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CSD HIGHLIGHTS THURSDAY, 20 APRIL 1995

DRAFTING GROUP A

The Chair, Magnús Jóhannesson (Iceland), opened the meeting with a minute of silence to honor those who were killed in the Oklahoma bombing.

The G-77/China said that it had not discussed the drafts on changing consumption patterns and trade, environment and sustainable development and requested that discussion be deferred until Friday. The G-77/China also announced that it had reformulated the Chair's drafts on poverty and demographics and that the texts would be distributed later in the day.

FINANCIAL RESOURCES AND MECHANISMS: In **paragraph 3** (ODA), the G-77/China added references to the decline of ODA in absolute terms. The US objected. The US proposed qualifying the ODA target in **sub-paragraph 5(a)** (new approaches to ODA) as the "0.7% target for those countries which have accepted it." The G-77/China objected. The US proposed a reference to reform measures in recipient countries in **paragraph 5(d)** (public support in donor countries for raising ODA).

The EU called for a reference in **paragraph 7** (trends in private capital flows) to reflect the positive contributions of private capital to sustainable development. In **paragraph 8** (private foreign investment), the G-77/China referred to international safety nets to address the negative effects of private capital outflow from developing countries. The US reserved its position.

In **paragraph 9** (debt relief), the EU and Australia proposed a reference to the implementation of the Naples Terms. The G-77/China wanted to delete references to the efforts of the Paris Club to improve terms for debtor countries.

In **paragraph 10** (innovative measures), the EU and others proposed deleting the reference to debt-for-equity swaps, arguing that the concept is ambiguous. The G-77/China requested specific language on commitments for developed countries. In **paragraph 12** (IFIs), the G-77/China called for additional funds for the Bretton Woods institutions to support sustainable development efforts. The US objected to any language that would bind these bodies. In **paragraph 14** (GEF), Canada, supported by the EU and Australia, felt that the paragraph did not reflect the GEF's progress and that it was premature to advocate further replenishment. The G-77/China objected and Colombia referred to previous CSD recommendations for additional replenishments. Japan objected to directing the GEF in any way. India highlighted key problems with the GEF, in particular, the extremely slow appraisal process, which takes about 3½ years. In **paragraph 15** (other funding sources), the

G-77/China objected to efforts to direct national action. The US supported its retention. The G-77/China called for deletion of **paragraph 16** (environmental taxes). The US, the EU and Canada objected and expressed frustration with the G-77 and China's attempts to replace specific recommendations of the intersectoral working group with general reiterations of Agenda 21. Similar arguments were raised regarding **paragraph 17** (benefits of economic instruments) and **paragraph 18** (obstacles to economic instruments). In **paragraph 20** (economic instruments studies), Australia added a reference to the need to dismantle environmentally unfriendly subsidies. The G-77/China called for deletion of the entire paragraph. The US objected.

Despite the Chair's appeal, the G-77/China called for the deletion of **paragraphs 20-29**, which deal with economic instruments. In **paragraph 30** (CO₂ permits and joint implementation), the US and the EU called for recognition of the results of the Climate Change Convention COP. The G-77/China called for deletion of **paragraph 32** (application of innovative mechanisms to the sectors). The EU, US and Australia disagreed. Morocco said that the complexities of the economic instruments are not fully understood and may present tremendous difficulties for developing countries.

The US called for references to intellectual property rights in **paragraph 33** (transfer of ESTs) and to national capacity building policies in **paragraph 34** (transfer of ESTs and biotechnology). The G-77/China proposed deleting **paragraph 35** (investment in EST). The EU and the US objected.

In **paragraph 36** (financing of ESTs), the EU reserved on the reference to EST rights banks.

There was a lengthy discussion about the merits of **paragraph 43**, which summarizes the key proposals in the draft. The G-77/China called for its deletion, arguing that it merely reiterated the proposals outlined in the draft. The US and the EU called for its retention.

DRAFTING GROUP B

Drafting Group B, chaired by Takao Shibata (Japan), was only able to consider the draft on technology transfer during its meeting Thursday afternoon.

TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY, COOPERATION AND CAPACITY BUILDING: Section A. The Commission on Sustainable Development: In **paragraph 4** (favorable access to ESTs), the US and Australia reserved its position on the G-77/China's proposed paragraph that: cites Chapter 34 of Agenda 21; stresses ESTs on concessional and preferential terms; and notes the broadening of the concept of transfer of technology and the limitations of

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markets. The G-77/China proposed a new **paragraph 5 bis** recalling Agenda 21's support for developing countries' access to ESTs and know-how. The EU proposed a **paragraph 5 bis**, which recalls that the private sector has the primary role in technology transfer.

Section B. The Commission's Work Programme: In **paragraph 6** (commitments), the G-77/China added sub-paragraph 6(4), calling on UN agencies and other relevant bodies to survey and assess ESTs and report to the fourth session of the CSD; and sub-paragraph 6(5), calling for a technology triangle at the national level. The EU proposed new sub-paragraph 6A(1), welcoming information systems on EST initiated by UNEP, and inviting the agency to report to the fourth session of the CSD. In **paragraph 7** (measures to assess ESTs), the G-77/China proposed a new sub-paragraph that calls for the establishment of EST centers. Other amendments to paragraph 7 called for assessment of ESTs, and a role for EST centers in the transfer of ESTs to the private sector in developing countries. In sub-paragraph 7(4) (environmental performance indicators), the US, supported by the EU, deleted "commonly agreed targets and goals."

