

Earth Summit Bulletin

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FINANCIAL RESOURCES

"NEW AND ADDITIONAL": TO, FOR, THROUGH AND UNDER WHAT?

Discussions on the issue of finance closed at PrepCom III with a clear understanding that finance would be top of the agenda for the first week's discussion at PrepCom IV. In fact, for some developing country delegations, agreement or at least substantial progress on the issue of finance is perceived as a prerequisite for agreement on other issues.

The major controversy centers around the question of "new and additional" resources. First, new and additional to what? Second, new and additional for what? Third, new and additional through what? And fourth, new and additional under what conditions?

On the first, points of discussion will include: whether "new and additional" means in respect to existing multilateral and bilateral flows; or whether "additional" means that there will be no reallocation of existing funds, although there is still the question of whether additionality means increases above the current average of 0.35% of GNP, or above the agreed UN target of 0.7% GNP.

On the second point, "for what", the possibilities include: simply the incremental costs of meeting obligations under new global environmental agreements or treaties; the costs of Agenda 21; or the sustainable development needs of developing countries, and Agenda 21.

On the third point, "through what", there is the question of which mechanism: the GEF, a "Green Fund", separate funds for each convention, incremental increases in development assistance - the "Earth Increment", or innovative financial mechanisms - for example through pollution taxes.

On the fourth point, "under what conditions", questions of governance and conditionality arise. How democratic and transparent will the mechanism be? Will the funds be automatic, that is, assessed and mandatory, not voluntary? Should the funds be compensatory and without conditions?

Developed countries concede the need for new and additional resources for the incremental costs of meeting obligations under global environmental agreements. They see this as going through the GEF mechanism. The resources are "new" in respect to the fact that the GEF is a new fund for a new and specific purpose. In other words, the resources are not diverted from elsewhere. Developed countries are not, however, as positive or willing to address the need to increase levels of development assistance substantially above current levels. Despite making general commitments to meeting the UN target of 0.7% GNP for development assistance, few countries are willing to lay down an agreed schedule for meeting that target. Several developed countries, in particular the United States, emphasize better deployment of existing resources in support of sustainable development, rather than increasing resources.

Developed countries are generally opposed to a proliferation of funds, including the Green Fund and separate funds for each convention, which the developing countries support. The position of developing countries is made quite clear in L.41, the negotiation text before the working group, drafted by China and Ghana on behalf of the Group of 77.

Developing countries see a clear need for mandatory contributions to ensure the predictable and unconditional flows of funds. This does not find favor with developed nations that wish to see commitments to funds matched by firm commitments to action and performance.

Common ground may emerge on the issue of governance of funding mechanisms to make them more transparent and democratic. There may also be areas of agreement on the recognition that increased financial flows should be part of a package de-

signed to generate resources for sustainable development, which must include action on improving terms of trade, debt relief, and a more supportive international economy.

But in all likelihood, the financial resources paper, L.41, will go to Rio heavily bracketed, but not so bracketed that it threatens agreements on the Biodiversity and Climate Change Conventions.

PREPCOM HIGHLIGHTS TUESDAY, 3 MARCH 1992

FINANCIAL RESOURCES (PLENARY)

The informal group on financial resources held its first session yesterday morning. John Bell, the Canadian vice-chair, outlined his plans for the week's discussions on this matter. He proposed a two-step procedure beginning with discussions on the general elements of the G-77 draft proposal (L.41) that would take up the first two sessions and then would adjourn into an informal-informal session to prepare a working draft that could lead to an agreed text.

In order to move negotiations along, Bell proposed that the delegates start negotiating paragraph-by-paragraph through the G-77 text. After several general interventions that touched on matters resolved at the last PrepCom, Bell reminded the group that these things had already been discussed during PrepCom III during the first reading of L.41 and summarized in L.54 (the Chair's compilation of views). Bell then read this document to the group.

