language exactly. In 14 (management plans), the G-77/CHINA noted the need to support local and national management plans. The US sought reference to the impact of demographic change.

The US added paragraphs on increasing awareness and knowledge of freshwater issues and recognizing the linkage between freshwater and demographic factors. UGANDA proposed investigating the exploitation of wetlands for irrigated agriculture. On 15bis (developing international river basin organizations), the EU said GEF should consider supporting this under its international waters portfolio.

Implementation of SIDS Programme of Action: In 3 (preparations for SIDS review), delegates agreed to call upon the international community to provide practical assistance to SIDS. In 5 (national strategies), delegates disagreed on proposals to note implementation of national strategies as a responsibility of SIDS (EU) and to link this matter to annual economic statements (G-77/CHINA). In 7 (donors conference), delegates disagreed on proposals to recommend that the conference consider projects that reflect progress (G-77/CHINA) and work with ongoing UNDP donor roundtable and World Bank Consultative Groups (EU).

On climate change, the US proposed deleting 15 (urging signature of the Kyoto Protocol), but the G-77/CHINA, the EU and JAPAN objected. In 22-26 (freshwater resources), outstanding issues include proposals to acknowledge the role of water pricing (EU) and call on the international community to "continue" supporting SIDS programmes (US). On 31 (technological and human capacity building), the EU deleted text on establishing incentives to retain key public sector personnel and amended text in 33 (international support) urging the international community to "continue to," rather than "provide full" support to SIDS for capacity building.

On 34 (SIDS' representation in CBD negotiations), an EU reformulation calls on donors to continue to assist SIDS' efforts to implement the CBD and notes the CBD's fund supporting developing countries' participation. On 37 (lack of skilled human resources), amendments call on the international community and the UN system to "continue to" (US) provide assistance to SIDS by "providing appropriate" (EU), rather than "creating new" training opportunities and capacity-building programmes. On 38 (regional cooperation), the EU and US deleted a call for increased international support for regional institutions, including provision of adequate financial resources, and deleted 39 (international donor community to make commitments to facilitating SIDS' implementation of sustainable development programmes and relevant international instruments).

On 40 (regional institutions' effectiveness), an EU reformulation replaces text noting that regional organizations are hampered by severe financial resource constraints with text encouraging SIDS to increase support for regional institutions and ensure they are given clear mandates and associated powers by governments. The G-77/CHINA objected. On 41 (UN and international assistance to regional institutions), AUSTRALIA called also on national governments to "continue

This issue of the *Earth Negotiations Bulletin*© <enb@iisd.org> is written and edited by Chad Carpenter, LL.M <chadc@iisd.org>, Peter Doran <pfedoran@ecology.u-net.com>, Kira Schmidt <kiras@iisd.org> and Lynn Wagner, Ph.D. <lynn@iisd.org>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James "Kimo" Goree VI <kimo@iisd.org>. The Sustaining Donors of the *Bulletin* are the Netherlands Ministry for Development Cooperation, the Government of Canada (through CIDA) and the United States (through USAID). General Support for the *Bulletin* during 1998 is provided by the German Federal Ministry of Environment (BMU), the European Community (DG-XI), the Government of Norway, the Swiss Ministry for Environment, Forests and Landscape and the Ministry for the Environment in Iceland. Funding for the French version has been provided by ACCT/IEPF, with support from the French Ministry of Cooperation and the Québec Ministry of the Environment and Wildlife. The *Bulletin* can be contacted by e-mail at <enb@iisd.org> and at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted by e-mail at <info@iisd.ca> and at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in non-commercial publications only and only with appropriate academic citation. For permission to use this material in commercial publications, contact the Managing Editor. Electronic versions of the *Bulletin* are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages/>. The satellite image was taken above New York City ©1998 The Living Earth, Inc. <http://livingearth.com>. For further information on ways to access, support or contact the *Earth Negotiations Bulletin*, send e-mail to <enb@iisd.org>.



to" prioritize assistance. The US preferred "utilizing," rather than "supplementing and increasing" assistance. An EU reformulation suggests that the international community provide adequate assistance in supporting efforts to fulfill regional organization mandates. In **42** (enhancing effectiveness), AUSTRALIA invited regional organizations to create activity-monitoring mechanisms. In **44-46** (science and technology), the EU deleted language requiring the international community to make technology development a standard component of investment projects. In **47-51** (human resource development), delegates considered a proposal to invite UN agencies to prioritize this issue in reviewing the Barbados Programme. In **52-55** (vulnerability index), delegates disagreed on deleting a sentence noting the conclusions of the expert group meeting on vulnerability indices (EU).

DRAFTING GROUP II

Industry and Sustainable Development: The G-77/CHINA proposed a new **3bis** noting industry's major role in promoting economic growth and calling for an enabling environment for industrialization. The EU added a reference to the mutually reinforcing relationship between social and industrial development. In **5** (impacts of industrialization), the G-77/CHINA added land-based marine pollution, hazardous waste, desertification and drought and deleted a second reference to "climate change." The US deleted "per capita" levels of production and added "population growth."

