

**Informal Informal Consultations in Preparation for the International Meeting on the Ten-Year Review of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States**

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Three days of informal informal consultations were held in preparation for the International Meeting on the Ten-Year Review of the Barbados Programme of Action (BPOA) for the Sustainable Development of Small Island Developing States (SIDS) from 17-19 May 2004 at UN headquarters in New York. During the consultations, facilitated by Amb. Don MacKay (New Zealand), delegates undertook a second reading of the compilation text that was produced from the SIDS preparatory meeting held from 14-16 April 2004, in New York. (The *Earth Negotiations Bulletin*'s coverage of the SIDS preparatory meeting can be found at: <http://www.iisd.ca/sids/bpoa10/sidsprep/>.)

On Monday, 17 May, delegates considered the sections of the compilation Draft Strategy for the Further Implementation of the BPOA on: Climate Change and Sea-Level Rise, Natural and Environmental Disasters, Management of Wastes, and Coastal and Marine Resources. On Tuesday, 18 May, delegates addressed the sections on: Coastal and Marine Resources, Freshwater Resources, Land Resources, Energy Resources, and Tourism Resources. On Wednesday, 19 May, delegates considered the sections on: Tourism Resources, Biodiversity Resources, Transport and Communication, Science and Technology, Graduation, Trade: Globalization and Trade Liberalization, Sustainable Capacity Development and Education for Sustainable Development, Sustainable Production and Consumption, National and Regional Enabling Environments, Health, and Knowledge Management and Information for Decision Making. Delegates did not have sufficient time to address the sections on Culture, Implementation, Access to Financial Resources, and Monitoring and Evaluation. On Wednesday afternoon, delegates considered the way forward, deciding to hold an additional three days of informal informal consultations in October or November 2004 and to determine the need for further informal consultations at that time.

This briefing note outlines the key discussions that took place during the consultations. Paragraph numbers reflect those in the compilation text released following the conclusion of the April preparatory meeting. The next round of informal consultations will be based on a revised negotiating text released on 19 May at the conclusion of the consultations.

## **DISCUSSIONS ON THE COMPILATION TEXT**

On Monday morning, 17 May, Amb. MacKay opened the informal informals and highlighted the need to maintain the momentum in this process. He said the informal informals will be open and transparent, and added that “nothing is finally agreed, until everything is agreed.” He suggested that delegates avoid discussions on the generic issues that arise throughout the document, including:

- the chapeau language reflecting the responsibility of SIDS and the international community with regards to various issues;
- the use of directive language; and
- the use of the pronoun “we” in the document, noting that this pronoun is used in the Barbados and Almaty Declarations, but not in the respective plan of actions.

He invited delegates to proceed with discussions on the compilation text on a paragraph-by-paragraph basis. Throughout most of the consultations, the Group of 77 and China (G-77/China) opened discussions on each section with its response to proposals tabled during the SIDS preparatory meeting.

**GENERIC ISSUES:** The issue of the chapeau language concerning support needed from the international community arose throughout the document, with discussions focusing on language balancing the responsibility between SIDS and the international community in the development, management or implementation of various activities. While recognizing that different paragraphs call for variations in the drafting of the chapeau language, delegates generally agreed to work on the basis of a compromise chapeau reflecting that “SIDS, with the necessary support of the international community, will or should carry out the actions required.” This was the G-77/China’s preferred formulation, while the European Union (EU) favored reflecting that “SIDS will or should carry out the actions required, with the support of the international community.” Chapeau language throughout the document remains unresolved.

On language directing the international community, UN bodies or relevant organizations to carry out specific actions, the G-77/China preferred using “should,” the development partners favored “inviting” or “encouraging,” and delegates generally agreed to language “urging” such entities for support.

On generic references to the Millennium Development Goals (MDGs), the US noted that the MDGs were not internationally-agreed goals, and proposed instead to reference the “internationally-agreed goals including those in the Millennium Declaration.”

**INTRODUCTION:** Discussions concerning the introductory section centered on: the focus of the strategy document; reference to the principle of common but differentiated responsibilities (CBDR); reference to declines in official development assistance (ODA) levels; SIDS vulnerability; the participation of SIDS in international financial decision-making processes; good governance; security; human rights; the role of UN Department for Economic and Social Affairs (DESA) and the Office of the High Representative for

the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (OHRLLS); and gender equality.

On the EU proposal to prioritize commitment to MDGs and other internationally agreed goals in the document, Mauritius, on behalf of the G-77/China, noted its preference for focusing on the BPOA at the beginning of the document. He said the group was not opposed to mentioning the goals, but suggested that they be reflected later in document or in a political declaration.

