



## CSD-13 HIGHLIGHTS: MONDAY, 18 APRIL 2005

On Monday morning, delegates convened briefly in plenary to discuss the Chair's draft elements for CSD-13's negotiated outcome. Following informal consultations within the various negotiating groups, CSD-13 reconvened in the afternoon in two parallel sessions to work on the Chair's text. A special panel of finance and development cooperation ministers and experts took place later in the afternoon.

### NEGOTIATIONS ON THE CHAIR'S TEXT

On Monday morning, delegates convened in a plenary session to discuss the organization of work on the Chair's draft elements for CSD-13's negotiated outcome. Chair Ashe noted the submission of numerous proposals from the G-77/China, EU and others, and suspended the session to allow delegations to meet informally within their groups. He proposed that the plenary reconvene in the afternoon, and delegates agreed to an EU suggestion that two sessions be held concurrently. SWITZERLAND said it would welcome a revised Chair's text in light of the many proposals made.

In the afternoon, delegates convened in two parallel sessions, one to negotiate the preambular and closing sections of the text, the other to read through the sections on water, sanitation and human settlements. In the group on water, sanitation and human settlements, participants engaged in a preliminary read through, highlighting their amendments. In the group dealing with the preambular paragraphs and closing section, participants began negotiating paragraph-by-paragraph, following the first reading of this text on Friday.

**THEMATIC ISSUES:** In the first parallel session, Vice-Chair Berbalk asked delegates to consider the three thematic sections of the Chair's text. She requested an overview of countries' key suggestions, noting that detailed proposals should also be submitted in writing.

The G-77/CHINA said its text on the water section and other sections identified actions at the international, regional and national levels. In the sub-section on access to basic water services, MEXICO urged inclusion of text on water initiatives in Latin America. AUSTRALIA, with CANADA, identified text he said should be moved to the non-negotiated policy options matrix. CANADA, supported by TURKEY, proposed moving the sub-section on Integrated Water Resource Management

(IWRM) to the start of the water section, and JAPAN submitted text on quality standards for drinking water and on ODA. The US supported language on mobilizing financing from domestic sources.

On IWRM, the G-77/CHINA asked for a reference to national priorities focusing on rural areas and the agricultural sector. The EU offered textual additions on water quality, human health, industrial pollution and sanitation. TURKEY supported language on the role of ecosystems in regulating water systems. SWITZERLAND added text on ecosystems, solid waste disposal, and rainfed agriculture.

On sanitation, the G-77/CHINA inserted text on involving women, youth and community groups. The EU proposed a longer chapeau referring to an "institutional home" for sanitation and an emphasis on public information campaigns. JAPAN suggested language to avoid limiting financing sources to ODA.

On human settlements, the G-77/CHINA proposed text on research, capacity building, post-disaster issues, technology transfer, UN system coordination, enabling environments, and regional initiatives. The EU suggested new paragraphs on integrating measures to achieve the MDGs and JPOI, and on strengthening local authorities. NORWAY called for language on land use and urban planning, the REPUBLIC OF KOREA added a reference to policies that meet the specific needs of different income groups, and MEXICO suggested text on the poorest.

**PREAMBULAR SECTION:** CSD Vice-Chair Elbakly opened the parallel session on the preambular paragraphs and on the final section (on international institutional arrangements for follow-up of CSD-13 decisions). Delegates discussed the relative status of the Chair's compilation text and other submissions, in particular that of the G-77/China. After a brief procedural discussion, delegates agreed to use the compilation text as the basis for discussion.

The G-77/CHINA noted the difficulties it had experienced with the first paragraph of the compilation preamble, and suggested using new language. Delegates agreed to replace the first preambular paragraph of the compilation text with the G-77/China's alternative, while inserting some phrases from the Chair's text. In particular, the EU asked for retention of reference to the Doha Declaration, the Habitat Agenda and, with the US and NORWAY, the Monterrey Consensus. Opposed by the US, the EU and NORWAY suggested retaining a reference to the Paris Declaration on Aid Effectiveness. SWITZERLAND, opposed by NORWAY, suggested deleting the



reference to NEPAD. MEXICO tabled text, and the RUSSIAN FEDERATION offered language he said more accurately reflected GA resolution 59/227 (CSD-13's role).

The G-77/CHINA suggested additions to the preamble, noting that only 10 years are left to achieve the Millennium targets, and emphasizing constraints to implementation, ODA levels, resource outflow from developing countries, unfair trade, inadequate debt relief, market access, capacity building, infrastructure development, and technology transfer.

#### **PANEL OF FINANCE AND DEVELOPMENT COOPERATION MINISTERS AND EXPERTS**

On Monday afternoon, a panel of finance and development cooperation ministers and experts took place. CSD-13 Chair Ashe explained that the session's aim was to provide context for CSD-13, as well as to assist its deliberations on the economic benefits of implementing sound policies on water, sanitation and human settlements at all levels.

