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CSD-7 HIGHLIGHTS FRIDAY, 23 APRIL 1999

The High-Level Segment served as a preparatory committee for the Special Session on SIDS during the morning and discussed consumption and production patterns during the afternoon. The deliberations took the form of 29 statements by high-level government officials followed by interactive dialogues. At the conclusion of the day, Chair Upton presented his summary of the High-Level Segment.

PREPARATIONS FOR SPECIAL SESSION ON SIDS

STATEMENTS: SAMOA, on behalf of AOSIS, highlighted SIDS' sense of ownership and responsibility for implementing the Barbados Programme of Action (POA) and underscored the need for renewed partnership and international support. BARBADOS, on behalf of CARICOM, highlighted declining ODA as a serious constraint to implementation, but said he was encouraged by work on institutional and policy frameworks. SURINAME expressed hope that the Special Session would agree to targets and time-frames for implementation.

AOSIS noted that the challenges of globalization, trade liberalization and the erosion of trade preferences have undermined SIDS' ability to compete effectively in the international trading system. FIJI said the adverse impact of globalization threatens to further marginalize SIDS and supported retention of trade preferences. NEW ZEALAND stressed that SIDS' special circumstances must be taken into account in the next phase of WTO negotiations. MAURITIUS urged the CSD to address the need for special and differential treatment of SIDS in the international trading system. ST. LUCIA accepted the existence of a rules-based financial, monetary and trade system, but expressed difficulty with one that fails to differentiate between players. She said the "stench of victims" will eventually affect the victors. CUBA noted that social disparities in SIDS had broadened due to globalization, trade liberalization and unsustainable consumption patterns by developed countries. The EUROPEAN COMMUNITY emphasized the need to support SIDS' efforts to participate more actively in the multilateral trading system and highlighted partnerships with the private sector as a means to increase private investment and technology transfer.

MAURITIUS called for early development of a vulnerability index to facilitate SIDS' access to concessional finance for development and assistance for environmental protection. The MALDIVES highlighted the need for development organizations to go beyond

GDP in assessing assistance. NEW ZEALAND called on the UN to recognize vulnerability as a least developed country (LDC) criterion to enable SIDS to benefit from concessional funding. FIJI called for support for SIDS in determining their vulnerability index.

GRENADA underscored SIDS' vulnerability to natural disasters and proposed creating a Permanent Disaster Relief Fund for SIDS with international support. The MARSHALL ISLANDS underlined the threat to SIDS from climate change and sea-level rise. The US highlighted the development and sustainable financing of renewable energy as a key issue for SIDS, and looked forward to finding ways in which the Clean Development Mechanism could be used to SIDS' advantage.

The MALDIVES called on donor countries to reaffirm their commitments in the lead-up to the Special Session. BELGIUM, on behalf of the EU, said SIDS' efforts to develop sustainable development strategies should enable more efficient use of national and regional resources and donor assisted programmes and should contain clear indicators and benchmarks. The EUROPEAN COMMUNITY stressed the need for improved donor coordination. BARBADOS, on behalf of CARICOM, said the SIDS/Donors meeting had strengthened the partnership forged at Barbados.

DIALOGUE: John Ashe (Antigua and Barbuda) reported on informal negotiations on the draft CSD text on SIDS. He said a major outstanding issue is globalization and trade. He also invited input on transboundary movement of hazardous waste, sexual tourism, and references to GNP, resource mobilization and the decline in ODA.

On SIDS' right to prohibit transboundary movement of hazardous wastes within their jurisdiction, Chair Upton noted the proposed text replicates text in the POA. The US said its placement is different and highlighted potential conflicts with other international law. The EU expressed hesitation with reasserting this right, noting that text should be developed to reflect events from the past five years. CHINA said the text must appear in the document, but how or where requires further discussion. AUSTRALIA expressed confusion with others' hesitation, noting that the text stipulates the right is accepted "consistent with international law." NGOs called for a prohibition on movement of radioactive cargo through the Caribbean.

On globalization, MAURITIUS noted that SIDS were unable to fully participate in the GATT negotiations and have difficulty with WTO trade rules. The MARSHALL ISLANDS asked whether WTO applies to all countries, including those who cannot attend its negotiations. On SIDS' vulnerability, the WORLD BANK highlighted three

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types of vulnerability: aggregate income vulnerability; targeted vulnerability; and physical vulnerability. He stressed that the international financial institutions must be more flexible and strategic in their investment, recognize that a broader array of financing instruments are needed, and target funding to the vulnerable. NORWAY noted its work with SIDS on a vulnerability index. ST. LUCIA asked the World Bank whether it will consult SIDS when putting related measures into place. The WORLD BANK replied that they would. The BAHAMAS noted the distinction between considering GNP or GDP in terms of SIDS' vulnerability when determining eligibility for concessional finance. Nitin Desai said that, for LDCs, such determination reflects GDP as well as social and infrastructure indicators and vulnerability. AOSIS underscored the importance of a vulnerability index beyond the UN. The G-77/CHINA said SIDS' vulnerabilities could be captured by underlining the fundamental principles from the POA and Barbados Declaration.