On CBDR (paragraph 2), discussions focused on Australia's proposal to reference principle 7 of the Rio Declaration. The G-77/China opposed this reference, stating that their concerns extend beyond those of the environment to the whole issue of development. Australia said it could not agree on referencing the CBDR without citing the conference from which the principle arose. The G-77/China agreed to reference the Rio Declaration, but not Principle 7. Japan requested clarification on whether the principle of CBDR applied to developing countries as a whole, as whether specifying the application of the principle to SIDS would change the intent behind how the principle is applied. The text on this issue remains unresolved.

On the paragraph on SIDS having born the brunt of the costs of BPOA implementation (paragraph 3), discussions focused on the reference to ODA declines, which the US noted is misleading when taken out context and not juxtaposed with information on foreign direct investment (FDI) and other financial flows. This entire paragraph and the two alternative proposals by the EU and the US remain in brackets.

On paragraph 5, concerning SIDS vulnerability, discussions focused on the characterization of SIDS vulnerability and on facilitating SIDS in addressing their vulnerabilities. The US opposed characterizing SIDS vulnerability as "disproportionate," preferring instead to use the term "unique." Noting that "unique" alone does not capture the vulnerability of SIDS, Facilitator MacKay proposed, and delegates agreed on, incorporating BPOA language to reflect that SIDS vulnerabilities are "unique and particular." On facilitating SIDS in addressing their vulnerabilities, the G-77/China explained that the SIDS are looking for a multilateral framework, such as the General Assembly, where SIDS' unique vulnerabilities are recognized and where relevant decisions can be taken. The US agreed to reference the need for a multilateral framework in general. While expressing support to recognize the particular needs of SIDS, Ireland, on behalf of the EU, opposed the establishment of a new multilateral framework in this regard. The text relating to "multilateral framework" remains in brackets.

On paragraph 6 concerning the effective participation of SIDS in international financial decision-making processes, discussions focused on the EU's and Norway's proposal to delete language elaborating the need "for greater democracy, transparency and inclusiveness in the international financial and economic system," and on a US proposal to delete the whole paragraph on this issue. The G-77/China stressed the importance of this issue, noting that this paragraph builds on agreed language concerning participation in international financial decision-making processes in the Monterrey consensus and in

General Assembly resolution 58/202. Norway and the EU said they could agree to the principle of increasing the voice of developing countries in this context, but not specifically for SIDS. The US opposed this and noted that the current language implies that SIDS receive preferential treatment in these institutions. The issue remains unresolved.

On good governance (paragraph 7), discussions focused on the prioritization of this issue, and on the use of previously-agreed language. The US and the EU called for prioritizing the text on good governance and moving this paragraph toward the beginning of the document, while the G-77/China noted that good governance is not an issue for SIDS. Stressing the need to consider this issue in the context of the implementation of the BPOA, he said BPOA implementation is not linked to absence of good governance in SIDS, but rather to the lack of resources. On the use of previously-agreed language, several suggestions were made to reference: paragraph 4 of the Johannesburg Plan of Implementation (JPOI) (G-77/China); paragraphs 4 and 5 of the JPOI (Canada, US and Australia); or paragraphs 138 and 141 of the JPOI (Canada). Both the issues of prioritization and language remain unresolved.

On paragraph 8, concerning security, the G-77/China presented its reformulated text, which takes into account the EU proposal to amend language on the diversion of resources by security from the sustainable development agenda and the Australian proposal to, *inter alia*, regard security as a multidimensional concept. Discussions focused on the need to include the concept of human security, and to ensure that security is considered part of the sustainable development agenda. The G-77/China said it would further consider EU language that sought to link security to the sustainable development agenda.

The US highlighted its proposal to delete paragraph 10 on avoiding unilateral measures that impede the enjoyment of human rights, noting that the issues raised were not SIDS-specific. The G-77/China highlighted comparable language in the JPOI and suggested keeping this paragraph in brackets.

In paragraph 11, The G-77/China proposed new text clarifying the roles of DESA and the OHRLLS, and suggested moving this paragraph to the implementation section. He stressed the importance for sustainable development issues to remain under the auspices of DESA.

On paragraph 15, concerning gender equality, the G-77/China noted that in its reformulated text, it had incorporated Canada's proposal on promoting equal access to all levels of education. He also proposed that the reference to health services be changed to healthcare services. Canada called for language reflecting "full" in addition to "equal" access. This paragraph remains unresolved.

**CLIMATE CHANGE AND SEA-LEVEL RISE:** Discussions in this section focused on: the introductory paragraph concerning the effects of climate change; support from the

Global Environment Facility (GEF); and assistance from regional banks and international financial institutions (IFIs).

On the introductory paragraph (16), the G-77/China said it was still considering the various proposals put forth and called for postponing consideration of this paragraph. The EU tabled additional text, which was opposed by the US, on the need to stabilize greenhouse gas emissions. The introductory text, including the new EU proposal, remains in brackets.