In **6** (policy framework to foster sustainability), the G-77/CHINA deleted text noting that environmental protection and eco-management contribute to job creation and security. The EU noted a related contribution from "responsible entrepreneurship." In **7** (consistent incentives), the G-77/CHINA deleted sentences addressing "more advanced developing countries" and "others at the early stages of industrialization." The US and EU preferred retaining text noting that, for those at early stages of industrialization, there are opportunities to integrate sustainability at the outset. SAUDI ARABIA objected to the EU and US proposals.

In **11** (innovation and adoption of ESTs), the G-77/CHINA deleted the sentence regarding eco-efficiency and cost internalization. AUSTRALIA, the EU and the US supported it. MEXICO proposed noting that eco-efficiency definitions and disciplines need to be established. In **12** (foreign investment) the G-77/CHINA, supported by the US and EU, deleted the call for assessing the implications of foreign investment for sustainable development. In **13** (voluntary guidelines), SWITZERLAND suggested that business and industry, "in cooperation with governments," be encouraged to develop voluntary agreements.

In **17** (enabling environment), the US added the critical importance of a strong IPR regime. In **18** (environmental and industrial policies), the EU added "regional" level policy. The US added text on regulation and policy enforcement. The G-77/CHINA added "as appropriate" after governments. In **21** (attracting FDI), the G-77/CHINA, opposed by the US, the EU, NEW ZEALAND, CANADA and AUSTRALIA, deleted a sentence on the need for a stable policy environment to attract FDI. The US called for methods to leverage FDI using ODA. In **22** (foreign investor commitment), the US added a call to promote awareness of national sustainable development goals among foreign investors. In **23** (incentives in recipient countries), the US, opposed by RUSSIA and the G-77/CHINA, deleted policies and measures aimed at "reducing the volatility of those flows" to developing countries. In **24** (regulatory frameworks), the EU replaced text on command and control approaches with text on a judicious mix of economic instruments, voluntary initiatives and public/private partnerships. In **25** (making subsidies transparent), the G-77/CHINA, opposed by the EU and AUSTRALIA, said governments that wish to act on subsidies should do so.

In **28** (core labor standards), the EU proposed supporting the ILO Director-General's proposal to adopt a declaration on the fundamental rights of workers. MEXICO said this is a matter for the ILO. In **29** (markets for environmentally friendly products), the G-77/CHINA said the CSD is not an appropriate forum to discuss eco-labeling. The EU disagreed.

On **33** (Kyoto Protocol implementation), the G-77/CHINA did not want to discuss an agreement completed outside the CSD. The EU opposed deletion and proposed text on fulfilling GHG emission reductions targets agreed in the Protocol "within the commitment period" and on UNFCCC commitments. The US stressed full implementation of the UNFCCC and the Kyoto Protocol, emphasizing Protocol targets. In **34** (efficient resource use), the G-77/CHINA proposed an alternative paragraph noting existing eco-efficiency studies. The EU and the Chair said the existing draft text is from UNGASS.

In **35** (eco-efficiency), reformulations propose that: eco-efficiency should be bolstered by sustainable consumption and production patterns in developed and developing countries (US); eco-efficiency strategies will be beneficial to both developed and developing countries and governments should set a framework that enables action at all life-cycle stages (EU); and eco-efficiency should be implemented, consumers should be encouraged to change their consumption patterns and governments have a role in educating consumers and industry on these issues (AUSTRALIA). In **40** (EST transfer), the G-77/CHINA added text recommending that developed country governments offer incentives to the private sector to encourage EST transfer to developing countries on concessional and preferential bases. The US and EU objected.

The EU proposed a new **41bis** calling on business to address eco-efficiency and work in partnership on voluntary instruments. The G-77/CHINA, opposed by the EU, combined elements in **44** (environmental management) and **45** (environmental management systems) to create **44bis** urging industry to implement environmental management systems and refrain from using certification schemes as non-tariff trade barriers. The G-77/CHINA deleted **49** (financial sector role) but AUSTRALIA objected.

In **59** (multilateral investment agreements), the G-77/CHINA and MEXICO deleted the reference to the MAI being negotiated in the OECD. The EU called for the MAI to be negotiated and implemented in such a way as to further sustainable development.

In **66bis** (review of voluntary initiatives), CANADA, supported by NORWAY, proposed that UNDESA and UNEP undertake, in consultation with governments and major groups, a review of voluntary initiatives and report to CSD-7.

IN THE CORRIDORS

It was "no lines, no waiting" when the Kyoto Protocol to the FCCC opened for signature a few weeks ago. Some countries, perhaps seeking a higher profile, have been making arrangements to officially sign the agreement during CSD-6 and announce their action at the High-Level Segment. Costa Rica signed on Monday afternoon, and some CSD participants expect Japan to follow suit on Tuesday. Other expected signatories this week include the EU, Brazil, Norway and Monaco.

THINGS TO LOOK FOR TODAY

DRAFTING GROUPS: During the morning, Drafting Group I is expected to meet in Conference Room 1 and Drafting Group III is expected to meet in Conference Room 2. Afternoon and evening meetings are expected.