



SUMMARY OF THE FIRST SESSION OF THE *AD HOC* INTERGOVERNMENTAL GROUP OF EXPERTS ON ENERGY AND SUSTAINABLE DEVELOPMENT: 6-10 MARCH 2000

The *Ad Hoc* Open-Ended Intergovernmental Group of Experts on Energy and Sustainable Development, established by the UN General Assembly to prepare input for the ninth session of the Commission on Development (CSD-9), met in New York from 6-10 March 2000. The Expert Group considered Reports of the UN Secretary-General on Energy and Sustainable Development: Key Issues, and on National Submissions, and produced a Co-Chairs' Summary of the discussions. Delegates also agreed on an intersessional programme of work and a provisional agenda for their next session, prior to CSD-9.

Even though the mood and pace at the meeting was less than energetic, delegates left with a clearer sense of what was expected of the Expert Group. Factors that colored the week's deliberations included the low level expert representation, resistance to consider heavily politicized issues and tensions over the status of inputs.

A BRIEF HISTORY OF THE CSD

The CSD emerged from Agenda 21, the programme of action adopted by the 1992 UN Conference on Environment and Development (UNCED). Agenda 21 called for the creation of the CSD, to: ensure effective follow-up of UNCED; enhance international cooperation and rationalize intergovernmental decision-making capacity; and examine progress in Agenda 21 implementation at the local, national, regional and international levels. In 1992, the 47th session of the UN General Assembly set out, in Resolution 47/191, the terms of reference for the Commission, its composition, guidelines for the participation of NGOs, the organization of work, the CSD's relationship with other UN bodies, and Secretariat arrangements. The CSD held its first substantive session in June 1993 and has met annually since then.

In June 1997, five years after UNCED, the General Assembly held a Special Session (UNGASS) to review implementation of Agenda 21. Negotiations, held in a Committee of the Whole, as well as several ministerial groups, produced a Programme for the Further Implementation of Agenda 21. Among the decisions adopted at UNGASS was the CSD work programme, which identifies sectoral, cross-sectoral and economic sector/major group themes for the subsequent four sessions of the Commission. Overriding issues for each year were to be poverty and consumption and production patterns.

The sixth session of the CSD met from 20 April to 1 May 1998. Participants considered the economic theme of industry and the sectoral theme of strategic approaches to freshwater management. They also reviewed implementation of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States and discussed the cross-sectoral themes of technology transfer, capacity building, education, science and awareness raising.

The seventh session of the CSD met from 19-30 April 1999. Participants considered the economic theme of tourism, the sectoral theme of oceans and seas and the cross-sectoral theme of consumption and production patterns. They also prepared for the UN General Assembly's Special Session to review the Barbados Programme of Action.

THE CSD AND ENERGY: UNGASS adopted the Programme for the Further Implementation of Agenda 21, which includes the multi-year programme of work for the CSD. The programme of work mandates CSD-9 to consider the sectoral theme of atmosphere/energy. The Special Session recognized the complexities and interdependencies inherent in addressing energy issues within the context of sustainable development and mandated the utilization of an Expert Group. A CSD-7, the Open-Ended *Ad Hoc* Intergovernmental Group of Experts on Energy and Sustainable Development was formally established to prepare inputs to CSD-9. Governments, civil society and other major groups, including the private sector, were called upon to actively participate in the preparatory process.

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REPORT OF THE MEETING

On Monday morning, 6 March, Choi Seok-Young (Republic of Korea), a member of the CSD Bureau, opened the first meeting of Expert Group on behalf of CSD Chair Juan Mayr (Colombia). Mohammed Reza Salamat (Iran) was elected by acclamation to Co-Chair the group. Following a requested vote by secret ballot, Irene Freudenschuss Reichl (Austria) was also elected Co-Chair. Marcio Nunes (Brazil) and Jaroslav Maroušek (Czech Republic) were elected as Vice-Chairs. The election of one other Vice-Chair was postponed pending a nomination from the African Group. Following the ballot, the G-77/China said that political issues should not be allowed to intrude in an expert process.

In their opening remarks, the Co-Chairs stressed the need for constructive dialogue to enhance the mutual understanding of views and concerns on energy within the context of sustainable development. Delegates then adopted the Agenda and Programme of Work (E/CN.17/ESD/2000/1).

The Group first considered the World Energy Assessment (WEA), which addresses, *inter alia*: why the present energy system is not sustainable; the need for a paradigm shift to sustainability; available solutions; future scenarios; issues and options; and current work on energy and sustainable development. Delegates then participated in a panel discussion on global energy trends, financing, investments, sustainable energy and sustainable development. The panelists were drawn from the Organization of Petroleum Exporting Countries (OPEC), the International Energy Agency (IEA), the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF).