On paragraph 17 on GEF support, delegates debated the mandate of the GEF with regard to the implementation of adaptation strategies. Underscoring the importance of climate change adaptation to SIDS, the G-77/China urged that GEF funds be made more accessible and not be restricted to technical studies, but extended to the implementation of adaptation strategies. The US noted that this issue was currently being discussed by the GEF Council, and delegates agreed to return to the issue following the outcome of the next GEF Council meeting. Delegates also discussed the appropriateness of this review process in directing the GEF, with the US opposing making any strong recommendations to the GEF. Text relating to GEF support remains in brackets.

On paragraph 18, assistance from banks and the IFIs in strengthening climate change coordination mechanisms, the US opposed language on this forum inviting the financial institutions and supported language placing the responsibility on SIDS to coordinate with these institutions. The G-77/China said the issue was not one of coordination, highlighted that SIDS had little influence in how the financial institutions operated and noted that SIDS were seeking assistance from these institutions. Text relating to this issue remains in brackets.

**NATURAL AND ENVIRONMENTAL DISASTERS:** The G-77/China presented its reformulated text for this section (paragraph 19), which was based largely on the EU alternative proposal put forth at the preparatory meeting. The new text recognizes SIDS' vulnerability with respect to the intensity and frequency of disasters and their efforts to strengthen national frameworks. It further outlines SIDS' commitment to strengthening regional disaster mitigation mechanisms and using the 10-year review of the Yokohama Strategy on Natural Disaster Reduction to address insurance and reinsurance arrangements for SIDS.

Discussions focused on the characterization of the vulnerability of SIDS, and whether or not insurance and reinsurance arrangements should be addressed during the Yokohama review process/Kobe-Hyogo World Conference on Disaster Reduction (WCDR).

On SIDS' vulnerability, delegates debated language characterizing the intensity and frequency of disaster events, and the disproportionate impacts of disasters on SIDS. The G-77/China highlighted findings from the Third Assessment Report of the Intergovernmental Panel on Climate Change on increased frequency of climate disasters in SIDS, and the US noted that there was no global trend regarding such events. The US

also proposed language recognizing the risk of SIDS, as opposed to the disproportionate impacts faced by SIDS, from disaster events. These proposals remain in brackets.

On insurance and reinsurance arrangements, the G-77/China noted that the issue of insurance was raised during the BPOA+5 review process and presented the Yokohama review process as an opportunity to further discuss the issue. Highlighting findings from Swiss Re reports, he stressed the need to address reinsurance in addition to insurance arrangements for SIDS. Delegates discussed whether the language on this issue prejudices the outcome of the Kobe Conference and decided to return to this matter after the second meeting of the WCDR Prepcom.

**MANAGEMENT OF WASTES:** The G-77/China said it was still considering proposals on this section (paragraph 20) and Amb. Mackay suggested postponing deliberation on this section.

**COASTAL AND MARINE RESOURCES:** Delegates addressed amendments to paragraphs on: implementation of the UN Convention on Oceans and the Law of the Sea (UNCLOS); sustainable fisheries; responsibility of distant water fishing nations; coral reefs and associated ecosystems; and regional initiatives.

On UNCLOS implementation (paragraph 22), delegates discussed whether oceans issues were given appropriate priority by SIDS. Regarding the call for the establishment of a financial mechanism, the US noted the need to recognize existing financial mechanisms, and delegates agreed to reflect the need for “further financial and technical assistance.” Regarding assistance to UNCLOS implementation, delegates agreed, with minor amendments, to a new G-77/China proposal to further the work on the assessment of seabed living and non-living resources within national jurisdictions.

On sustainable fisheries (paragraph 23), debates focused on two US proposals to reflect that SIDS: not serve as the flag State of fishing vessels in the absence of a genuine link; and not authorize vessels flying their flags to fish on the high seas in the absence of capacity to control the fishing operations of those vessels. The US stressed the importance of the genuine link, but noted its willingness to withdraw its proposal on this issue, if the G-77/China agreed to adopt the proposal on not authorizing vessels flying their flags to fish on the high seas. This latter issue was also prioritized by the European Commission (EC). The G-77/China noted that the study on the definition of a genuine link was ongoing, and added that the problem with flag States is not a SIDS-specific problem and should not be discussed in this forum. The US proposals remain in brackets.

On the responsibility of distant water fishing nations (paragraph 24), discussions focused on language directing such nations to provide support for SIDS, and whether such support would go towards more equitable management of resources. The EC and Japan supported, and the G-77/China opposed, language “inviting” the distant water fishing nations to support SIDS. Amb. MacKay suggested and delegates agreed to “urging” these nations. Highlighting the benefits that distant water fishing nations reap from fishing in SIDS waters, the G-77/China stressed the need for equity and a sharing of these benefits.