The United States intervened on the issue of the GEF, agreeing with both Pakistan and Brazil that it is both inadequate and limited. The US mentioned that although the GEF is not the only mechanism to be used, it would be much simpler and practical to use as a way to implement Agenda 21. They called for changes in the GEF governance structure and attention to concerns regarding lack of transparency and accountability. The US further referred to their pledge of US\$50 million made last week and said that it is for the "new" GEF and that the GEF should not wait for the full three years of its pilot phase and move directly into full operation. The European Community stated its position that they would support the GEF's use to meet the incremental cost of fulfilling obligations under global environmental treaties, if the GEF were more accountable and transparent in its operations. The G-77 scheduled a working group meeting on financial resources for last night to develop, in part, their response to the EC. According to several G-77 delegates, they plan to put forth additional positions on finance. In the corridors, a G-77 country delegate was heard to say, "They may be talking about more money, but they are still talking about GEF."

TECHNOLOGY TRANSFER (PLENARY)

The informal group on technology transfer held its first session yesterday afternoon. Ambassador Utheim of Norway, the Vice Chair of the session, introduced the three Agenda 21 documents that the group must address: Transfer of environmentally sound technology (PC/100/Add.9), Science for sustainable development (PC/100/Add.10), and Capacity building for developing countries (PC/100/Add.11) and opened discussion on the first document. The Chair initially welcomed general comments from the delegates about the text as a whole.

Some of the interventions have given hints of what some of the remaining contentious issues may be. The US stated that they prefer the use of the term "technology cooperation," rather than "technology transfer." A number of developing countries, however, disagreed, stating that the word "cooperation" means a different thing altogether. In their view, one cannot have cooperation unless countries are on an equal footing.

A number of countries had problems with the title of Programme Area A: Improving Access to Environmentally Sound

Technology Information, Proprietary or Otherwise. These countries believe that the transfer of technology information is a separate issue from the transfer of technology itself.

Many had problems with the existing text and it appears as though many amendments will be offered. Ambassador Utheim suggested that all proposed amendments be given to the Secretariat by 10:00 am this morning so that they can be copied and distributed in time for today's 3:00 pm meeting when they will begin negotiating specific language.

EARTH CHARTER (WORKING GROUP III)

Working Group III started informal discussion on the Earth Charter today. Before opening the floor to government proposals, Chair Dr. Bedrich Moldan, of Czechoslovakia, outlined the headings of the 13 principles in his reference text for the Earth Charter. He made it very clear that he wanted discussion of the headings only and not on the substantive content, since this was not to be a drafting session. There was little support by developing countries for this working method on the basis that such discussion would prove to be a futile exercise, particularly since the ultimate Earth Charter will not even have headings.

Much of the morning was taken up with government interventions outlining additional principles to be included in the reference text. These included such principles as the right to access to technology and development of endogenous capacity; threats to environment as threats to peace and security; the need to preserve biodiversity and ecological processes; the role of women and indigenous peoples; and the special needs of developing countries. Moldan stated that the list of principles would remain open-ended through the negotiations and the list would only close at the moment the document was ready for formal approval.

In the afternoon session, Moldan presented a two-page compilation of all the additional principles that were identified in the morning. Concern was raised as to the coherence of these titles. This led to a G-77 proposal that, in the interim, discussions should focus on document L.8, instead of Moldan's text, and that the G-77 would come up with concrete language in the next few days.

A beleaguered Moldan responded to the G-77 proposal with two questions: 1) What kind of document will it be? and 2) How can we use it? The G-77 responded ambiguously, refusing to comment specifically whether they will table their text as actual negotiating text. Numerous countries expressed their disappointment with the G-77, citing, in particular, that discussion would revert to an unhelpful level of generality. Despite this apparent deadlock, Moldan led a discussion on the first seven principles in L.8. This discussion lasted the remainder of the afternoon.