On Tuesday, 7 March, the Expert Group heard general statements from country delegations, UN agencies and regional commissions and NGOs. Delegates also began exchanging views on the key issues raised in the Reports of the UN Secretary-General on Energy and Sustainable Development: Key Issues (E/CN.17/ESD/2000/3) and National Submissions (E/CN.17/ESD/2000/2). The first draft Co-Chairs' Summary of the discussions on the key issues was considered on Wednesday, at which time the Group raised a number of issues for inclusion in a revised summary. A second draft version was discussed on Thursday, following consideration of the programme of work for the intersessional period and the provisional agenda for the Expert Group's second session. Delegates dwelled at length on the nature of the document and procedural issues, and agreed that the draft summary was not a negotiated document and did not represent a consensus, but rather reflected both shared and contested views of countries and groups of countries on the identification of and approaches to key issues. A third and final revision of the Co-Chairs' Summary was distributed on Friday during the closing Plenary.

CO-CHAIRS' FINAL SUMMARY OF THE DISCUSSION ON KEY ISSUES ON ENERGY AND ENVIRONMENT

The following is a synopsis of the third and final version of the Co-Chairs' Summary of the discussions on key issues and organization of work for the second session. A brief outline of some of the debates on the two draft summaries that preceded the final version is also included to illuminate the history of debate leading up to the preparation of the final Summary.

INTRODUCTION: This section outlines the history of the mandate for the *Ad Hoc* Intergovernmental Group of Experts on Energy and Sustainable Development, summarizes the work of the first session, and outlines its *modus operandi* leading up to CSD-9.

In discussions held on Thursday, 9 March, the EU, opposed by the G-77/China, pressed for special reference to essential points from the EU background paper (E/CN.17/ESD/2000/4), most notably market

reform and the internalization of externalities. Referring to the background paper that had been submitted to the Secretariat, he challenged the view that only those points elaborated on the floor of the meeting could be reflected in the Co-Chairs' Summary. The G-77/China said he would "tear a document to pieces" if its contents had not been presented for consideration by the intergovernmental process. He stressed the Group's key interests in technology transfer, capacity building and finance for sustainable development. Brazil called on the EU to refrain from introducing politicized debates on issues such as pricing and market reform. The EU responded that the issues of internalizing externalities and market reform were as relevant to the work of the Expert Group as they were intimately tied to the issue of energy in the context of sustainable development. The US, the UK and the EU expressed concerns with the implication that the content of the Co-Chairs' Summary enjoyed the support of the Group as a whole.

The final text traces the mandate of the Expert Group back to the decision by the 19th Special Session of the General Assembly. The work of the first session is outlined, together with an indication that preparations for CSD-9 should build on Agenda 21, UNGASS, and other international documents and processes with a bearing on energy and sustainable development. The section states that the Expert Group will benefit from exchange of information with other intergovernmental processes, consider the special circumstances of developing countries, and emphasize the expert nature of its work and its overall objective. The Expert Group process will endeavor to provide information for decision-makers for their consideration in policy development.

SECTION TWO: KEY ISSUES FOR CONSIDERATION BY CSD-9: This section contains eleven subsections dedicated to each of the key issues prioritized during discussions at the first session of the Expert Group.

An attempt by Saudi Arabia to delete or edit text in the second draft Co-Chairs' Summary that implied that fossil fuel use is unsustainable was opposed by the EU. The G-77/China and Saudi Arabia disputed a statement that "current energy systems do not support the goals of sustainable development." Iceland and the UK preferred language in the first draft Co-Chairs' Summary, which describes the current unsustainable pattern of production and use of energy.

The final text notes that technical work will be required during the preparatory process leading up to CSD-9, to promote a common understanding of the challenges and constraints inherent in the concept of energy for sustainable development. It states that progress will be determined by factors such as socio-economic conditions, stages of development and political will.

Accessibility of Energy: This section notes that access to energy is crucial to the achievement of economic and social development, poverty alleviation and addressing environmental concerns.

The G-77/China said that accessibility of energy does not simply depend on market stability, and called for low-cost financing schemes for developing countries. Switzerland opposed Saudi Arabia's proposal to delete references to the diversification of energy sources and on information and enhanced transparency. Finland underlined the acute problems of fuel access in some countries. Denmark called for the promotion of environmentally sound and economically advantageous solar, wind, biomass and ocean-based technologies.

The final text notes the need to deliver energy services reliably, affordably, economically and in an environmentally sound and socially acceptable manner, particularly in developing countries. Diversification of energy sources is underlined. The section also notes:

- measures to enhance security of supply and demand, and market stability;
- the need to address the growing problem of access to sustainable



fuel wood;

- the increasing importance of electricity in the energy mix;
- the array of new challenges for the power sector in developing countries;
- the possible contribution of liberalization of electric power markets;
- rural electrification;
- solar, wind, biomass and ocean-based technologies;
- investments in cross border infrastructure; and
- transport of energy products.

Energy Efficiency: This section notes the need to increase the efficiency of current conventional energy production, conversion, transportation, distribution and use.

The G-77/China remarked that he saw portends for the intergovernmental process after Denmark called for new sections on energy pricing and market reforms, with recognition of regional variations. He explained that the introduction of proposals on certification, labeling, pricing and market reform would lead to these elements becoming conditionalities for developing countries unless they were introduced as part of a package that also included technology transfer, capacity building and treatment of financial flows. Egypt called for references to “energy for sustainable development” rather than “sustainable energy.”