Japan opposed language reflecting the need for equity, and the Republic of Korea suggested “effective” in place of “equitable.” These proposals remain in brackets.

On coral reefs and associated ecosystems (paragraph 25), discussions on focused on: the basis of management approaches; whether to specify that marine protected areas (MPAs) be established in accordance with international law; and reference to the programme of work on marine and coastal biodiversity adopted at the seventh Conference of the Parties (COP) to the Convention on Biological Diversity (CBD).

Regarding management approaches, Japan, supported by Canada, stressed the need for management approaches to be based on scientific information. The G-77/China underscored the importance of taking into account traditional knowledge in this regard. Following some discussion on this issue, delegates agreed to language reflecting that SIDS would put in place “sound” management approaches. The Russian Federation, supported by Japan, stressed the need to clarify that MPAs would be established in accordance with international law. Japan also called for holding off all discussions on MPAs until the conclusion of the CBD technical expert meeting addressing this issue and the upcoming meeting of the open-ended informal consultative process on oceans and the law of the sea. On Norway’s proposal, supported by the EU, to take into account the CBD programme of work on marine and coastal biodiversity, the G-77/China noted that this programme of work focuses on coldwater reefs. Further discussions on this issue are pending Norway’s clarification on this point.

Discussions on the paragraph on coral reefs also focused on a list of relevant programmes and activities requiring support from the international community. Delegates discussed: which relevant programmes to include, with Canada adding a reference to the UNESCO Intergovernmental Oceanographic Commission’s marine science programmes; language concerning networks of MPAs, with the Russian Federation and the G-77/China to further consult on whether to use related JPOI language; and activities to address the impacts of mass coral bleaching. On the latter issue, the US opposed reference to “mass” coral bleaching and suggested text referring to “activities to enhance resistance to and recovery from episodes of coral bleaching.” The G-77/China opposed confining the activities to those specified by the US proposal, but agreed to drop the reference to “mass” coral bleaching following the US’s agreement to adopt its language on addressing impacts of coral bleaching.

On support for implementation of regional initiatives (paragraph 26), delegates deliberated whether to use the G-77/China language identifying initiatives to be supported, or the US alternative proposal for a general statement on SIDS working together with relevant development partners to develop and implement regional initiatives. Canada proposed merging the two proposals, opening with the more general US text followed by specifying the relevant regional initiatives.

**FRESHWATER RESOURCES:** Delegates addressed amendments to the introductory paragraph identifying SIDS challenges and priorities, and to paragraphs on support for: the SIDS-SIDS Joint Programme for Action for Water and Climate; meeting MDG and

JPOI targets; capacity building for freshwater and sanitation programmes; and implementing actions to strengthen national capacity.

Debate on the introduction (paragraph 27) focused on the link between saline intrusion and sea-level rise. The US opposed the G-77/China's reference to the causal link between saline intrusion and sea-level rise and climate change, and proposed either deleting reference to these causes, or including other causes of saline intrusion, such as poor water management. The G-77/China stressed the causal link, and highlighted studies on saline intrusion in uninhabited islands. This issue remains in brackets.

On implementing actions to strengthen national capacity (paragraph 31), the G-77/China proposed replacing its previous text on requesting support from the WMO with a new formulation that requests support for priority actions identified through a SIDS partnership initiative. Delegates requested more time to reflect on this new text.

Amendment to the other paragraphs in this section were minor, with delegates agreeing to the G-77/China's reformulated paragraphs that took into account many of the proposals tabled at the preparatory meeting.

**LAND RESOURCES:** Delegates addressed amendments to the introductory paragraph and to paragraphs on, *inter alia*: activities requiring support from the international community; GEF funding; food security; sustainable forest management; and mining and minerals.

The G-77/China presented, and delegates accepted, its reformulation of the introductory paragraph (32) that brought on board the EU's proposal to consider sustainable land-use in national strategies.

On activities requiring support from the international community (paragraph 33), delegates discussed the EU proposal to move to the trade section a subparagraph relating to support for developing capacity to meet certain WTO requirements. While not opposing that the subparagraph be moved to the trade section, the G-77/China proposed adding a reference to support for meeting requirements under relevant multilateral environmental agreements (MEAs) within the same subparagraph. The EU suggested that this new MEA-related proposal be placed in a separate subparagraph, while G-77/China urged keeping the issues together, noting that some MEA requirements are trade-related.

On paragraph 34, concerning GEF funding, the G-77/China presented its reformulated text, which recognizes that special needs have been accorded to SIDS by the CBD and the UN Convention to Combat Desertification (UNCCD), and encourages SIDS to present proposals to the GEF to address land degradation. The US and Canada questioned whether the UNCCD has accorded special recognition to SIDS and the G-77/China said it would further examine this issue.