Section C. Financial Arrangements: In **paragraph 8** (strengthening EST partnerships), the G-77/China inserted a reference to new and additional financial resources and the benefits of a shift to waste management technology for materials and energy use. The EU deleted references to financial and fiscal incentives to facilitate EST transfers and inserted references to the enabling role of governments. In sub-paragraph 8(5) (government action on external investment), the US inserted a reference to increasing EST investment through internalization of costs in competitive markets, such as through economic instruments and regulatory policies.

DRAFTING GROUP C

Drafting Group C convened Thursday morning to consider the Chair's draft on sectoral issues and biotechnology (Chapters 10-16). Chair Henry Aryamanya-Mugisha (Uganda) asked the US delegation to express the group's sympathy to relatives of the explosion victims in Oklahoma City, and asked for a minute of silence.

Discussion on forests was postponed until the annex on the forest panel was distributed. Discussion on mountains was deferred until Friday at the request of the EU.

OVERALL CONSIDERATIONS: The EU and the US observed that some parts of the text are not faithful to the decisions of the intersessional working group. In **paragraph 1** (integrated approach), the G-77/China and Malaysia added references to conservation of biodiversity and sustainable use of its components. In **paragraph 4** (sharing scientific knowledge and technology transfer), Australia suggested using language from the Biodiversity Convention.

INTEGRATED APPROACH TO THE PLANNING AND MANAGEMENT OF LAND RESOURCES: The US, the EU, Japan and the G-77/China disagreed over the latter's proposed references to new and additional financial resources and technology transfer. The EU proposed deleting **paragraphs 7** (human-induced soil degradation) and **8** (convergence of poverty, hunger and environmental degradation), but China objected. In **paragraph 9** (integrated approach), Australia added references to water and the "efficient" meeting of land-use needs. The G-77/China added that land allocation must satisfy needs in a "sustainable" way, and deleted "taking into account conservation requirements." In **paragraph 14** (uneven pace of implementation), Australia added a reference to community-driven approaches and, in **paragraph 15** (time-frame priorities), Australia inserted a reference to "sustainable production." In **paragraph 16** (national land use programmes), Australia, supported by the US, added reference to local land-use planning programmes. In **paragraph 18** (government and UN system cooperation), the G-77/China added sub-paragraph 18(e) linking new environmental technology and

financial resources to implementation of Chapter 10. In sub-paragraph 18(c) (land and water conflicts), the EU added a reference to freshwater issues.

COMBATING DESERTIFICATION AND DROUGHT: The US proposed beginning with **paragraph 28**, which stresses the implementation of the Convention to Combat Desertification.

Japan, the EU, Saudi Arabia and the US proposed the deletion of the statistics on the economic loss caused by desertification in **paragraph 26**. Burkina Faso and Algeria disagreed since the statistics highlight the economic dimension of desertification. Sweden, supported by Australia and Algeria, proposed a new **paragraph 28 bis** that underlines the four pillars of the Convention.

The EU felt that **paragraph 32** (improving scientific knowledge), should emphasize the great wealth of existing data and information on desertification. The US did not want to "develop a monitoring system" since this would go beyond the provisions of the Convention and create a new institution.

PROMOTING SUSTAINABLE AGRICULTURE AND RURAL DEVELOPMENT: In **paragraph 49** (liberalizing agricultural trade), the G-77/China proposed language on the impacts of trade policies on developing countries. Australia, on behalf of the Cairns Group, proposed a substitute paragraph on the need for additional initiatives for an agricultural trading environment that supports sustainable development. Japan and the US preferred the language in the report of the working group on sectoral issues, which attaches more importance to the Final Act of the Uruguay Round.

The G-77/China proposed a new **paragraph 50 bis** on the adverse environmental consequences of production-distorting agriculture policies in industrialized countries. In **paragraph 50**, the US did not think the FAO is the proper body to analyze the implications for sustainable agriculture and rural development (SARD) in the Final Act of the Uruguay Round.

The EC, supported by Japan and Saudi Arabia, proposed replacing **paragraphs 55-57** (energy for rural development) with language that encourages governments to integrate action on energy into their efforts for SARD and to support developing countries in their transition to an appropriate mix of fossil and renewable energy sources. Argentina also proposed deleting paragraphs 56 and 57.

New Zealand wanted to delete **paragraph 58** that invites the FAO to broaden the mandate of the Commission on Plant Genetic Resources.

THINGS TO LOOK FOR TODAY

DRAFTING GROUP A: This group, which meets in Conference Room 1 at 10:00 am, is expected to review the G-77/China texts on combating poverty and demographic dynamics and sustainability. The group will also try to complete its first reading of the draft decisions on changing consumption patterns and trade, environment and sustainable development. It is possible that an informal-informal meeting will convene in the afternoon to discuss the revised draft on financial resources and mechanisms.

DRAFTING GROUP B: This group will meet in Conference Room 2 at 10:00 am and 3:00 pm. The Chair hopes to finish the first reading of all the remaining draft decisions.

DRAFTING GROUP C: This group will meet in Conference Room 1 at 3:00 pm. The Chair hopes to start with sustainable mountain development, followed by biodiversity and biotechnology. If there is time and the document is distributed, the group may consider the draft decision on forests.

COMPREHENSIVE FRESHWATER ASSESSMENT: The Stockholm Environment Institute will host a briefing on its work on the Comprehensive Freshwater Assessment today at 1:15 in Conference Room 9.