The final text notes the large gains achievable in all types of energy technology and economic sectors, urges consideration of energy policies for accelerated development alongside technological adaptation to reduce the growth of energy use, and discusses investment, technology transfer, and national institutional and legal frameworks. It also notes the need for attention to long-term planning, energy conservation, and addresses energy efficiency, international cooperation for technology adaptation, and public awareness.

Renewable Energy: This section notes the importance of renewable energy, with due consideration to cost effectiveness.

In early exchanges before the Co-Chairs prepared their first draft, the International Union for the Conservation of Nature (IUCN) expressed concern at the G-77/China’s emphasis on conventional energy sources and their rejection of “leap frogging” to cleaner and more efficient energy sources. The IUCN recalled that the WEA report had clearly demonstrated that a conventional high technology resource path would be so capital intensive that it would leave little room for spending on other critical needs in developing countries. The G-77/China, with Venezuela, sought to use language on subsidies from Agenda 21 and UNGASS, while Saudi Arabia called for the deletion of a paragraph on this issue. Egypt described an EU call for an increased role for renewables in the least developed countries, as too ambitious. Saudi Arabia proposed deleting a paragraph on investment initiatives for renewable technologies, describing them as subsidies.

The final text notes that an increased role for renewable energy will be linked, in developing countries, to technology transfer and availability, and capacity building. It also addresses: the role of research; market expansion to reduce the costs of technologies; information gathering on the availability of renewables; and investment initiatives, including the requirement for bilateral and multilateral assistance. The section also deals with market analysis and public awareness, and addresses costs and other constraints in developing countries.

Advanced Fossil Fuel Technologies: This section notes the need to promote, research, develop and use advanced and cleaner fossil fuel technologies. It calls on the international community to cooperate in the dissemination and transfer of such advanced technologies, in their operation and in financing their use.

Nuclear Energy Technologies: This section acknowledges that nuclear energy will continue to contribute to the overall energy mix, and notes the need to find acceptable responses to concerns such as reactor safety, radioactive waste management, proliferation of fissile material and life cycle costs.

In discussing this issue, there was disagreement over whether nuclear energy should be considered as a means to achieve sustainable development. The Russian Federation, Iran and Canada supported nuclear energy as an option for sustainable development, while Italy, Austria, Denmark, Ireland, Belgium, the Republic of Korea and the Netherlands objected. Colombia noted that one nuclear accident is more lethal for the environment and health than an accident involving other energy sources.

Rural Energy: The Co-Chairs’ summary underlines the challenge of providing affordable energy services that are designed to meet local needs, such as water supplies, to rural areas. Discussions on this issue underscored the need to include energy for production and income generation when considering access to energy for the rural and urban poor. The Food and Agriculture Organization (FAO) underscored the role of energy in enhancing agricultural productivity. The EU emphasized the use of domestic resources and the role of the private sector in providing rural energy.

The Co-Chairs’ Summary states that financing mechanisms for rural energy services should be designed to maximize local ownership by extending credit at low cost to the local community, and by introducing other innovative financial mechanisms. It recognizes that this will require domestic resources and both national and international cooperative efforts to mobilize additional resources. It also notes the social and economic benefits of enabling women in rural areas to become beneficiaries of environmentally sound energy technologies.

Energy and Transportation: This section acknowledges that transportation is the fastest growing energy-consuming sector, and notes the potential that exists in using alternative fuels and additives. It notes that there are a number of possible policies to encourage faster uptake of alternative fuels and reduce the negative environmental impacts of transportation. It states that initiatives should build on existing industrial and manufacturing agreements, which establish guidelines for improved product efficiency. During discussions on Wednesday, 8 March, Saudi Arabia suggested deleting reference to “negative environmental and social impacts of transportation” and reference to encouraging uptake of alternative fuels. Switzerland and the Russian Federation underscored the development and promotion of public transportation, while Austria and Denmark called for the adoption of efficient transportation policies.

Technology Transfer: This section addresses the need to identify the transfer of energy technologies in order to achieve energy for sustainable development. During initial discussions on this issue, the G-77/China highlighted technology transfer and adaptation, as well as the removal of barriers to these. He proposed including the concept of capacity building with technology transfer to ensure maintenance of a sustainable energy supply. The Russian Federation emphasized the importance of scientific cooperation and technical research, the commercialization and marketing of cleaner technologies, and the role of technology leadership.

The final text notes the need to remove constraints and barriers to the effective transfer of energy technologies, and to consider international cooperation that encourages local development, adaptation, operation and maintenance of environmentally sound technologies. It recognizes the important but differentiated contributions of the public and private sectors in efforts to enhance scientific and technical cooperation, and emphasizes the role of government in developing and fostering enabling policy, legal and institutional frameworks.



Capacity Building: This section outlines the role of capacity building in international cooperation activities. It recognizes that education and awareness levels of end-users should be raised to promote the acceptability of many environmentally sound energy technologies, and underscores the need to support increased civil society participation in national and international project development.