On agricultural activities to increase food security (paragraph 35), the G-77/China presented its new text, which adopts several EU proposals, including to: enhance product

development and quality control; promote relevant research and use of appropriate modern technologies; and promote sustainable aquaculture. Delegates agreed to this new text.

On improving food security (paragraph 36), delegates discussed Canada's proposal to reference household food security. The G-77/China noted that this concept was currently being examined in the Food and Agriculture Organization (FAO) and preferred language addressing hunger at the macro-level. Canada agreed to withdraw its proposal. Delegates also discussed whether to reference the FAO as a source of support for research into food security strategies. The EU preferred referencing the Consultative Group on International Agricultural Research (CGIAR), noting that the FAO does not have a research mandate. The G-77/China noted that it was not opposed to citing the CGIAR, but urged retaining reference to the FAO. The reference to the FAO remains in brackets.

On paragraph 38, sustainable forest management (SFM), the G-77/China presented its reformulated text, which takes on board a number of the EU proposals, including on prioritizing the development and strengthening of SFM partnerships. The G-77/China requested, and the EU opposed, deleting reference to "negotiations" in the context of increasing stakeholder participation. The G-77/China noted that stakeholders cannot negotiate, and suggested replacing "negotiations" with "consultations." The EU requested more time to reflect on this. Delegates agreed to this paragraph, pending the decision on the reference to stakeholder participation in negotiations.

On mining and minerals (paragraphs 39-40), the G-77/China presented its reformulated text, based on the EU's proposed alternative text. The new text calls for the international community to support SIDS in improving national capacity for: policy and legislation formulation; development of databases and assessment of resources; negotiations with transnational corporations; and evaluation of mineral sector projects. While not opposing the new proposal, the US signaled its discomfort with addressing this issue, noting that there is only the briefest mention of mining in the BPOA, and that mining is not a SIDS-specific issue. Noting their small size and limited resources, the G-77/China underscored the importance of this issue for the SIDS. Delegates agreed to the new reformulation.

**ENERGY RESOURCES:** Delegates addressed amendments to paragraphs on: sources of energy supply; renewables; energy targets; and mechanisms for promoting SIDS-appropriate technology.

On the list specifying commercially-feasible energy options in paragraph 41, the G-77/China adopted Norway's proposal to include a reference to geothermal energy, and the EU and US proposal to reference biomass and hydro energy. He noted that the group opposed the EU proposal to delete reference to ocean energy, and the EU said it was willing to drop its reservation to this reference.

On the paragraph on renewables (paragraph 42), the G-77/China noted that it has not finalized its position on this issue and proposed postponing discussions on it.

On energy targets (paragraph 43), the G-77/China presented its reformulated text, based on the EU's proposed language, which recognizes SIDS commitment to strengthening and supporting efforts concerning energy supply and services, and balances the responsibility of the international community in renewing efforts to ensure that SIDS can achieve progress in this regard. The EU supported the new text, but requested clarification on why the JPOI target was not referred to. The G-77/China explained it was trying to be realistic, noting that it was a 2004 target. Delegates agreed to the reformulated text.

On mechanisms for promoting SIDS-appropriate technology (paragraph 44), the G-77/China presented a reformulation, which delegates agreed to. The new text is based on the US-proposed alternative paragraph, which sought to balance the responsibility of the SIDS and the international community in promoting SIDS-appropriate technology and strengthening existing mechanisms for this purpose.

**TOURISM RESOURCES:** Delegates addressed amendments to the introductory paragraph on challenges of the tourism sector, and to paragraphs on tourism development impacts and on sustainable tourism.

The G-77/China presented its reformulated introduction (paragraph 45), which takes on board the US proposal to delete reference to the limits of carrying capacity and the demands of the tourism sector on other sectors. The reformulated text also contains new language on linkages with other sectors, in particular between the tourism and agricultural sector. Delegates agreed to the new reformulation.

On tourism development impacts (paragraph 46), the G-77/China presented its new text, formulated on the basis of the EU proposal, which balances the responsibility of monitoring the impacts of tourism development between SIDS and regional and international tourism organizations. The new text also incorporates the EU proposal to state that SIDS should implement the guidelines on biodiversity and tourism adopted at CBD COP-7. The new text was adopted with some minor amendments.

On sustainable tourism (paragraph 37), the G-77/China presented, and delegates agreed to, a reformulated paragraph based on the EU proposal, which balances the responsibility for developing and implementing sustainable tourism plans between SIDS and regional and international organizations. The new text also takes on board the EU proposal to integrate such plans in national strategies for sustainable development (NSSDs).

**BIODIVERSITY RESOURCES:** Delegates addressed amendments to the introductory paragraph, and to paragraphs on actions required to achieve relevant biodiversity targets, and on technical and financial support.

On the introduction (paragraph 48), the G-77/China said it could not agree to the EU's proposed deletion of language stating that SIDS' rich biodiversity is of global significance. Delegates agreed to the original text.