UN Secretary-General Kofi Annan addressed the panel, noting a "gathering momentum" around the global development agenda and positive signals on official development assistance from the EU, Japan and others. He drew attention to the upcoming Millennium Review Summit and to his new report, *In Larger Freedom*. He said developing countries should ensure good governance, public investments in health and other services, and national strategies to meet the MDGs, while developed countries should seek a breakthrough in Doha trade negotiations and immediately scale-up resources. He also proposed an International Finance Facility to establish timetables to achieve the target of 0.7 percent of gross national income for development assistance. Noting that the issues on CSD-13's agenda are central to delivering the MDGs, he emphasized the crucial role of finance ministers and others at this meeting in reaching a global deal to promote development, security and human rights.

Ian Johnson, World Bank, discussed issues of water resource management and economic development. He highlighted water infrastructure needs, stressing that developing countries are generally undercapitalized in this regard. He also observed that no single financing model can be applied universally, and underlined the importance of water management in agriculture.

Carlos Fortin, UNCTAD, highlighted the results of water privatization efforts, noting that, while successful in some cases, other efforts had failed as pressure to expand access to water at low prices eroded profitability. He suggested that the first priority for developing countries should be to strengthen government water programmes, and then explore public/private partnerships.

Hilde Johnson, Norway's Minister of International Development, pointed out that current levels of investment in water are less than half of what is required. She encouraged a focus on issues such as regulatory frameworks, pricing policies, a clear division of labor between central and local water authorities, and the appropriate mix of public, non-profit and for profit entities.

Trevor Manuel, Minister of Finance of South Africa, highlighted cost recovery and industrialized countries' agricultural subsidies, and raised a range of questions for panelists, including whether some MDGs should be prioritized over others.

Suma Chakrabarti, Permanent Secretary of the UK's Department for International Development, called for CSD-13 themes to be integrated into PRSPs, and said privatization

should be decided upon at a national level. He also suggested that donors target countries with the least access to water and sanitation. Carin Jämtin, Minister for International Development Cooperation of Sweden, agreed with Chakrabarti's comments on PRSPs and privatization. She also focused on the need to pay attention both to urban and rural services, to acknowledge CSD-13 themes as gender issues, and to empower local authorities. Len Good, Chair and CEO, Global Environment Facility, supported ecosystem maintenance and stressed the importance of coherent country and transboundary resource management.

Errol Cort, Finance Minister of Antigua and Barbuda, underscored that water should remain under government control. He stressed the need for policy decisions to prevent slum expansion. Adolfo Franco, USAID, stated that the private sector's involvement is just another "arrow in the quiver" of approaches to providing water and sanitation services. He stated that, if public-private partnerships are to be an option, transparency and reduction in corruption will be needed to attract capital.

In the ensuing discussion, EGYPT stressed that, while it had provided drinking water to 95 percent of its population, it was facing difficulties with ongoing operating and maintenance costs. JAMAICA underscored the large investments required to meet water and sanitation goals, and the need to subsidize the poor's water in the short term, until they could afford it. INDONESIA noted that the poor pay more for water on a per unit basis, and the importance of good governance.

Several speakers, including SAUDI ARABIA and NAMIBIA, highlighted financing issues and ODA, while VENEZUELA stated that quality of life, not profit, should be the overriding consideration. The US discussed issues of mobilizing local financing. UGANDA pointed out the urgent need to address poverty and water stress in Africa, which she said is a crisis that dwarfs even the recent tsunami.

Summarizing the discussions, Trevor Manuel highlighted comments on: the need for large capital investment; governance; private-public sector cooperation and learning by doing; water rights; linkages between water and other issues; the role of local government; donor performance; the urgency of water issues; and the primary importance of ecosystem management.

#### **IN THE CORRIDORS**

CSD-13's second week opened with delegations expressing concern at the burgeoning size of the Chair's compilation text, which has grown from just five pages to over two dozen after amendments from delegations. Many participants voiced fears that the time to negotiate the many suggested additions and alterations is short—and were wondering how it could be achieved. Several delegates were also heard questioning why the original text was so short—although as Chair Ashe and those sympathetic to a more concise text have pointed out, the aim of the document is to identify policy actions, not to repeat at length previously agreed text or general principles. However, with many delegations and Major Groups arguing that the text still needs more specifics and prioritization, most were expecting a "crunch" time for negotiations over the coming days. The arrival of ministers for the high-level segment starting on Wednesday morning only adds to the pressure, and many delegations are anticipating a revised Chair's text at some stage.

Another issue generating interest in the corridors was the question of who might chair CSD-14. With Eastern Europe in line for the job this time around, some observers detected differences of opinion within this group.