Mobilization of Financial Resources: This section highlights the need for additional financial resources for sustainable energy, and identifies specific measures aimed at promoting such resources. During the discussion on the section, the UN Economic Commission for Europe (ECE), with Switzerland, suggested that the opportunities offered by the Kyoto Protocol's mechanisms should be fully exploited. Venezuela, supported by the G-77/China, Indonesia and Tunisia, objected to the proposal, noting that the Protocol is not yet in force. Indonesia, with the G-77/China, said the ECE's proposal was an attempt to dilute the use of overseas development assistance (ODA). Canada suggested using ODA funding for "capacity building" for sustainable energy development, while the US suggested that such funding should be "to support" developing countries. The EU emphasized the importance of enhancing the effectiveness of existing financial resources, and called for specific sections on price incentives and market reform. Nepal emphasized the need for structural reforms in the energy sector. On the question of subsidies, the Russian Federation added the qualifier "environmentally harmful subsidies," suggesting that these apply to production not consumption. Denmark emphasized the environmental and economic inefficiency concerns surrounding subsidies. The US noted that not all developing countries are hampered by debt problems.

The final text notes the need for substantial new and additional financial resources to support developing countries' efforts to move towards sustainable energy practices. It calls on multilateral financial institutions to strengthen their financial assistance, and notes the importance of an enabling environment for attracting private investment, including increased privatization, market liberalization and the gradual removal of harmful subsidies. It notes that the importance of the internalization of externalities to achieve accurate price signals was highlighted, and that concerns were also raised on this matter. It further notes that the external debt problem could continue to hamper developing countries in achieving sustainable development, and highlights the need to provide for the protection of biodiversity when investing in the development of new energy sources.

International and Regional Cooperation: This section deals with the important role of international and regional cooperation in addressing the challenges of sustainable development. During the discussion, the G-77/China pressed for the cancellation of unsustainable foreign debt and for increased ODA and foreign direct investment flows. A proposal from Switzerland on the use of the Kyoto Protocol mechanisms, Joint Implementation and the Clean Development Mechanism, was opposed by Venezuela, who pointed out that the Protocol has not come into effect. Canada supported public-private partnerships to enhance capacity building in developing countries. Nepal and the Russian Federation called for regional cooperation on energy transmission as well as retail energy distribution.

The final text identifies roles for: UN regional commissions and other regional organizations; regional energy cooperation agreements; and energy policy and planning. Donors and international financial institutions and the UN are asked to pay particular attention to least developed countries (LDCs). A final paragraph calls for an intensification of international cooperation, both North-South and South-South, in order to create environmentally sound, cost effective and affordable energy systems and promote energy efficiency.

ANNEX I: PROGRAMME OF WORK BETWEEN THE FIRST AND SECOND SESSIONS OF THE EXPERT GROUP:

The Expert Group considered its intersessional work programme on Thursday, 9 March, and adopted the draft programme of work during the closing plenary. The Group welcomed the proposals to hold expert meetings and consultations, particularly those at the regional level. (*Editors' Note: Some of these activities are listed below in the "Things to Look For" section of this report.*)

The Programme of Work takes note of information provided by delegates and representatives of UN regional bodies and agencies, on ongoing or planned expert activities on energy and sustainable development. The G-77/China welcomed the announcements on intersessional events, but stressed that the outputs of these activities should serve only to inform the intergovernmental meetings.

The Programme of Work states that any decisions on policy recommendations to be presented at CSD-9 will rest with the Expert Group. All countries and organizations planning or proposing activities are called on to ensure the open-ended, transparent, participatory and representative nature of their initiatives, as well as the balanced and active involvement of developed and developing countries and relevant stakeholders.

During the period leading to the second session of the Expert group, views on key issues will be solicited from governments and case studies will be compiled on specific issues under discussion.

ANNEX II: PROVISIONAL AGENDA FOR THE SECOND SESSION THE EXPERT GROUP: The Provisional Agenda produced by the Expert Group includes consideration of the key issues for sustainable development in tandem with further discussion on the means of implementation, capacity building, technology transfer and financial resources. The key issues include energy accessibility, energy efficiency, renewable energy, advanced fossil fuel technologies, nuclear energy technologies, rural energy and energy-related issues in transportation. It also includes provision for consideration of regional initiatives and endeavors, and success stories in the promotion of energy for sustainable development.

A proposed agenda item in the earlier draft of the provisional agenda, to review progress made since UNCED, was deleted following doubts expressed by the G-77/China about the relevance of this issue to the mandate of the Expert Group. Other discussions included whether to include an agenda item on market reforms and the priority to be accorded to the item on success stories.

CLOSING PLENARY

On Friday, 10 March, Co-Chair Freudenschuss Reichl opened the final Plenary meeting of the Expert Group. Delegates heard a statement by the World Bank, and considered the Expert Group's proposed intersessional programme of work and provisional agenda for its second session.