On actions required to achieve targets set by the international community (paragraph 49), discussions focused on the chapeau language, and references to: the CBD guidelines on tourism; the CBD programme of work on protected areas; the Bonn Guidelines on access and benefit-sharing (ABS); and bio-piracy.

On the CBD tourism guidelines, the G-77/China noted its preference for retaining its text on ensuring that the CBD accounts for SIDS-specific cultural identities when preparing its tourism guidelines. Several delegates noted that the guidelines were already finalized and objected to this forum providing instruction to the CBD. The G-77/China said it would further reflect on this issue.

On the CBD programme of work on protected areas, Japan reiterated its proposal to postpone all discussions on protected areas. Delegates debated CBD COP decision VII/28 language referring to the establishment of a “globally representative system” of marine and coastal protected areas. The Republic of Korea said its proposal to qualify that marine protected areas are established in accordance with international law and based on the best available science is based on JPOI language. Both these issues are yet to be resolved.

On ABS, the G-77/China said it could not accept the EU/US proposal to reference the Bonn Guidelines. Following some drafting suggestions, delegates decided to keep text relating to this issue in brackets.

On bio-piracy, delegates discussed the use of the term and the call for establishment of protocols and regulations for addressing this issue. The EU, the US and Canada noted the lack of a definition for the term “bio-piracy.” Highlighting the problems of illegal access and acquisition of island biodiversity resources, the G-77/China proposed replacing “bio-piracy” with “illegal access and acquisition.” The EU opposed the G-77/China’s reformulated text, noting that the language on establishment of protocols and regulations prejudges the outcome of the CBD *Ad Hoc* Open-Ended Working Group on an international regime on ABS. Text on this issue remains in brackets.

Delegates also adopted, with minor or no amendment, proposals on:

- integrating biodiversity protection into NSSDs (EU);
- developing capacity to promote SIDS-SIDS cooperation (G-77/China); and
- supporting SIDS effort in building community capacity for conservation (G-77/China).

On technical and financial support (paragraph 50), the G-77/China noted that it retained its language on directing the GEF to support implementation and moderated its language on directing the GEF to apply its rules of access and simplify its disbursement procedures taking into account the special circumstances of SIDS. He presented the group’s reformulated proposal, which incorporates the EU proposal to welcome the third GEF replenishment and other relevant CBD decisions. The US, supported by the EU, said its agreement was contingent on the chapeau language. Noting that the issue of simplifying disbursement procedures appears several times, the US suggested and the G-77/China

agreed to consolidate this issue in a separate paragraph on the GEF. The EU urged including language on the importance of links between biodiversity protection and poverty alleviation. The G-77/China further highlighted the need to reference CBD COP-7 decision VII/20 on further guidance to the financial mechanism, which directs the GEF to provide financial resources to developing country Parties, taking into account the special needs of the LDCs and SIDS. Text relating to the issue of GEF support remains in brackets.

**TRANSPORT AND COMMUNICATION:** Delegates addressed amendments to the introductory paragraph and to paragraphs on: support for the development and management of infrastructure; regional transportation arrangements; information and communication technology (ICT), and liberalization of the telecommunications sector.

The G-77/China presented, and delegates agreed to, its reformulated introduction (paragraph 51), which takes on the US proposal to recognize the role of recent breakthroughs in communications technology in mitigating the isolation of SIDS.

On support for the development and management of transport infrastructure (paragraph 52), discussions focused on the language concerning support from the international community. The EU preferred language reflecting that the international community will continue to work with SIDS. The G-77/China disagreed, underscoring that it has not been possible to implement BPOA with the level of assistance the SIDS have been receiving. He further called for specifying that the new requirements concern security and urged increasing assistance in meeting these requirements. Delegates agreed to continue discussions on the basis of Amb. MacKay's compromise language.

On regional transportation arrangements (paragraph 53), the G-77/China presented, and delegates agreed to, a reformulated paragraph, which takes into account the EU and US proposals. The new text drops reference to the need for rationalization of air services in SIDS regions, and states that SIDS, with the support of the international community, should cooperate and develop viable regional transportation arrangements, including improved air, land and sea transport policies.

Delegates agreed to postpone consideration of paragraph 55 on ICT, noting a new Canadian proposal on this paragraph.

On liberalizing the telecommunications sector (paragraph 56), the G-77/China noted the importance of the telecommunications sector to SIDS governments and stressed the need to balance consumer choice and government fiscal strategy on revenue measures. Discussions focused on reference to seeking resolution on cost reduction measures from international service providers. The US opposed reference to seeking cost reduction measures, and the EU opposed seeking such measures through the World Summit on the Information Society (WSIS) process. Following some discussion, the G-77/China agreed to delete reference to cost reduction measures and delegates accepted Amb. MacKay's compromise text, which, *inter alia*, urges SIDS to consider further liberalizing their telecommunications sector, taking into account the national policy objectives.

