

CSD-15 HIGHLIGHTS:

FRIDAY, 4 MAY 2007

On Friday delegates met in parallel sessions of the two working groups to continue reading the Chair's revised draft negotiating document, distributed on Wednesday afternoon. Working Group 1 considered air pollution and atmosphere, and energy for sustainable development, and Working Group 2 discussed climate change, and inter-linkages and cross-cutting issues.

AD HOC WORKING GROUP 1

AIR POLLUTION/ATMOSPHERE: This session was facilitated by Vice-Chair Alain Edouard Traore (Burkina Faso). Following general comments, the Group negotiated text, and completed its first reading in the morning.

The EU proposed rewording the introductory paragraph. SWITZERLAND suggested that climate change can benefit from reduction of air pollution. The US expressed concern over introduction of extensive new text and adding language on climate change, and cautioned against renegotiating previous decisions. The G-77/CHINA, noting the continuing enlargement of the negotiating text, proposed reverting to relevant IPM language for the chapeau.

Numerous amendments and brackets were introduced in the text. ICELAND suggested including a reference to switching to geothermal energy, and the G-77/CHINA proposed deleting references to specific best practices. The EU proposed adding WHO global air quality guidelines. On the promotion of air quality standards to control emissions from industry and transport, the G-77/CHINA added a proviso on "country priorities and circumstances." JAPAN suggested deleting the reference to reduction of emissions from aviation and maritime sources. NEW ZEALAND, supported by CANADA, JAPAN and the US, proposed deleting the paragraph on controlling the export of second hand and polluting technology.

AZERBAIJAN requested removing text on renewable energy technologies in reference to expanding the use of cleaner technologies. On strengthening vehicle inspection procedures, the EU, JAPAN, ISRAEL, REPUBLIC OF KOREA, and the US, supported removing reference to "exported vehicles." MEXICO, supported by the EU, proposed text that suggested developing "national standards" in addition to market incentives to improve fuel and vehicle efficiency.

On regional, subregional and international cooperation, the EU proposed general text on strengthening international governance and improving synergies and cooperation between relevant actors. The US, with AUSTRALIA, suggested language

that replaced reference to "enforce international control" with "facilitate efforts to prevent" the illegal trade and shipment of ozone-depleting substances.

On means of implementation, language on the promotion of investment and partnerships for sustainable transport systems, and on the transfer of waste disposal and recycling technologies to developing countries received no requests for changes. JAPAN proposed removing reference to technology transfer "on preferential terms," and AZERBAIJAN urged reference to assisting "countries with economies in transition" in addition to developing countries. MEXICO proposed language that combined text on establishing emission inventories with assessing the impacts of air pollution. The G-77/CHINA cautioned against making substantial alterations and reserved the right to renegotiate the text.

ENERGY FOR SUSTAINABLE DEVELOPMENT: This session was facilitated by Vice-Chair Frances Lisson (Australia). Discussion was resumed on the energy chapter, which was deferred from Thursday pending the outcome of G-77/China consultations. The G-77/CHINA said they reserved the right to revisit some paragraphs at a later stage.

The G-77/CHINA proposed new language for the chapeau, which the EU said did not reflect the WSSD decisions. The G-77/CHINA suggested a lengthy text on the deployment and use of advanced fossil fuel technologies, and an increase in renewables, while recognizing the role of national and voluntary targets. He also said he reserved the right to offer text on how to list renewable resources. Language was also added on building the resilience of energy-related infrastructure to disasters.

The EU offered text on national and international energy efficiency standards, consumer participation and energy efficient transport. AZERBAIJAN opposed the EU's proposal to adopt time-bound targets on renewables. The RUSSIAN FEDERATION joined this opposition, and added a new paragraph on encouraging open and competitive markets for energy production, supply, use and transit. AUSTRALIA proposed text on energy efficiency to specify policies, regulations and standards "at the national level." The EU proposed language to "initiate" instead of "consider initiating" a process for an international agreement on energy efficiency, whereas the US, supported by JAPAN and the REPUBLIC OF KOREA, suggested text to "promote international efforts on energy efficiency."

On regional, subregional and international cooperation, the EU proposed additional text on, *inter alia*, strengthening support for WSSD partnerships, bioenergy, a review arrangement for energy for sustainable development, progress reports facilitated by UN-Energy, and a review of JPOI commitments

and CSD decisions on energy in 2010/2011 and 2014/2015. JAPAN expressed uncertainty about the EU's proposed review mechanism. AUSTRALIA suggested bracketing text on expanding support from international financial institutions and GEF for energy efficiency.

On means of implementation, the EU proposed language on, *inter alia*, synergies between "financial instruments for access to energy," investment for renewable energy and energy efficiency projects, and a transition to cleaner fossil fuels. The EU proposed replacing reference to increasing investment in carbon capture and storage technologies with increasing investment in renewable energy. ICELAND, with JAPAN, suggested adding language supporting hydrogen technologies, and NORWAY proposed text on cooperation between utilities. SWITZERLAND recommended language on mechanisms to fairly distribute revenues from energy resources within producer countries.

AD HOC WORKING GROUP 2

CLIMATE CHANGE: This session was facilitated by Vice-Chair Luiz Alberto Figueiredo Machado (Brazil). The Group negotiated text, and completed its second reading in the afternoon.