The World Bank underlined the importance of sustainable energy within the Bank and noted its recently approved environmental strategy for energy, "Fuel for Thought." Noting the need for a proactive approach, he emphasized the importance of, *inter alia*: rural energy; increased action on urban air pollution; development of new technologies; promotion of renewable energy sources; and the effective transfer of knowledge. He stressed the importance of motivating investors to view clean energy as a good and profitable business, and underlined the benefits of deregulation, decentralized private commercial schemes, and the development of new business models. He identified current activities of the International Finance Corporation (IFC), and noted the potential catalytic role of the recently approved carbon fund.



INTERSESSIONAL PROGRAMME OF WORK: Co-Chair Freudenschuss Reichl introduced Annex I, containing the inter-sessional programme of work, which includes a listing of ongoing and planned initiatives that will support the work of the Expert Group and further work to be undertaken in preparation of the Group's second session.

The EU welcomed the emphasis on regional activities and the importance of drawing on experiences. He drew attention to the ongoing Energy Week of the World Bank and the work of the Inter-Agency Task Force on Energy. JoAnne DiSano, Director of the UN Division for Sustainable Development, said the Inter-Agency Task Force on Energy is comprised of all UN agencies involved in energy issues. She said the Task Force was compiling a comprehensive overview of the agencies' relevant activities. She pledged to work with the Co-Chairs to ensure that a timely and comprehensive input is made by the Task Force into the work of the Expert Group. CANADA informed delegates of two upcoming meetings to be hosted by the Canadian Government. The NETHERLANDS drew attention to the Sixth Conference of the Parties to the FCCC to be held in The Hague, noting the relevance of the results of that meeting to the work of the Group. DENMARK expressed its interest in advancing the understanding of structural reforms in the energy sector and said it was considering arranging a series of regional workshops on the subject. SAMOA welcomed the attention paid to regional initiatives, stating that this would help to address the problems of the smaller countries. The G-77/CHINA welcomed the information on the forthcoming activities and said that whereas his Group was supportive of formal and informal workshops and studies, the outcomes of these should be designed to inform and not upstage the intergovernmental process.

ICELAND, supported by AUSTRALIA, the EU and the US, proposed soliciting more input on success stories from governments. The US requested the Secretariat to compile information on regional initiatives and best practices to facilitate an exchange of ideas on efforts to promote sustainable development. SWITZERLAND noted that the FCCC Secretariat was involved in similar activities to compile experiences.

PROVISIONAL AGENDA FOR THE SECOND SESSION OF THE EXPERT GROUP: The Co-Chair invited comments on the Provisional Agenda for the Second Session. The final draft takes on board two new developments. The first new element reflects the desire of delegations to have separate chapters on advanced fossil fuel technologies and nuclear technologies. The second change is the exclusion of an element on input to the Rio+10 process, following doubts expressed by the G-77/China about the relevance of this issue to the mandate of the Expert Group. The US suggested that an item on "Learning from each other: Success Stories in the Promotion of Energy for Sustainable Development" be the focus of future discussion by the Expert Group, and proposed that it become the second item on the Provisional Agenda. The G-77/CHINA expressed concern that consideration of success stories might overshadow the issues of capacity building, technology transfer and financial resources, as set out in the extant second item of the Provisional Agenda. AUSTRALIA rejected a G-77/China description of success stories as a "side event," and recalled ICELAND's description of the Expert Group's work as a search for solutions. ICELAND supported the proposal to restructure the Provisional Agenda to focus on success stories. SWITZERLAND proposed integrating the existing second item on key issues with consideration of success stories. DENMARK, supported by the US, expressed disappointment and surprise at the absence from the Provisional Agenda of consideration of market reforms as an issue. He described his difficulties with not being allowed to place the issue on the agenda for discussion at an intergovernmental process, and noted

that the issue of market reforms is a live issue in many countries. The G-77/CHINA invited discussion on market reform in so far as it is linked to all the key issues. The Expert Group adopted a proposal from the EU to switch the order of the Provisional Agenda Items on Enhancing International Cooperation and Success Stories. On market reform, the Co-Chair cautioned that the Expert Group was unlikely to find agreement on this issue of substance during its deliberations on the organization of work.

CO-CHAIRS' SUMMARY OF THE DISCUSSION ON ENERGY AND SUSTAINABLE DEVELOPMENT: At 12:00 noon the third draft of the Co-Chairs' Summary was distributed to delegates. Co-Chair Freudenschuss Reichl noted that there was no procedural mechanism to integrate further comments on the Co-Chairs' Summary, and suggested that rather than rewriting the Summary, delegates should offer their thoughts on the expected outcome of CSD-9. The EU supported this proposal, noting that the draft was for information rather than formal discussion. The G-77/CHINA briefly identified concerns with some of the revisions to the draft, but noted the Group's intent not to revisit the document.

CONCLUSION: Co-Chair Freudenschuss Reichl presented the Draft Report of the First Session of the Group of Experts (E/CD.17/ESD/2000/L.1), to which the Co-Chairs' Summary would be annexed. Responding to the EU's query about the vacant position of Vice-Chair, the G-77/CHINA assured delegates that this would be addressed as soon as possible. The EU requested that the Secretariat's report of the meeting reflect that the absence of an EU comment on the revised draft did not imply agreement or disagreement with its content.