**SCIENCE AND TECHNOLOGY:** Delegates addressed, *inter alia*, amendments to paragraphs on: the establishment of regional clearinghouse mechanisms for SIDS-specific technologies; support from UN bodies; and SIDSnet.

The G-77/China proposed moving paragraph 59, on establishing regional clearinghouse mechanisms for SIDS-specific technologies, to the implementation section.

On support from UN bodies (paragraph 60), discussions focused on whether the UN Commission on Science and Technology for Development has a research mandate and whether this forum should direct or invite relevant UN agencies to support various activities. The EU said it would redraft the language for this paragraph.

On SIDSnet (paragraph 62), the G-77/China proposed moving this paragraph to the implementation section. He presented, and delegates agreed to, the group's reformulation of the paragraph, taking into account both EU and Japanese proposals.

**GRADUATION:** Discussions focused on the EU's and US's proposal to delete this entire section. Noting that this is an issue of principle, the G-77/China underscored the need to dissociate the BPOA review process from the ongoing work of ECOSOC on this issue. He highlighted a proposed amendment in the title to "graduation," and noted the group's decision to replace the previous two paragraphs on graduation from LDC status (paragraphs 63 and 64) with one new paragraph stating that: "Graduation from LDC status should be based on an agreed methodology that demonstrates the country has made sustainable socioeconomic progress and the putting into place of a strategy to ensure a smooth transition. Graduation of SIDS from concessionary resources in multilateral institutions should be reviewed in light of their growing economic, social and environmental vulnerabilities."

The EU stressed that this process cannot add to ECOSOC's ongoing work. The G-77/China said it did not expect this forum to determine the methodology for graduation, but could express the way in which the SIDS think the issue of SIDS graduation should be addressed. The US and Australia noted that this proposal broadens the scope of graduation beyond LDC status, and questioned whether there was intent to address graduation from multilateral institutions. The G-77/China confirmed this, noting that it was considering graduation in all its aspects.

The G-77/China's new proposal remains in brackets, along with the EU and US proposals to delete the entire section.

**TRADE: GLOBALIZATION AND TRADE LIBERALIZATION:** Delegates discussed the introductory paragraph and a paragraph concerning SIDS representation and participation at the WTO.

On the introduction (paragraph 65), the G-77/China said it was still considering the EU proposals. The EU, supported generally by Canada and Australia, stressed the need to recognize the role of the multilateral trading system and trade liberalization in development, and to welcome the continuing work on the Doha Development Agenda. The US said it would continue to consider the EU proposal, but noted that trade issues

were not addressed in the BPOA. He stressed that his delegation is opposed to discussing trade issues in this forum and expressed concern that the international community was being asked to consider and accept special status for SIDS under the WTO and other organizations. The G-77/China noted that while the BPOA did not address trade issues, the issues of trade and globalization were addressed during the BPOA+5 review. He also said ministers at the SIDS preparatory meeting in Nassau, the Bahamas, in January were considering the new environment under which the BPOA is being implemented. Highlighting that trade-related concerns of SIDS have been addressed in several international fora, including the World Summit on Sustainable Development (WSSD) and the International Conference on Financing for Development, he stressed that there is sufficient basis for the BPOA review process to address the issue of trade.

On SIDS representation and participation at the WTO (paragraph 66), Australia proposed adding text encouraging the international community to continue its commitment to the Doha Development Agenda Global Trust Fund.

This entire section remains unresolved.

**SUSTAINABLE CAPACITY DEVELOPMENT AND EDUCATION FOR SUSTAINABLE DEVELOPMENT:** On actions required for capacity development (paragraph 69), the G-77/China agreed to incorporate a number of proposals, including the US and Canada's proposal to include building capacity to enhance the effective use of ICTs in achieving education goals. On building the skills base and techniques for decision making, Canada proposed targeting this action towards traditionally under-represented groups, including women. The G-77/China requested time to reflect on this proposal. He also proposed moving the action item on the establishment of a dedicated SIDS capacity development fund to the implementation section.

On education (paragraph 70), the G-77/China noted that Canada's new proposal to state that education is a human right is problematic, noting that it was unclear as to what level of education is a human right. Several textual and other minor amendments were made to the list of actions for furthering education for sustainable development. Canada proposed text on promoting quality comprehensive and accessible universal primary education, and text on ensuring that gender perspectives are integrated into support for basic infrastructure and curriculum development. These proposals remain in brackets.