On financial resources, INDIA expressed hope that the Special Session would develop concrete solutions for constraints to POA implementation, particularly financial resources. CHINA said the main constraint is the shortage of financial resources. AUSTRALIA noted the need to build resources, including through the private sector, to support island States. Additional comments included SAUDI ARABIA's objection to proposed text calling for efforts related to energy efficiency and energy self-sufficiency. AUSTRALIA disagreed. The BAHAMAS expressed concern at attempts to rewrite the POA by introducing qualifications to commitments.

CONSUMPTION AND PRODUCTION PATTERNS

STATEMENTS: The REPUBLIC OF KOREA called on all nations to make concerted efforts to reverse unsustainable patterns, stressing that industrialized countries should take the lead. BRAZIL emphasized that the principle of common but differentiated responsibilities should guide changing consumption and production patterns. BENIN stated that international efforts to address consumption and production patterns will only succeed if countries commit to poverty eradication. FINLAND, on behalf of the EU, noted industrialized countries' responsibility in the increase in consumption worldwide and stressed the need to establish sustainable consumption patterns in all countries while increasing the welfare of the poor. SWEDEN suggested that the CSD endorse goals identified by the 1998 Human Development Report regarding consumption and production patterns, including achieving more equitable international burden-sharing for sustainable consumption.

The CZECH REPUBLIC emphasized the need to further develop policy instruments and their pilot application in different conditions and to further promote eco-efficiency and cleaner production, education and public awareness. BENIN called on industrialized countries to adopt cleaner production strategies, transfer environmentally sound technologies and strengthen consumer education. The REPUBLIC OF KOREA highlighted the potential of the Internet to inform consumers of green options. The EU underscored the role of media, advertising and education to promote sustainable consumption and advocated the use of a mix of instruments, including voluntary initiatives. SWITZERLAND noted the usefulness of voluntary eco-labels for sustainably produced goods and of taxing non-renewable energy sources. BELARUS objected to the use of ecological standards to protect trade. The DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA highlighted inequitable international economic and trade practices and sanction measures as major obstacles to addressing unsustainable consumption and production patterns.

DIALOGUE: On effective policy development, DENMARK said his government requires all state and local governments to develop green procurement policies. Gus Speth, UNDP Administrator, highlighted the possibilities of technological innovations, which he said

should be transferred to developing countries, and called attention to the UNDP-EC initiative on "Poverty and Environment." CHINA stressed the importance of technology transfer. UNESCO highlighted education. NGOs expressed regret that some extensions to the Consumer Protection Guidelines recommended at the 1998 São Paulo meeting have been deleted, but encouraged delegates to adopt the proposed extensions. Industry said they do not believe sustainable consumption and production should be included in the Guidelines, but added that the revised recommendations are an improvement. The Chair asked industry if they are making efforts to make more businesses sustainable. Industry noted that the International Chamber of Commerce (ICC) is now targeting SMEs in developing countries. The Chair asked the ICC to update CSD-8 on its efforts.

AUSTRALIA noted that the Guidelines text does not call for action by consumers or industry. EGYPT suggested that the text call for action by other stakeholders, particularly NGOs. Navid Hanif clarified that the original Guidelines employ a rights-based approach, and business or NGOs cannot fulfill national governments' responsibilities to safeguard consumers' rights. NORWAY stressed that companies should use benchmarking and indicators. ARGENTINA asked whether sustainability is best achieved through regulation or deregulation and suggested that developing countries first deregulate. SAUDI ARABIA recommended ensuring that economic instruments are equitable and that developing countries are not harmed by developed countries' policies.

On globalization, the NETHERLANDS noted the usefulness of "ecological footprints" to track affluent countries' consumption and production patterns and their impact on biodiversity, natural resources and energy. The EU and NGOs suggested forwarding suggestions to the next WTO Ministerial Meeting. Trade Unions said the WTO should not decide on environmental matters. PAKISTAN suggested developing guidelines on consumption and production patterns for the media and advertising industry. The EU and POLAND highlighted eco-labelling to promote sustainable consumption and production patterns. On urbanization, IRAN said any substantive discussion of energy should be preceded by an information-gathering process. He suggested a possible option will be to expand carbon dioxide capture and storage utilization. DENMARK highlighted the eco-efficiency opportunities offered by using renewable energy.

IN THE CORRIDORS

Denmark tabled elements for a draft decision that invites the CSD Secretariat to prepare a paper on the modalities for the Rio+10 conference in 2002. The elements began life as an informal paper circulated by NGOs to the informal ministerial gathering on Friday morning. The draft calls for early attention to the form of the review, its scope, the nature of the preparatory process and the terms of reference. Two elements were dropped from the original NGO draft. These were suggestions that attention be given to the venue of the conference and that a group of eminent persons produce themes for the Rio+10 agenda. Some NGOs are keen to take the conference out of New York.

THINGS TO LOOK FOR TODAY

NATIONAL PRESENTATIONS: Kenya, Iceland and Poland will make national presentations during the morning and Panama and Mexico will make national presentations during the afternoon. Both meetings will be in Conference Room 1.

DRAFTING GROUPS: Following the national presentations, the drafting groups will commence their work in Conference Rooms 1 and 2. Three groups are expected on: consumption and production and tourism; oceans and SIDS; and energy and procedural issues. Night meetings are possible.

SIDE EVENTS: Check *CSD Today* for today's side events.