In their closing statements the G-77/CHINA and the EU thanked the Co-Chairs for their useful and professional work during the week. Co-Chair Freudenschuss Reichl then closed the first session of the Ad Hoc Open-Ended Intergovernmental Group of Experts on Energy and Sustainable Development at 12:45pm.

A BRIEF ANALYSIS OF THE MEETING

PRIMARY CONTOURS: IDENTIFYING EMERGING ENERGY ISSUES FOR CSD-9

There was a muted air of expectation Monday morning, as delegates to the Expert Group on Energy gathered to address an issue critical to the attainment of sustainable development: how to alleviate poverty by ensuring an increased supply of energy, while at the same time addressing local and global environmental threats. It is a high stakes question, with inevitable scope for conflict between, on the one hand, the deeply embedded interests of the fossil fuel and nuclear energy lobbies, and on the other, an increasing appreciation of the radical transformation of traditional energy supply and demand equations demanded by new and more sustainable development trajectories.

This brief analysis evaluates the outcome of the week's meeting by examining some of the factors that influenced the nature and levels of participation by delegations, and by identifying the potential stumbling blocks that lie ahead.

STUPOR TUESDAY: MOTIVATING EXPERT INTEREST IN THE CSD PROCESS: While the streets of New York were abuzz with anticipation of the outcome of the "Super Tuesday" presidential primaries, the mood at the Expert Group on Tuesday morning was a little less animated. Following the frisson of the Expert Group's unprecedented secret ballot on Monday, in which the Austrian Co-Chair Freudenschuss Reichl was elected (by a majority of 11 to 1, with 24 abstentions and 1 invalid ballot), discussions on Tuesday got off to a



quiet start. The call for a secret ballot from one delegation, provided some European capitals with a means to register their opposition to the new Austrian Government coalition.

Some delegates attributed the slow and disengaged mood of early deliberations to the low number of expert representatives from the capitals. This was particularly true of the G-77/China, where the prevalence of permanent representatives from New York missions was seen as one of the underlying causes of the Group's rigid resort to the assertion of core Group positions on Agenda 21, that many saw as being "thin in terms of the technical aspects of energy." This was despite the fact that 11 out of 37 submissions to the Secretary-General's report were from G-77/China members. A number of observers suggested that the nature of the G-77/China's participation constrained the level of discussion during the week, causing one concerned European delegate to comment: "We must work on this, by ensuring a more informed representation." He indicated that intersessional efforts would be made to directly engage country experts with an established interest in the issues.

A number of reasons were offered to explain the low number of experts participating from the G-77/China. Some observers highlighted that the problem was a shortage of resources, noting that funding to enable participation by developing countries who are not members of the CSD was limited to contributions from one Scandinavian donor. Others pointed to the timing of notification to capitals, and to the late distribution of documentation.

Several observers noted the large number of OPEC expert representatives, suggesting that this reflected the higher political stakes of OPEC countries. The timbre of some arguments presented by the Nigerian Chair provoked some speculation regarding the extent to which the G-77/China's varied interests were being adequately represented. It was observed that the possibility for unrepresentative statements was compounded by the poor institutional arrangements immediately prior to, and during, the meeting for soliciting input from G-77/China members. The G-77/China convened a mid-week meeting of the Group to discuss some of these problems with the Nigerian Chair. The Chair was requested to more accurately reflect the diversity of country circumstances within the Group in his statements to the Expert Group.

If there was the slightest cause for speculation on potential disagreement within the G-77/China camp, there was reason too to ponder the dynamics within the European Union. During the roller-coaster ride that comprised the week's meeting, arguably the two lowest points in the week's discussions bore the imprints of discord within the EU: Monday's secret ballot to elect the Co-Chair and Thursday's halt in proceedings in response to the EU's point-of-order. On the latter issue, a standoff emerged between the EU Chair, Portugal, and the Co-Chairs, following Co-Chair Salamat's initial refusal of a European request for an adjournment to complete their coordination of a common position. Underlying the tensions were two related issues: one procedural and one substantive. There was a sense among European Union delegates that compliance with the Co-Chairs' request to offer general comments, rather than engage in a drafting exercise, had not been followed by some other delegations. In lieu of detailed verbal proposals, the EU submitted a detailed background paper only to find that some core issues on market reform and pricing had not been adequately reflected in the Co-Chairs' second Summary. The adjournment was granted after G-77/China and others supported the EU request for more time to coordinate its response.