**SUSTAINABLE PRODUCTION AND CONSUMPTION:** Delegates considered a new alternative US proposal for paragraph 71 that states that SIDS and their international partners should work together to assist SIDS in the development of mechanisms to address the challenges associated with the design and implementation of regional and national strategies. The G-77/China objected to this proposal, noting that solutions to the challenges presented by sustainable production and consumption extend beyond the creation of enabling national environments. The US withdrew its alternative text, but said it could not support the G-77/China's call for a new institutional setting to facilitate the 10-year framework of programmes on sustainable production and consumption. The G-77/China noted that it would propose alternative chapeau language for this section.

**NATIONAL AND REGIONAL ENABLING ENVIRONMENTS:** The G-77/China agreed to incorporate a number of amendments to this section (paragraph 72), including Canada's proposal to include regional enabling environments in the title. Regarding the list of required actions, the G-77/China agreed to the EU proposal to incorporate principles of sustainable development into "nationally-owned poverty reduction strategies." The G-77/China also proposed to specify that improving legislative, administrative and institutional structures to develop and implement sustainable development strategies occur "at the national level."

**HEALTH:** Discussions focused on Japan's proposal to provide SIDS with assistance for smooth application to the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (paragraph 74(a) *bis*). In response to the US request for clarification on the term "smooth application," Japan noted its readiness to send support staff and informational materials to better enable SIDS to apply to the Global Fund. Following some discussion, delegates agreed to language reflecting the role of "technical assistance bilaterally or through multilateral cooperation agencies to facilitate prompt access to funds from the Global Fund." A number of other minor amendments were made to this section (paragraphs 73 and 74).

#### **KNOWLEDGE MANAGEMENT AND INFORMATION FOR DECISION**

**MAKING:** Discussions on this section focused on the EU's and US's proposals to delete reference to the establishment of a financial mechanism to implement the Digital Solidarity Agenda (paragraph 75(e)). The G-77/China noted that it has reformulated its text, removing the call for a financial mechanism and highlighting the need for action to "implement the Digital Solidarity Agenda, including connectivity and development and access to hardware and software that are affordable." The EU noted that the implementation language and specified actions prejudice the outcome of the discussions on the Digital Solidarity Agenda at the WSIS. The G-77/China stressed the need for connectivity and affordable access, and expressed hope that the WSIS would address these issues. The EU noted that it supported the Digital Solidarity Agenda being advanced through the WSIS, but opposed specifying the issues of connectivity and affordable access. This item remains bracketed. A number of minor amendments were also made to this section (paragraphs 75-76).

#### **THE WAY FORWARD**

On Wednesday afternoon following the lunch break, Amb. MacKay highlighted the reality of not being able to reach a "comfortable" level of agreement on the text in preparation for the International Meeting (IM). Recognizing the progress made thus far and the constructive atmosphere of the discussions, he invited delegates to consider convening another round of informal informal consultations.

Noting the pace of progress, the US stated that negotiations could conclude with the five days of negotiations planned for the IM, including the two days of informal consultations prior to the IM and three days of negotiations at the IM. He said that the two days of

informal consultations prior to the IM would be unnecessary if further informal informals were held during the intersessional period.

The G-77/China noted the amount of outstanding issues, and favored another round of informal informals. He stressed the need to maintain momentum, and cautioned against having no SIDS-related consultations until the IM in Mauritius. He suggested the old IM dates of August/September as potential dates for the next round of informal informals, and proposed that the decision on the need for the two days of informals prior to the IM be taken at the end of the next round of consultations.

The EU agreed that more work needs to be done on the document before it is ready to be forwarded to the IM. She said the old IM dates are too soon for the next round, as it would leave five months of intersessional time.

While noting reluctance to convene for another round of informals, Canada recognized that more time is needed and expressed its willingness to engage in the process.

Australia said it did not think that there was that much text to go through, noting that the compilation text forwarded to the WSSD had more brackets and that delegates were able to conclude negotiations in the few days at Johannesburg. She agreed with the G-77/China on the need to maintain momentum, and with Switzerland, supported moving the dates of the informal consultations planned for the two days prior to IM forward to 2004.

Japan noted that the strategy document might not be the only outcome of the meeting, and questioned whether time was needed for negotiations on the political declaration.

After some discussion, Amb. MacKay proposed, and delegates agreed, to convene for another three days of informal informal consultations in October or November 2004, and to decide whether to hold the two days of informal consultations prior to the IM at the end of the next round of informals.

## **CLOSING**

At the end of the session on Wednesday, the G-77/China highlighted a number of new amendments to several paragraphs in the document. The EU requested that the G-77/China circulate these proposed changes. The G-77/China said it will continue to maintain contact with other delegations and circulate its proposed changes as soon as they were ready. Reminding participants that “nothing is agreed, until everything is agreed,” Amb. MacKay noted that he would not close discussions on any part of the document at any point. Delegates thanked Amb. MacKay and the Secretariat for their excellent work and support. Amb. MacKay closed the informals informals at 6:11 pm.