IN THE CORRIDORS

There was a lot of grumbling in the corridors outside the official meeting rooms today by NGO representatives who were frustrated by the number of UN regulations that govern NGO access to PrepCom. Although it was generally appreciated that NGOs were able to observe informal sessions, a great deal of confusion

was caused when guards prevented all NGOs from entering the floor of Conf. Room 4 where informal discussions on technology transfer were taking place. NGOs were sent around to the gallery, thus preventing them from obtaining conference documents and talking with delegates. Moreover, NGOs are also prohibited from placing their own documents on the tables at the back of the conference rooms. The UN regulations state that any NGO document must be presented to the Secretariat for clearance before being placed on the tables. These regulations, it should be noted, are those of the UN and not UNCED.

The UNCED Secretariat's ticketing system for NGO access, seemed to exacerbate problems further. Due to lower than anticipated demand for seats, the UNCED Secretariat has announced that it is suspending its use of the ticketing system until the need arises.

THINGS TO LOOK FOR TODAY AT PREPCOM

FINANCIAL RESOURCES (PLENARY): Pakistan, speaking for the G-77, will begin the morning's session with an explanation of the funding mechanisms hinted at in document L.41, (the G-77 proposed draft negotiating text) on Financial Resources. The United States will probably make their statement today. Word is that the head of the US delegation will receive his negotiating position early this morning, since it is being written overnight in Washington. These last minute activities could signal a dramatic change in position by the US government on new and additional resources. Another key issue to watch is the type of new funding mechanisms required to finance that part of Agenda 21 that cannot be met by current mechanisms, such as UNEP, UNDP and IDA.

TECHNOLOGY TRANSFER (PLENARY): Watch for developing countries to continue to press for the removal of such barriers to technology transfer as intellectual property rights. It is believed that some developed countries who opposed the lessening of patent rules do so out of fear of the potential weakening of their economic competitiveness. Preferential access for developing countries is seen as unfair in light of the fact that developed countries have to pay market rates for this same technology. Negotiations on the actual wording of the text (PC100/Add.9) will begin today.

EARTH CHARTER (WORKING GROUP III): Discussion will continue on the principles outlined in document L.8 Rev.1. There is a great deal of mystery around the G-77's proposal to table new text. Is this G-77 text going to serve as the negotiating text or will it be given the same status as other countries' drafts? Dr. Moldan, the chair of Working Group III, alluded to the fact that the status given to the G-77 text would depend on what it actually looked like. There is still the question of whether enough support can be mobilized for Dr. Moldan's reference text or not. Look for a possible L.8 Rev.2 which, if produced, will compile additional government views regarding the 17 existing principles in L.8 Rev.1.

SCHEDULE OF PREPCOM IV EVENTS

OFFICIAL MEETINGS

March 4	10:00 am	UN Conference Room 4	Plenary (financial resources)	Open
March 4	10:00 am and 3:00 pm	UN Conference Room 1	Working Group III (Earth Charter)	Open
March 4	3:00 pm	UN Conference Room 4	Plenary (technology transfer)	Open

NGO MEETINGS

March 4	9:00 am	Conference Room C	NGO Strategy Session	NGOs
March 4	10:00 am	Church Center 11th Floor	Women's Caucus	Open
March 4	10:00 am	Church Center 10th Floor	Earth Charter Strategy Meeting	NGOs
March 4	11:00 am	First Ave. at 44th St (Karl Shurz Park)	Native American Leaders Press Conference	Open
March 4	1:00 pm	25 Tudor City Place Apt.# 1820	Strategy Session for Canadian NGOs	Canadian NGOs
March 4	1:00 pm	UNIFEM Building	Native Peoples Council	open
March 4	1:00 pm	United Engineering Center Room 125/126 on 47th St. & 1st Ave.	UNA USA Conference on Institutional Issues	NGOs
March 4	3:00 pm	UN Church Center	Issue Caucuses	NGOs
March 4	6:00 pm	UN Conference Rooms (TBA)	NGO-Government Dialogues	Open