CSD AND THE POLITICS OF THE GOP (GRAND OLD POSITIONS): While there may have been fertile ground for speculation on potential cracks within the EU, mainly on procedural issues, on matters of substance the EU portrayed a consistent message. It is

evident that at future meetings, the EU will be emphasizing the issues of market reform, liberalization in the energy sector, internalization of externalities (read energy taxes), and the phasing out of environmentally harmful subsidies. This emphasis on the creation of investor-friendly "enabling environments" for the mobilization of the private sector within developing countries was sufficient to provoke an animated response from the G-77/China. Brazil interpreted the EU efforts as an attempt to impose the Union's own political agenda. There appears to be potential for some meeting of minds on these issues. However, there is concern with the G-77/China's unyielding opposition within the CSD forum, at the expense of a more nuanced debate.

The question for delegates is how to draw back from a dead-end debate based on a simplistic dichotomy of interests and on rhetorical defenses of core Agenda 21 language on technology transfer, capacity building and financing sustainable development. By interpreting calls for the internalization of externalities as a developed country agenda, the G-77/China Chair helps to obscure the fact that pricing remains a contentious issue within the industrialized countries, notably for the United States, where the failure to walk the market talk has been well observed.

One issue that spurred a number of delegations to speak for the first (and only) time, and which also solicited active corridor comment from NGO observers, was the contested role of nuclear power in sustainable development. Strong statements were made by a number of individual EU member States, Poland and the Republic of Korea. The most vocal proponent of the nuclear option, Canada, despite support from Iran and the Russian Federation, has been described as increasingly isolated. On the margins of this debate, of course, is the emerging debate on the FCCC Clean Development Mechanism (CDM) and passionate opposition among NGOs, and green-tinted European coalition governments, to calls for the inclusion of nuclear power as a climate-friendly technology.

Other issues for further debate will include: the promotion of renewables; the concerns of developing countries on issues relating to labelling, certification, and financing; and the timing and nature of a role for the Kyoto Protocol's flexible mechanisms. Co-Chair Salamat flagged his interest in a debate on the question of credits and the CDM but, perhaps wisely, dropped his suggestion without further comment.

MOVING BEYOND THE GOP? A feature of the Expert meeting has been the spirited interjections of the G-77/China spokesperson, who introduced a humorous air to the proceedings. It will take more than good spirit, however, if these meetings are, in his words, "to touch the life of the common people in a practical way." For this to be realized, delegates may need to move beyond the forced opposition of "Grand Old Positions" relating on the one hand to technology transfer, capacity building, and financial assistance, and on the other to the removal of subsidies and greater market liberalization. One key to such a breakthrough may be effective use of the proposed intersessional work at the regional level. As one observer noted, the regional activities stimulated by the preparations of the CSD-9 agenda may produce some of the most fruitful deliberations and results. The intersessional process will be as important as the final output from the 2001 session. There is little doubt that such activities will provide useful opportunities for experts to become more actively engaged in the process and allow the CSD to reflect on and contribute meaningfully to conditions within regions. In this way the Commission will help to bring Agenda 21 down to earth.



THINGS TO LOOK FOR: ENERGY

INTERGOVERNMENTAL TASK FORCE ON ECE

CONTRIBUTIONS TO CSD-9: This Task Force meeting will take place in Paris from 23-24 March 2000. The Meeting will, *inter alia*, identify the priority sustainable energy issues in the ECE region, taking into account the WEA findings and recommendations, commence preparations for a High-Level Multi-stakeholder Forum on Sustainable Energy in a Competitive Market, in September 2000. For more information, contact: Slav Slavov, United Nations Economic Commission for Europe, Geneva, tel. +41 22 917 2444/2404; e-mail: slav.slavov@unece.org.

INTERNATIONAL ENERGY EVENTS IN CANADA: The following international events will be hosted by Canada. For more information visit the associated web sites. GLOBE 2000 Conference and Trade Show - Opportunities for Business and the Environment, from 22-24 March 2000, in Vancouver, British Columbia (<http://www.globe.ca>); World Forum on Energy Regulation, from 21-24 May 2000, Montreal, Quebec, (<http://www.energyforum.org>); World Petroleum Congress, from 11-15 June 2000, Calgary, Alberta, (<http://www.wpc2000.com>); and International Fuel Ethanol Workshop and Trade Show, from 20-23 June 2000, Windsor, Ontario, (<http://www.wpc2000.com>).

CTI/INDUSTRY JOINT SEMINAR ON TECHNOLOGY DIFFUSION IN LATIN AMERICA AND THE CARIBBEAN: This seminar will be held from 27-28 March 2000, in San Salvador, El Salvador. It will focus on the role of the private sector in the diffusion of climate friendly technology. For more information, contact: Megan Gardiner, CTI Secretariat at the International Energy Agency; tel: +331-4057-6684; e-mail: megan.gardiner@iea.org; Internet: <http://www.ClimateTech.net>

UNITED NATIONS CLIMATE CHANGE CONVENTION WORKSHOPS: A number of workshops are being organized in accordance with decisions by the Fifth Conference of Parties (COP-5) to the United Nations Framework Convention on Climate Change (FCCC) in preparation for the Sixth Conference of the Parties (COP-6). Participation at these workshops is by invitation. These include: technology transfer for the Latin America and the Caribbean region (29-31 March in El Salvador); best practices in policies and measures (11-13 April in Copenhagen); and non-Annex I communications for Latin America and the Caribbean (1-5 May in Costa Rica). For more information, contact: the UNFCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.de; Internet: <http://www.unfccc.de/sessions/index.html>