Numerous amendments and brackets were introduced in the text. The G-77/CHINA proposed new paragraphs and reserved the right to return to paragraphs on which it had yet to formulate its position.

NORWAY, supported by ICELAND, introduced a reference to a "shared vision" on climate change. CHILE supported, and the US opposed, language which SWITZERLAND proposed and amended to "climate change is largely caused by human activities."

The EU and SWITZERLAND supported, and AUSTRALIA, CANADA, JAPAN and the US opposed, language on post-2012 negotiations. The US, supported by AUSTRALIA, CANADA and JAPAN, favored a concise statement on scientific findings. AUSTRALIA suggested taking text directly from the IPCC's Report, and the EU said it could accept a general reference to recent IPCC findings. JAPAN and AUSTRALIA opposed a reference to security implications of climate change.

On reducing emissions, AUSTRALIA, CANADA, JAPAN and the US supported a statement requiring countries to take actions to meet "all UNFCCC commitments and obligations." On linking climate change policies with other policies and measures, ICELAND supported listing the energy sources and adding "technologies." The US supported linking climate policies with "sustainable energy policies." The G-77/CHINA suggested a paragraph "to develop and disseminate innovative technologies" on "key sectors of development."

The G-77/CHINA endorsed Tanzania's suggested paragraph on adaptation. The EU, supported by AUSTRALIA and JAPAN suggested replacing the phrase "increase the financial and technical support" with "continue to support" developing countries to meet their adaptation challenges.

The G-77/CHINA, CANADA, JAPAN and the US requested deleting the EU's paragraph on incentives to enhance use of market-based mechanisms, including the carbon market.

On integrating climate change risks into poverty reduction strategies, the G-77/CHINA opposed a Norwegian proposal to refer to "official development aid strategies" as it is a "loaded political issue."

PALAU opposed carbon capture and storage, the G-77/CHINA reserved comment, and the EU, CANADA, JAPAN and the US agreed to insert a reference to "environmentally sound" technology. CANADA, supported by AUSTRALIA, JAPAN and the US introduced the phrase "continue to advance" initiatives. AUSTRALIA, CANADA, JAPAN and the US suggested deleting the EU's reference to developing such technology within the "necessary technical, economic and regulatory framework."

On a longer term strategy to respond to climate change, the US, supported by CANADA, suggested a reference to promoting "sustainable economic growth." On increasing community resilience to climate change related disasters, the EU, JAPAN, CANADA and the US agreed on including actions to tackle "integrated water resource management." The G-77/CHINA endorsed Zimbabwe's proposal to insert "enhancing indigenous coping strategies."

In the section on international, regional and subregional cooperation, the G77/CHINA sought clarification of the terms in the title. JAPAN, supported by AUSTRALIA and CANADA suggested deleting the paragraph on funding mechanisms for adaptation activities given ongoing work under the UNFCCC. On access to technology, JAPAN, supported by the EU, AUSTRALIA, CANADA and the US, proposed revised wording to "promote the development, demonstration and deployment of technology for adaptation and mitigation, and transfer of these technologies to SIDS, LDCs and LLDCs." On capacity to predict and cope with impacts of climate change, AUSTRALIA, supported by JAPAN and the US, proposed promoting "capacity building at the national level in earth system monitoring and assessment, and reporting of climate change variables." On action to reduce adverse impacts, US, supported by AUSTRALIA, CANADA and JAPAN, proposed continued development of partnerships to reduce adverse impacts of climate change. On developing insurance schemes and arrangements, SWITZERLAND proposed deleting "by industrialized countries." There was general agreement to prioritize SIDS, LDCs and Landlocked Developing Countries.

INTER-LINKAGES AND CROSS-CUTTING ISSUES: This session was facilitated by Vice-Chair Jiří Hlaváček (Czech Republic).

In the chapter on inter-linkages and cross-cutting issues, including means of implementation, the Chair's text contains two paragraphs, including actions to be taken. In the introductory paragraph, G-77/CHINA queried the meaning of "co-benefits," the EU suggested including reference to "lifestyle changes" and NORWAY, supported by CANADA, emphasized public participation and the role of women.

In the paragraph on actions to be taken, the EU, explaining that it had major changes, offered to submit text to the Secretariat. On reference to the 0.7% ODA target, the G-77/CHINA favored, and the US opposed, its inclusion. The EU suggested replacing a paragraph on international finance with wording from the 2005 World Summit. On innovative financing, the US preferred "a variety of financing methods" and a reference that the Clean Development Mechanism is only available to parties to the Kyoto Protocol.

IN THE CORRIDORS

As the first week of the CSD drew to a close, in addition to the "paragraph creep" (some called it "explosion") across Working Groups, a virtual "love fest" between industrialized countries is emerging on some less-fundamental climate issues. In the discussions on climate change, a second reading of the text was completed at a "cracking good pace." As several delegates pointed out, however, this is because the G-77/China has yet to formulate its position on much of the text. Things seemed less cozy in Working Group 1 where intense differences on energy options gave birth to lengthy new additions offered by the EU and the G-77/China.

It is likely that delegates are merely "laying the ground" for long days and nights in the coming week negotiating "hotly contested issues." With deepening divides within the G-77/China on carbon capture and storage technologies and energy policies, and between some industrialized countries on references to post-2012 negotiations, the stage is set, as one delegate wryly observed, for "negotiation by exhaustion."