CLIMATE POLICY WORKSHOP: FROM KYOTO TO THE HAGUE - EUROPEAN PERSPECTIVES ON MAKING THE KYOTO PROTOCOL WORK: This workshop will take place from 18-19 April 2000, in Amsterdam, and is being organized by the European Forum on Integrated Environmental Assessment. The workshop will review scientific information relevant for the EU and its member states in preparing for COP-6, and will aim to enhance the policy relevance of climate-related research in Europe. For more information, contact: Albert Faber, RIVM; tel: +31-30-274-3683/3728; fax: +31-30-274-4435; e-mail: albert.faber@rivm.nl; Internet: http://www.vu.nl/english/o_o/instituten/IVM/research/efiea/announce.htm

BERMUDA WORKSHOP: The International Network of Small Island Developing State NGOs and Indigenous People (INSNI) will host a conference in Bermuda from 5-8 June 2000, to follow up the Barbados Plan of Action and recommendations from the 1999 World Conference on Renewable Energy and Climate Change in Denmark. For information, contact: Pauulu Kamarakafego, INSNI, tel +441 292-2264; fax +441 295 7890.

TWELFTH AND THIRTEENTH SESSION OF THE FCCC

SUBSIDIARY BODIES: SB-12 and SB-13 will be held in Bonn, Germany, from 12-16 June 2000 and from 11-15 September 2000, respectively. These meetings will be preceded by one week of informal meetings, including workshops. For more information, contact: the FCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.de; Internet: <http://www.unfccc.de>.

INTERNATIONAL EXPERT MEETING ON ENVIRONMENTAL PRACTICES IN OFFSHORE OIL AND GAS ACTIVITIES: This Expert Meeting will take place in Stavanger, Norway, from 29-30 June 2000. The organizers are the Government of Norway in cooperation with UNEP, the Netherlands, the International Association of Oil and Gas Producers and the World Wide Fund for Nature. It will focus on: encouraging a strengthening of environmental practices related to offshore oil and gas activities within regions, in particular less developed regions; information exchange; and providing input to CSD-9. For more information, contact: Steinar Nesse, Project Coordinator, tel: +47 51 50 61 30, e-mail: steinar.nesse@dnv.com.

WORLD RENEWABLE ENERGIES CONGRESS: This meeting will be held from 1-7 July 2000, in Brighton, England. Hosted by the World Renewable Energy Network, it is being co-sponsored by several organizations, including UNESCO, UNDP and the European Economic Commission. For more information, contact: A. Sayigh, 147 Hilmanton, Lower Earley, Reading RG6 4HN, UK; tel: +44-1189-611-364, fax: +44-1189-611-365; e-mail: asayigh@netcomuk.co.uk; internet: <http://www.wrenuk.co.uk/brighton/topics.html#topics>.

FIFTH INTERNATIONAL CONFERENCE ON GREENHOUSE GAS CONTROL TECHNOLOGIES (GHGT-5): This conference will take place from 13-16 August 2000 in Cairns, Australia. It will provide a forum for the discussion of recent advances in the area of greenhouse gas control technologies, including CO₂ capture, storage and utilization. For more information, contact: GHGT-5 Secretariat, Colin Paulson, CSIRO Energy Technology, PO Box 136, North Ryde, NSW 1670, Australia; tel: +61-2-9490-8790; e-mail: c.paulson@det.csiro.au; Internet: <http://www.ieagreen.org.uk>

ENERGY AND SUSTAINABLE DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN: The Latin American Energy Organization (OLADE) and the German Government are among the sponsors of four subregional seminars on Energy and Sustainable Development in Latin America and the Caribbean: Approaches To Energy Policy. The seminars will take place as follows: Central America, from 13-20 August 2000, in a location to be announced; Andean Community, from 10-17 September 2000 at OLADE, Ecuador; Mercosur with Chile and Bolivia, from 1-8 October 2000, at UN-ECLAR, Santiago, Chile. For information, contact Francisco Figueruera, e-mail: figuerueroa@olade.org.ec.

SEVENTH INTERNATIONAL ENERGY FORUM: The Government of Saudi Arabia will host the Seventh International Energy Forum, from 17-19 November 2000, in Riyadh. For information, contact the Ministry of Petroleum and Minerals, Riyadh, Saudi Arabia or the Saudi Arabian Mission to the UN, 405 Lexington Avenue, 56th Floor, New York, N.Y. 10017, USA; tel: +1-212-697-4830; fax: +1-212-983-4895; e-mail: saudiarabia@un.int.

SIXTH CONFERENCE OF THE PARTIES TO THE FRAMEWORK CONVENTION ON CLIMATE CHANGE: FCCC COP-6 will be held in The Hague, the Netherlands, from 13-24 November 2000. For more information, contact: the FCCC Secretariat; tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.de; Internet: <http://www.unfccc.de>.